Standard Bank Group

GOVERNANCE AND REMUNERATION REPORT 2020

Standard Bank IT CAN BE™

Also trading as Stanbic Bank

Our reporting suite

Our integrated report

Our primary report to stakeholders, providing a holistic view of our ability to create sustainable shared value in the short, medium and long term.

We produce a full suite of reports to cater for the diverse needs of our stakeholders. Our integrated report contextualises and connects to information in the following reports, which provide additional disclosure and satisfy compliance reporting requirements:

Governance and remuneration report

Discusses the group's governance approach and priorities, as well as the remuneration policy and implementation report.

Risk and capital management report

Sets out the group's approach to risk management.

Annual financial statements

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

Environmental, social and governance (ESG) report

An overview of the group's processes and governance structures, including task force on climate-related financial disclosures (TCFD).

Intended readers
Our shareholders, debt providers and regulators

Report to society (RTS)

Assesses the group's social, economic and environmental (SEE) impacts.

Intended readers
Our clients, employees and broader society

Subsidiary annual reports

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

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

We urge our stakeholders to make use of our reporting site at **https://reporting.standardbank.com/**. All our reports and latest financial results presentations, booklets and SENS announcements are available online, along with a glossary of financial and other definitions, acronyms and abbreviations used in our reports.

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

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

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

Contents

Corporate governance report

Remuneration report

How to navigate our reports

The following icons refer readers to information across our reports:

Refers readers to information elsewhere in this report.

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

Refers readers to information in other reports online.

GOVERNANCE **REPORT**

Our approach to governance

The 2020 financial year was unprecedented due to the impact of Covid-19 on the group and broader society. The year was a test to the rigour of our governance processes and our ability to be agile and ensure swift solutions for the group and its stakeholders.

The board is resolute about observing high standards of corporate governance, integrity and professionalism. It is during times like these where our belief is confirmed that good governance creates shared value and strengthens competitive advantage. This is achieved by supporting responsive thinking and ensuring responsible behaviour, enhanced accountability, effective leadership, robust risk management, clear performance management and greater transparency to stakeholders.

This report sets out how the group applied King IV principles and highlights some of the key items considered by the board in the period under review.

2020 HIGHLIGHTS

Board's response to Covid-19

2020 has been a year like no other and the impact of the pandemic changed the way in which the board conducts its operations. The board successfully transitioned to conducting its business virtually. It focused on the impact of the pandemic on the group, its operations and stakeholders, and ensured appropriate oversight over the group's response. The board also conducted a virtual AGM for the first time, in line with the stringent national lockdown restrictions in place in South Africa at the time.

Read more on page 18 and refer to the notice of the annual general meeting.

Environmental sustainability

As noted in the chairman's letter in the annual integrated report, environmental sustainability is an important consideration for the group. In 2020, the group sought to clarify its position on environmental sustainability and its commitment to promoting inclusive and sustainable development across Africa. To this end, the group published its first task force on climate-related financial disclosures interim report and fossil fuel policy in 2020.

Read more on page 15.

Board changes

To complement the board's current skillset, Paul Cook, Priscillah Mabelane and Nonkululeko Nyembezi were appointed to the board.

Hao Hu resigned and was replaced by Xueging Quan. Following changes in her professional portfolio, Priscillah Mabelane resigned from the board and Peter Sullivan retired from the board at the close of the 2020 AGM. André Parker will retire from the board at the conclusion of the 2021 AGM having reached the mandatory non-executive director retirement age.

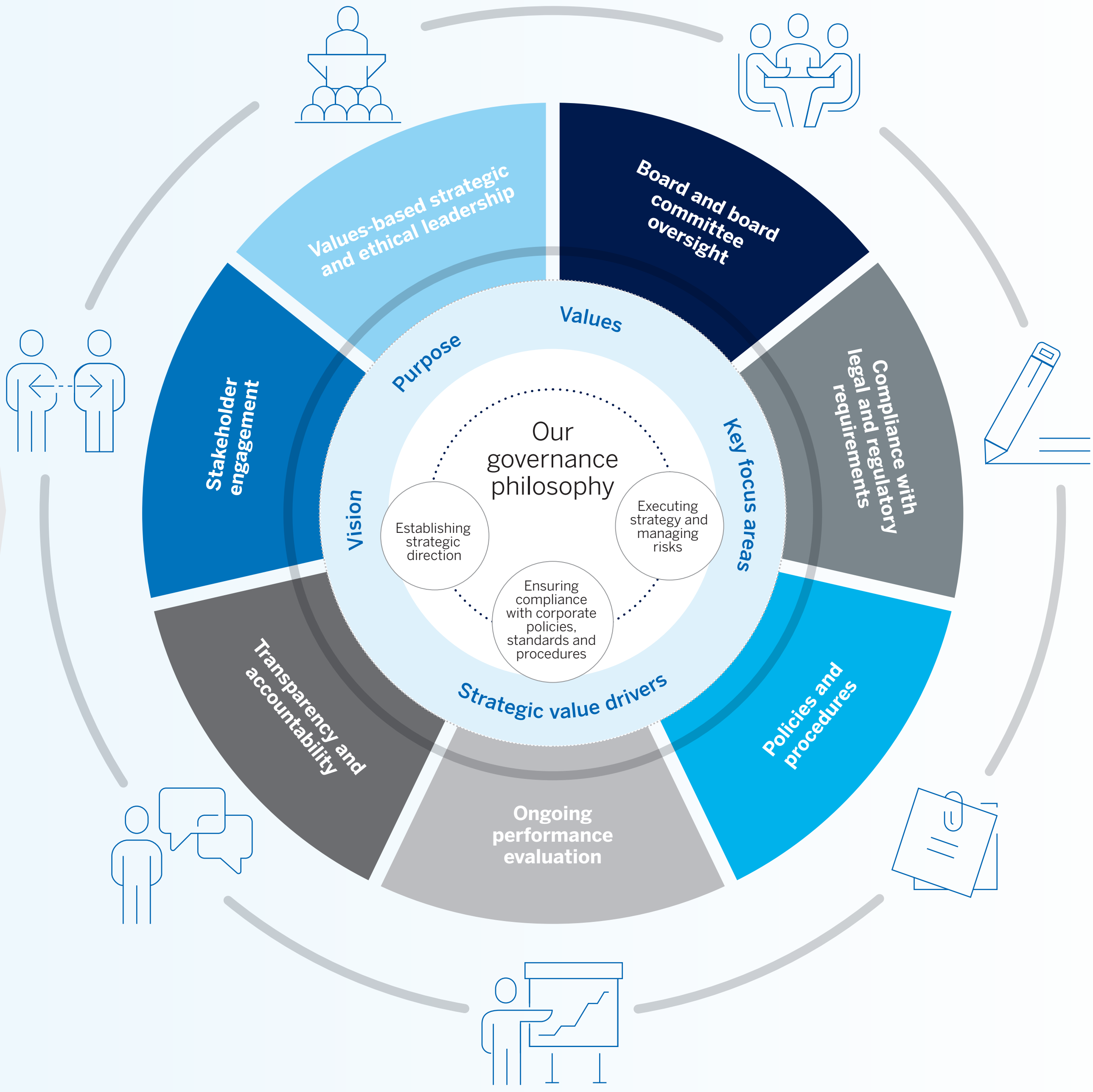
Trix Kennealy was appointed as the group remuneration committee chairman as well as lead independent director for the board following Peter Sullivan's retirement.

Read more on page 23.

Board evaluation

The board commissioned an external evaluation of its board effectiveness review in 2020. The results of the effectiveness review indicate that the overall board performance and that of its committees was considered effective. The board is satisfied that the evaluation process is improving its performance and that of its effectiveness.

A summary of findings from the review can be found on pages 42 to 43.


Our governance philosophy
Establishing strategic direction
Executing strategy and managing risks
Ensuring compliance with corporate policies, standards and procedures
Values
Key focus areas
Strategic value drivers
Vision
Purpose
Board and board committee oversight
Compliance with legal and regulatory requirements
Policies and procedures
Ongoing performance evaluation
Transparency and accountability
Stakeholder engagement
Values-based strategic and ethical leadership

Our board

Independence

13 independent | 3 non-independent | 2 executives

Tenure (years)

4 <3 | 9 3 – 6 | 2 6 – 9 | 3 >9

Nationality

13 South African | **2** Chinese | **1** Nigerian | **1** British | **1** Kenyan

1 Thulani Gcabashe 63

Chairman and independent non-executive director, SBG and SBSA

▲ Board meeting attendance: 11/11

APPOINTED:
1 July 2003
28 May 2015 as chairman

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

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

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

PREVIOUS ROLES:
- chairman of Imperial Holdings
- CEO of Eskom between 2000 and 2007

2 Xueqing Guan 57

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

▲ Board meeting attendance: 2/4*

APPOINTED
1 August 2020

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

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

APPOINTMENTS HELD:
- Board secretary ICBC

EXTERNAL DIRECTORSHIPS:
- None

PREVIOUS ROLES:
- General manager of corporate strategy and investor relations department of ICBC
- Head of Sichuan branch, ICBC

3 Jacko Maree 65

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

▲ Board meeting attendance 11/11

APPOINTED:
21 November 2016

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

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

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 South Africa

EXTERNAL DIRECTORSHIPS:
- Phembani Group

PREVIOUS ROLES:
- CEO of the group for more than 13 years
- senior banker focusing on key client relationships

4 Trix Kennealy 62

Lead independent director SBG and independent non-executive director SBSA

▲ Board meeting attendance: 11/11

APPOINTED:
21 November 2016

QUALIFICATIONS:
- BCom (University of Pretoria)
- BCom (Hons) (University of Johannesburg)

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

EXTERNAL DIRECTORSHIPS:
- Sasol

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

5 Sim Tshabalala 53

Group CEO, SBG and executive director, SBSA

▲ Board meeting attendance 11/11

APPOINTED:
7 March 2013

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

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

APPOINTMENTS HELD WITHIN THE GROUP:
- Liberty Holdings
- Liberty Group
- Stanbic Africa Holdings
- Tutuwa Community Holdings

OTHER GOVERNING BODY AND PROFESSIONAL POSITIONS HELD:
- Institute of International Finance
- International Monetary Conference
- Palaeontological Scientific Trust

6 Arno Daehnke 53

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

▲ Board meeting attendance: 10/10 (recused from one meeting)

APPOINTED:
1 May 2016

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

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

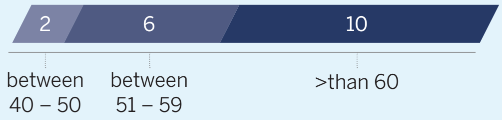
APPOINTMENTS HELD WITHIN THE GROUP:
- Stanbic Africa Holdings

PREVIOUS ROLES:
- head of the group's treasury and capital management function

* An apology was received for both special meetings which clashed with engagements scheduled prior to his appointment to the board. Xueqing Guan engaged with both the chairman and the group CEO on matters discussed at the meetings.

Race

Age



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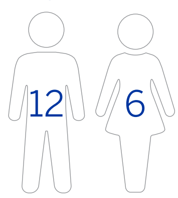
Committees:

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

Gender



7 Paul Cook 40

Independent non-executive director, SBG and SBSA

APPOINTED:
22 February 2021

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

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

EXTERNAL DIRECTORSHIPS:
- Silvertree Holdings
- CEO of Faithful to Nature

PREVIOUS ROLES:
- Co-founder and managing director of Silvertree Holdings
- Managing director, Ringier Africa Deals Group

8 Maureen Erasmus 60

Independent non-executive director, SBG and SBSA

▲ Board meeting attendance: 11/11

APPOINTED:
12 July 2019

QUALIFICATIONS:
- BCom (University of Cape Town)

KEY STRENGTHS:
- seasoned investment banker with international experience in emerging markets
- strategy development and execution skills
- firmwide risk management and capital allocation

OTHER GOVERNING BODY AND PROFESSIONAL POSITIONS HELD:
- African Leadership Institute

EXTERNAL DIRECTORSHIPS:
- Credit Suisse (UK)
- Mizuho International Plc
- PSI Global Healthcare
- Vanguard Asset Management
- Vanguard Investments (UK)

PREVIOUS ROLES:
- Partner, Bain & Company (UK)

9 Geraldine Fraser-Moleketi 60

Independent non-executive director, SBG and SBSA

▲ Board meeting attendance: 11/11

APPOINTED:
21 November 2016

QUALIFICATIONS:
- Master's degree in public administration (University of Pretoria)
- PhD (Honoris Causa) (Nelson Mandela University)
- Fellow of the Institute of Politics (Harvard)

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

OTHER GOVERNING BODY AND PROFESSIONAL POSITIONS HELD:
- UN economic and social council, committee of experts of public administration (chairman)
- Nelson Mandela University (chancellor)
- Mapungubwe Institute for Strategic Reflection
- Government Technical Advisory Centre Winter School Advisory Panel

EXTERNAL DIRECTORSHIPS:
- Exxaro Resources
- Tiger Brands (chairman)

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

10 Nomgando Matyumza 58

Independent non-executive director, SBG and SBSA

▲ Board meeting attendance: 11/11

APPOINTED:
21 November 2016

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

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

EXTERNAL DIRECTORSHIPS:
- Sasol
- Volkswagen of South Africa

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

11 Kgomotso Moroka 66

Non-executive director, SBG and SBSA

▲ Board meeting attendance: 10/11*

APPOINTED:
1 July 2003

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

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

OTHER GOVERNING BODY AND PROFESSIONAL POSITIONS HELD:
- member of the Johannesburg Society of Advocates

EXTERNAL DIRECTORSHIPS:
- Kalagadi Manganese
- Royal Bafokeng Platinum (chairman)
- Temetayo (chairman)
- Multichoice Group and Multichoice South Africa Holdings
- Netcare

PREVIOUS ROLES:
- non-executive director of South African Breweries
- acting judge in the Witwatersrand Local Division
- trustee of the Nelson Mandela Children's Fund and the Apartheid Museum

12 Nonkululeko Nyembezi 61

Independent non-executive director, SBG and SBSA

▲ Board meeting attendance: 11/11

APPOINTED:
1 January 2020

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

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

EXTERNAL DIRECTORSHIPS:
- JSE Limited (chairman)
- Anglo American Plc
- Macsteel Service Centres South Africa (chairman)

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

* An apology was received as the director was unable to attend a special board meeting.

7 Paul Cook

8 Maureen Erasmus

9 Geraldine Fraser-Moleketi

10 Nomgando Matyumza

11 Kgomotso Moroka

Committees:

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- **GSEC** – Group social and ethics committee
- **Remco** – Group remuneration committee
- **GMAC** – Group model approval committee
- **LEC** – SBSA large exposure credit committee
- Committee Chairman

12 Nonkululeko Nyembezi

...continues on the next page.

13 Martin Oduor-Otieno 64

Independent non-executive director, SBG and SBSA

▲ Board meeting attendance: 11/11

APPOINTED:
1 January 2016

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

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

OTHER GOVERNING BODY AND PROFESSIONAL POSITIONS HELD:
- SOS Children's Villages International
- Member of Council of the Africa Executive Coaching Council (AECC)

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

14 André Parker 69

Independent non-executive director, SBG and SBSA

▲ Board meeting attendance: 10/11

APPOINTED:
14 March 2014

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

KEY STRENGTHS:
- extensive experience of running businesses in Africa and Asia
- strong brand management in fast-moving consumer goods markets
- non-executive director experience with South African corporates

EXTERNAL DIRECTORSHIPS:
- Distell Group Holdings and Distell
- Empresas Carozzi (Chile)
- Spur Corporation

PREVIOUS ROLES:
- managing director of SAB Miller, Africa and Asia regions
- chairman of Tiger Brands

15 Atedo Peterside CON 65

Independent non-executive director, SBG and SBSA

▲ Board meeting attendance: 11/11

APPOINTED:
22 August 2014

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

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

OTHER GOVERNING BODY AND PROFESSIONAL POSITIONS HELD:
- Endeavor High Impact Entrepreneurship (chairman)

EXTERNAL DIRECTORSHIPS:
- Anap Holdings Ltd (chairman)
- Anap Business Jets Ltd (chairman)

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

16 Myles Ruck 65

Independent non-executive director, SBG and SBSA

▲ Board meeting attendance: 10/11*

APPOINTED:
18 January 2002

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

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

APPOINTMENTS HELD IN THE GROUP:
- Stanbic Bank Ghana

EXTERNAL DIRECTORSHIPS:
- The Bidvest Group Limited

PREVIOUS ROLES:
- deputy CEO of SBG
- CEO of the Liberty Group
- chairman of ICBC Argentina

17 John Vice 67

Independent non-executive director, SBG and SBSA

▲ Board meeting attendance: 11/11

APPOINTED:
21 November 2016

QUALIFICATIONS:
- BCom CTA (University of Natal)
- CA(SA)

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

EXTERNAL DIRECTORSHIPS:
- Anglo American Platinum

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

18 Lubin Wang 47

Non-executive director, SBG and SBSA

▲ Board meeting attendance: 11/11

APPOINTED:
1 June 2017

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

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

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

* An apology was received as the director had to undergo a medical procedure at the time of the special board meeting.

13 Martin Oduor-Otieno

14 André Parker

15 Atedo Peterside

16 Myles Ruck

17 John Vice

18 Lubin Wang

Committees:

- **DAC** – Directors' affairs committee
- **GAC** – Group audit committee
- **GRCMC** – Group risk and capital management committee
- **GTIC** – Group technology and information committee
- **GSEC** – Group social and ethics committee
- **Remco** – Group remuneration committee
- **GMAC** – Group model approval committee
- **LEC** – SBSA large exposure credit committee
- Committee Chairman

Value creation through good corporate governance principles

The challenges presented by the Covid-19 pandemic emphasised the importance of corporate governance and how the board executes its duties. The embedded governance practices continue to ensure that the board maintains its commitment to achieving high standards of corporate governance through transparency, good performance, effective controls, integrity and a sound ethical culture across the group.

This is established through the following mechanisms:

Internal controls:
frameworks, standards, mandates and policies, which cover all aspects of the organisation's activities.

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

The King Code forms the cornerstone of our corporate governance principles and practices

The governance objectives set out by the board are aligned to the principles of the King code. This report demonstrates the group's principles and structures for good corporate governance.

PRINCIPLES OF KING IV

Leadership, ethics and corporate citizenship ✓

1. Leadership – page 14
2. Organisational ethics – page 14
3. Responsible corporate citizenship – page 15

Strategy, performance and reporting ✓

4. Strategy and performance – page 16
5. Reporting – page 21

Governing structures and delegation of authority ✓

6. Role and responsibilities of the board – page 22
7. Composition of the board – page 22
8. Board committees – page 25
9. Evaluation and performance of the board – page 42
10. Appointment and delegation to management – page 43

Governance of functional areas ✓

11. Risk governance – page 46
12. Technology and information governance – page 46
13. Compliance governance – page 46
14. Remuneration governance– page 47
15. Assurance – page 47

Stakeholder relationships ✓

16. Stakeholder engagement – page 48

✓ Applied

Leadership, ethics and corporate citizenship

LEADERSHIP

PRINCIPLE 1

The board leads the group ethically and effectively.

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

2020 was an extraordinary year. As South Africa entered a national lockdown in March, the board transitioned seamlessly to virtual meetings. The group CEO and his executive management team kept the board informed about the group's response to the pandemic, as the organisation pivoted its operations at pace, focusing on supporting our customers during a period of intense uncertainty and fear, prioritising our employees' safety and wellbeing, and helping our local communities. The board was able to provide continued effective oversight, partnering with management to find solutions and to make time-critical decisions to steer the group's response to the pandemic.

As demonstrated in the board skills matrix on page 22, board members have the necessary competence to discharge their duties and to provide strategic direction and control of the group as provided for in the board mandate and the memorandum of incorporation (MOI), in the best interests of the group.

The group has a governance framework that ensures that there is effective leadership and outlines the board's governance structures.

Refer to page 22 on how the board retains effective control and page 42 for the board effectiveness review.

ORGANISATIONAL ETHICS

PRINCIPLE 2

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

Entrenching ethics

The board exercises oversight of executive management's efforts to foster a culture of ethics and appropriate conduct. The board and executive management set the tone from the top to inculcate a culture of treating customers fairly, achieving positive client outcomes, operating in an ethical and sound manner and doing the right business in the right way.

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

The committee's monitoring process includes the review of quarterly conduct dashboards, which it receives from all business units and corporate functions, together with internal audit reports on measures implemented to ensure compliance with regulatory and other legislative requirements.

Code of ethics

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

In the market (business conduct)	In the group (personal conduct)	In society (environmental, social and governance (ESG) risk, SEE, Citizenship)
placing our clients at the centre of our business, treating clients and competitors fairly	how we treat one another as colleagues and create an inclusive and supportive culture, and how we empower our people to speak out against behaviours that go against our values and ethics	how we manage our impacts on diverse stakeholders, society and the environment

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

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

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

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

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

Dealings in securities

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

RESPONSIBLE CORPORATE CITIZENSHIP

PRINCIPLE 3

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

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

Being a responsible corporate citizen

The board oversees and monitors how the consequences of the group's activities and outputs affect the group's status as a responsible corporate citizen, which affects its legitimacy. This oversight and monitoring are performed against the group's strategic value drivers.

Response to Covid-19

The Covid-19 pandemic put to the test every organisation's statement on responsible corporate citizenship, as organisations were called upon to step up and demonstrate corporate citizenship. The board is pleased with the group's demonstrable impact in the actions it took to provide relief measures to clients, to support and protect employees, and to provide humanitarian assistance in communities in which we operate. The board, together with GRCMC, GTIC, GSEC and GAC played important roles in guiding and overseeing the group's response to the impacts of Covid-19. The group's early and decisive response at the onset of the pandemic ensured that we were able to support our clients, keep our employees safe, and provide uninterrupted services. This response was supported by an up-to-date epidemic and pandemic preparedness plan and business continuity management plans, which were implemented early and effectively.

Read more on the board's Covid-19 response on pages 18 to 19.

RTS Refer to RTS for detailed reporting on the group's response and support provided to clients, employees and communities in which we operate.

Environmental sustainability

As Africa's largest banking group by assets, the board recognises the impact of the group's business activities on the societies, economies and environments in which it operates. The group has embedded social, economic and environmental considerations into its corporate strategy and day-to-day decision-making, and consistently works to maximise the positive impacts and mitigate any negative impacts arising from our business decisions and activities. The board recognises the threat posed by climate change to human health, food security and economic growth across Africa. The group has identified climate-related risk as a top enterprise risk and material issue and is working to better understand and manage its exposure to climate risk and assisting clients to do the same. It published its first TCFD interim report in 2020, together with a fossil fuel finance policy.

RTS Refer to RTS for detailed reporting on how the group has strengthened its sustainable finance portfolio.

Relevance

As a financial services organisation, the ability to innovate is critical to remaining relevant to customers. The board is committed to ensuring the group remains agile in order to meet the changing needs of customers and other stakeholders. The group's future depends on becoming a truly digital financial services group. In 2020, the board approved management's acceleration plans towards offering a wider range of digital services, to becoming a digital, client-centric services business.

Political party contribution

Requests for funding of, or decisions to fund, any political party are referred to the group chief risk and corporate affairs officer. We do not fund political parties outside of South Africa. In South Africa, we provide funding for political parties under our democracy support programme. This board-approved funding policy is reviewed every five years. Political parties receive no other financial support from the bank. Guidelines are in place to guard against the risk that such contributions be used inappropriately, by the bank, its employees or third parties, to obtain business advantage. In 2020, we made no contributions to political parties as all funds budgeted for this purpose were redirected to Covid-19 relief efforts.

RTS Refer to the RTS for more information regarding the funding of political parties, research institutions and non-government organisatons.

Strategy, performance and reporting

STRATEGY AND PERFORMANCE

PRINCIPLE 4

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

Delivering on good performance

The actions of the group are purpose driven, in line with the board-approved strategy and the group's vision. The board appreciates the interconnectedness between the group's purpose, vision, values and legitimacy, the risks and opportunities it navigates, its architecture and performance. The group's strategy is consistent with integrated thinking, and is linked to our strategic value drivers to ensure overall good performance resulting in shared SEE value.

CLIENT FOCUS
(value for clients):
Delivering relevant and complete digital solutions to our clients.

+

EMPLOYEE ENGAGEMENT
(value for employees):
Shaping a workforce that is ready to meet our clients' needs, now and in the future.

+

RISK AND CONDUCT
(value for all our stakeholders):
Doing the right business, the right way.

=

FINANCIAL OUTCOME
(value for shareholders):
Striving to generate sustainable returns.

SEE IMPACT
(value for society):
Driving positive SEE impact.

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

It considers reports on the group's performance against the strategic value drivers, and holds business deep-drill sessions with each business unit head to review plans and performance, including in-country business performance. The group's prescribed officers attend board meetings and are available to answer questions relating to the group's performance.

In 2020, the board approved management's plans to accelerate the group's ambitions of being Africa's leading digital financial services organisation. The board also approved the constitution of the group leadership council as the group's highest executive management structure, responsible for supporting the group CEO to achieve the agreed acceleration plans.

The group held its annual two-day strategy summit virtually in September 2020. The summit allowed the board to engage with executives and heads of business segments, client solutions, innovation and engineering on the group's transformation journey. Topics discussed included the competitive landscape and market dynamics, and a variety of macroeconomic scenarios taking into account the impact of Covid-19. Group executives talked the board through the transformation programme and provided feedback on the progress made to date as well as group capabilities per client segment, client solutions and engineering.

AIR For details on the group's strategy, refer to the annual integrated report.

Board meetings

1. A forward planner with standing agenda items is prepared by the group secretary.

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

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

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

A secure electronic software system is used to access board papers and materials. Board packs are circulated ahead of time to board members prior to meetings, allowing adequate time for the board members to apply their minds to the content. A resource centre containing comprehensive reference materials is also made available to board members via this secure system.

Prior to the introduction of lockdown restrictions in late March, board and committee meetings were held in-person on the group's premises. Following the institution of lockdown restrictions, all board and committee meetings were held virtually to ensure the safety of board members and employees. Restrictions were imposed on all business travel. The number of board meetings increased in the current period as the board met more regularly to agree and discuss the impact of the pandemic on the group and the group's response.

The following meetings were held:

- **Quarterly board meeting** — 04 March 2020
- **Special board meeting – The group' response to Covid-19 Employee's, clients and committees** — 03 April 2020
- **Special board meeting – consideration of the implications of SARB Prudential Authority Guidance Note 4/2020 for the group** — 08 April 2020
- **Special board meeting – Brand positioning – IT CAN BE and convening of an electronic AGM** — 20 April 2020
- **Special board meeting – SBG digital readiness acceleration plans** — 18 May 2020
- **Quarterly board meeting** — 27 May 2020
- **Special board meeting – execution plan for digital readiness acceleration** — 07 August 2020
- **Quarterly board meeting** — 19 August 2020
- **Board strategy summit** — 28 – 29 September 2020
- **Meeting with the South African Reserve Bank (SARB) Prudential Authority** — 23 November 2020
- **Quarterly board meeting** — 26 November 2020

BOARD'S RESPONSE TO COVID-19

The board and its committees considered the impact of the ongoing pandemic on the group. Below we highlight some of the actions taken by the board.

Client focus

Client support has been a critical focus for the board throughout this period. The board considered updates from business line leaders on the group's initiatives to support clients impacted by the economic fallout of the pandemic and associated restrictions on activity, and to ensure the health and safety of clients accessing branches and other group facilities. The board paid keen attention to customer satisfaction results using various metrics and tools and was pleased to note that feedback on the group's support during 2020 was positive overall. The board continues to monitor the impact of the group's activities on clients.

More on how we are supporting our clients, and on their experiences of the impact of Covid-19 can be accessed online at: **https://www.standardbank.com/sbg/standard-bank-group/whats-happening/voices-of-resilience/customers-show-theirresilience** and in the RTS.

Our employees

Employee wellbeing was a primary focus throughout 2020. The board considered the support provided to employees working at the group's premises, ensuring that the working environment was as safe as possible with appropriate health and safety protocols. It also noted the support provided to employees working remotely. The GSEC monitored the psychological wellbeing of employees and considered survey results conducted by management on how employees were coping throughout the year. It also considered the appropriateness of management's support in assisting employees to cope with some of the personal challenges the pandemic created.

More on how we have put people first can be accessed online here at: **https://www.standardbank.com/sbg/standard-bank-group/whats-happening/voices-of-resilience/people-first** and in the RTS.

Risk and conduct

The board ensured that the group had appropriate oversight regarding the impact of Covid-19 across all risk types, including credit risk, reputational risk, equity risk, operational risk, market risk and model risk. The GRCMC noted an overview of global and domestic regulatory interventions in response to the Covid-19 pandemic, including globally available economic and financial mitigants, as well as sovereign response and funding across jurisdictions in which the group operates. It reviewed the impact of the pandemic on the group's risk appetite, earnings at risk, capital adequacy and the liquidity position of the group based on various scenarios and assumptions. On this basis the board resolved to approve a temporary recalibration of internal capital adequacy targets, in line with SARB Prudential Authority Directive 2/2020. The outcome of detailed portfolio risk assessments and the various management actions taken as a result were considered by the board.

The GAC reviewed and approved changes to the 2020 internal audit plan as part of an in-depth review of internal audit's risk assessment and audit prioritisation session.

The GTIC assessed the vulnerability of the group's systems and technology and information-related risks associated with employees working from home. The board also considered the group's Always On, Always Secure strategy.

Financial outcome

The board is committed to achieving sustainable returns for the group over the long term, while also ensuring the soundness of the group and the preservation of its balance sheet. The board reviewed the financial performance of the group, the impact of Covid-19 on the macroeconomic outlook, and the updated 2020 financial forecasts, together with headline earnings projections, credit impairment charges, return on equity, credit loss ratio, cost-to-income ratio and capital and liquidity.

While the board fully recognises the importance of dividends to the group's shareholders, it also recognises the need to support the real economy in the form of funding to households and businesses amid the Covid-19 pandemic and recognises the importance of ensuring the stability of the group in the short, medium and long term. In issuing ordinary dividends, it considered the recommendations outlined in Guidance Note 4/2020 issued by the SARB Prudential Authority on the distribution of dividends to ordinary shareholders. It approved the payment of the 2020 SBG final ordinary dividend and resolved not to pay 2020 interim dividends. The board concluded that this was the right and prudent thing to do in order to preserve additional capital to allow the group to continue to serve the needs of its clients throughout the pandemic.

Social, economic and environmental impact

As one of Africa's largest financial services providers, the group is committed to being a responsible corporate citizen and to creating positive SEE impacts in the communities in which it operates. This was particularly important during this very difficult year. The board recognised the importance of engagement with diverse stakeholders to develop appropriate responses. This included engaging with governments to support joint initiatives, supporting clients through difficult times, and assisting communities through corporate social investment (CSI) interventions.

The GSEC considered management updates on initiatives undertaken to support society. The board considered reports from the group CEO on stakeholder engagements and took the outcomes of these engagements into account when deliberating on board decisions.

The board was pleased to note the positive external feedback received in relation to group's support initiatives to communities both through the maintenance of financial services and CSI initiatives.

Read more on the board committees' activities for the year from pages 26 to 41.

Clients and customers | Our people | Investors and shareholders | Regulators | Legislators and national governments | Political parties and civil society groups

Other key matters considered by the board during the year are included in the table below. In all considerations, key stakeholder interests were at the heart of board deliberations as indicated below:

Category	Key board discussions and decisions	Link to stakeholder groups
Strategy and business focus	• Considering and supporting SBG's future ready organisational structure, including the group CEO's constitution of the group leadership council and its intended focus on clients. • Attending the two-day annual board strategy summit which outlined the group's short to long-term plans, the group's beyond budgeting approach to strategic resource planning, the group's position in a competitive landscape and achieving its 'future ready' goals whilst keeping the client at the centre of operations.	● ● ● ● ○ ○
	• Considering competitor analysis reports which focused on the group's performance relative to its peers. • Noting the group's corporate activities, and intra group financing activities. • Considering business updates through the group CEO report and the business impact of the macro and microeconomic environment on the group's business and operations. • Receiving business plans and feedback from business unit chief executives during the business unit deep drills, including in-country subsidiaries.	○ ○ ● ○ ○ ○
	• Supporting the group's brand repositioning which sought to express the group's strategy and intention to be a future ready African services organisation while inspiring staff, attracting and retaining clients.	● ● ○ ○ ○ ○
	• Considering and approving the board and board committees' compositions to ensure that they are appropriate for the group's strategy and future plans.	○ ○ ● ○ ○ ○
Financial outcome	• Considering and approving the analysis of the interim and financial year end results booklet, annual reporting suite as well as the JSE SENS profit, dividend announcement (final ordinary dividend and preference dividends), notice of the AGM 2020. • Assessing the group's quarterly financial performance against budget. • Considering the group's going concern, liquidity and solvency assessment for the interim and year end periods. • Approving the declaration of preference dividends and considering declaration of ordinary dividends in the 2020 financial year in line with the SARB Prudential Authority Directive, the 2020 interim dividends were not declared. • Considering and approving the temporary recalibration of internal capital adequacy targets and risk appetite levels in line with the provisions of Directive 2/2020.	● ● ● ● ○ ○
Risk and conduct oversight	• Noting quarterly feedback from the group chief information officer on the number of IT incidents and status of the group's IT resilience.	● ○ ○ ● ○ ○
	• Considering the GAC's recommendation on the re-appointment of external auditors.	○ ○ ● ○ ○ ○
	• Approving the delegation of authority framework annual review. • Noting the capital and liquidity summary for the group, to ensure capital adequacy ratios were within risk appetite.	○ ○ ● ● ○ ○
	• Receiving feedback from the chairmen of GRCMC, GMAC, GAC, DAC, GSEC, Remco and GTIC.	○ ○ ○ ● ○ ○

Clients and customers | Our people | Investors and shareholders | Regulators | Legislators and national governments | Political parties and civil society groups

Category	Key board discussions and decisions	Link to stakeholder groups
Risk and conduct oversight continued	• Receiving regular feedback from executives on the group's conduct, as it relates to, among others, ethics, the treatment of customers and employee engagement.	● ● ● ● ○ ○
	• Considering the group's operational risk response to the Covid-19 crisis. • Noting regular feedback from executives and the crisis management team.	● ● ● ● ○ ○
Employee Engagement	• Considering the adequacy of management actions regarding support provided to employees during the period, including the impact on those working on the group's premises and those working from home. Ensuring management support was adequate, including health safety and mental health support. • Considering the group's new people promise, to support employees to win in the group's chosen markets, to be more human at heart and African at our core. • Considering the results from the annual 'Are you a Fan' employee survey.	○ ● ○ ○ ○ ○
Governance	• Approving the appointment of ICBC nominated non-executive director, Xueqing Guan and Paul Cook as independent non-executive director. • Receiving feedback through the SBG stakeholder engagement report, particularly engagement feedback from customers, employees, investors and shareholders, and regulators.	● ● ● ● ○ ○
	• Approving the 2020 corporate governance, risk and capital management process in line with regulation 39 of the Banks Act.	○ ○ ○ ● ○ ○
	• Approving the appointment of directors to subsidiary boards.	○ ○ ● ● ○ ○
	• Approving the amendments to the board nomination and appointment policy and the management of conflicts of interest policy.	○ ○ ● ● ○ ○
	• Considering and approving the convening the group's first electronically held AGM, and ensuring that shareholders and other stakeholders have adequate access to the board and executives.	○ ○ ● ○ ○ ○

Access to and flow of information

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

Conflicts of interest

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

In line with King IV, at the beginning of each board meeting, all board members are required to declare any conflicts of interest in respect of matters on the agenda. Any such conflicts are proactively managed as determined by the board and subject to legal provisions. Where conflicts have been identified, directors recuse themselves from the meeting when the board considers any matters in which they may be conflicted. The group secretary maintains a register of directors' interests, which is tabled at each board and committee meeting and any changes are submitted as they occur. In line with the JSE Debt Listings Requirements, the board's management of conflicts of interests policy is available online **https://www.standardbank.com/sbg/standard-bank-group/who-we-are/corporate-governance**.

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

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

REPORTING

PRINCIPLE 5

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

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

The group produces a full suite of reporting publications that caters for the diverse needs of stakeholders. All external reports are considered and approved by the board prior to publication and include:

Our integrated report

Our primary report to stakeholders, providing a holistic view of our ability to create sustainable shared value in the short, medium and long term.

AIR

Governance and remuneration report

Discusses the group's governance approach and priorities, as well as the remuneration policy and implementation report.

GOV/REM

Risk and capital management report

Sets out the group's approach to risk management.

RCM

Annual financial statements

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

AFS

Environmental, social and governance (ESG) report

An overview of the group's processes and governance structures, including task force on climate-related financial disclosures (TCFD).

ESG

Intended readers
Our shareholders, debt providers and regulators

Report to society (RTS)

Assesses the group's social, economic and environmental (SEE) impacts.

RTS

Intended readers
Our clients, employees and broader society

Subsidiary annual reports

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

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

The groups reporting suite is available online on the SBG investor relations website **https://reporting.standardbank.com/results-reports/annual-reports/**

Governing structures and delegation of authority

ROLE AND RESPONSIBILITIES OF THE BOARD

PRINCIPLE 6

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

The board has overall responsibility for governance across the group, and retains effective control through its governance framework, which includes among others, its corporate governance structure as well as board and board committee mandates. The board and committees' roles and responsibilities are set out in the terms of reference in their respective mandates. These mandates reflect the principles of the Companies Act, Banks Act, the company's memorandum of incorporation (MOI), King IV code on corporate governance, Basel Corporate Governance Principles for Banks, JSE Listings Requirements, and applicable law or binding regulatory provisions. The mandate, which also specifies matters reserved for board decision, is reviewed at least annually together with an assessment of the board performance against its terms of reference.

The board is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the period under review.

For more on the board and its committees' activities, refer to page 26 to 41.

COMPOSITION OF THE BOARD

PRINCIPLE 7

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

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

Skills of our board

- 72% Universal banking / banking
- 78 % Financial services/ insurance/asset management
- 89% Doing business in sub-Saharan Africa
- 83% Capital/risk management and controls
- 67% Accounting/ auditing
- 67% Digital and innovation
- 100% Leadership of a large complex organisation
- 89% Voice of the customer/client centricity
- 95% Culture/conduct/ ethics
- 83% People development/ diversity and inclusion
- 95% Remuneration/ reward
- 89% Governance / regulation/ public policy
- 83% Stakeholder relations/ corporate reputation
- 83% Environmental Social Governance (ESG)
- 44% Business transformation/ digital platform businesses

Changes to board composition

- We said farewell to our lead independent director and chairman of the remuneration committee, Peter Sullivan at the close of the AGM in June 2020. The board records its gratitude to Peter for his immense contribution during his time with our group.
- Following Peter's retirement, Trix Kennealy took over the role of lead independent director and chairman of Remco.
- Xueqing Guan replaced Hao Hu as ICBC's nominated non-executive director and deputy chairman in line with the ICBC shareholder agreement.
- Nonkululeko Nyembezi joined the board on 1 January 2020 and was appointed to the GRCMC and GTIC effective 1 April 2020.
- Maureen Erasmus was appointed to the GAC and Remco as at 1 January 2020, and to GRCMC effective 18 August 2020.
- Atedo Peterside and Nomgando Matyumza were appointed onto the DAC effective 1 April 2020.
- Priscillah Mabelane, who had joined the board on 1 January 2020, resigned on 31 July 2020.

Diversity

The board's composition is expected to reflect the markets in which we serve. In addition to diversity of skills and experience, care is also taken to ensure diversity in gender, geographic representation and race. The board-approved promotion of gender and race diversity policy set a voluntary target of 33% female representation on the board by the end of 2020. The board is pleased with the progress made to date and can confirm that, at the time of publication, female representation on the board was 33%. In line with King IV, the board aims to pursue the race diversity targets included in the management control scorecard set out in the Amended Financial Sector Code. The board considers these targets in the implementation of its succession plans.

Board appointment process and induction

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

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

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

Rotation of directors

One-third of the non-executive directors are required to retire annually, and if available and eligible, stand for re-election at the company's AGM. Directors who have been in office the longest, as calculated from the last re-election or appointment date, are also required to stand for re-election. At the upcoming 2021 AGM, Thulani Gcabashe, Kgomotso Moroka, Atedo Peterside, Myles Ruck and Lubin Wang will retire and being eligible, avail themselves for re-election. Xueqing Guan and Paul Cook were appointed to the board since the last AGM and are required to retire at the AGM following their appointment, and, being eligible, they are also available for re-election.

Independence assessment

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

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

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

Thulani Gcabashe and Myles Ruck have served for periods longer than nine years. Taking into account the SARB Prudential Authority exemption and following a rigorous annual review, including the independent external assessment confirmation, the board concluded that Thulani Gcabashe and Myles Ruck continue to be independent in character, demonstrated behaviour, contribution to board deliberations and judgement, notwithstanding tenure. In addition, the board confirmed the reclassification of Jacko Maree as independent on the basis of a rigorous assessment, taking into account the period lapsed since stepping down as group chief executive in 2013 and his retirement from his role as senior banker in 2015. Five years have lapsed since the time he had any involvement with the group other than as a non-executive director.

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

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

Topics considered in 2020 included:

ESG
The group's ESG approach and journey, focusing on emerging policy, regulatory frameworks, key role players and stakeholders.

Basel III Reform
An overview of the finalisation of Basel III Reform and the impacts thereof.

IIF engagement
ESG guidance from the Institute of International Finance.

S&P Engagement
S&P Global ratings for ESG.

Separation of roles and responsibilities

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

Chairman

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

Lead independent director

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

Group CEO

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

COMMITTEES OF THE BOARD

PRINCIPLE 8

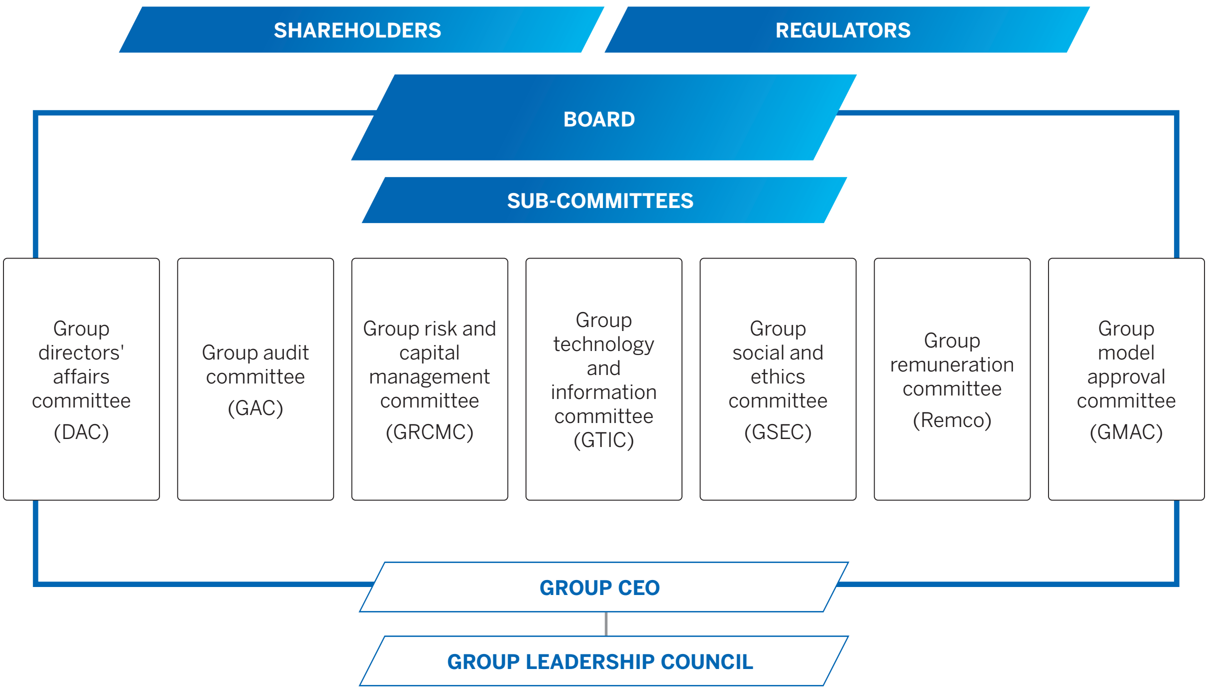
The board ensures that its arrangements for delegation within its own structures promote independent judgement and assists with the balance of power and the effective discharge of duties.

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

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

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

GROUP GOVERNANCE STRUCTURE

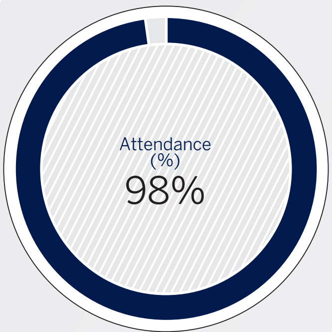


Group directors' affairs committee

THULANI GCABASHE, Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
Thulani Gcabashe* (chairman)	6/6	7 March 2012 (as member) 27 May 2015 (as chairman)
Geraldine Fraser-Moleketi*	6/6	30 November 2016
Kgomotso Moroka**	6/6	29 May 2013
Nomgando Matyumza*	5/5	1 April 2020
André Parker*	5/6	27 May 2015
Atedo Peterside*	5/5	1 April 2020
Myles Ruck*	6/6	28 May 2014
Lubin Wang** (in his capacity as alternate to Xueqing Guan)	6/6	1 June 2017

* Independent non-executive director.
** Non-executive director.



Collective skills and experience

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

Committee purpose

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

Committee composition

- chaired by the group chairman who is an independent non-executive director
- comprises six independent non-executive directors and two non-executive directors
- the group and the SBSA CEO's are standing invitees to committee meetings

The committee held six meetings in the year, two of which were special committee meetings

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

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

Key committee activities

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

Succession planning

- considered and recommended for board approval the nomination and appointment of Xueqing Guan, an ICBC nominated non-executive director
- reviewed the composition of the board, its subcommittees and its subsidiaries including that of Africa Regions and international with focus on ensuring the appropriateness of skills, experience, background and diversity
- considered and noted the board and board committee succession plans, including the implication of the directive
- 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
- approved the new SBG future ready organisational structure
- noted the executive succession plans.

Corporate governance

- considered and noted the performance contracts for the group CEO and chief executive, SBSA for 2020
- provided oversight of the group's application of the King IV principles
- considered for board approval, amendments where relevant, to the following policies:
  - SBG/SBSA board nomination and appointment policy
  - SBG/SBSA board management of conflicts of interest policy
- assessed non-executive director independence classification in line with the King Code criteria and the SARB directive objective and baseline criteria
- considered and approved the amendment to the disclosure requirements regarding directors' personal financial interest and other directorships
- reviewed and recommended to the board the corporate governance statement and AGM notice as part of the external reporting suite
- considered the 2020 AGM proxy investor analysis reports and recommendations on proxy voting and their assessment of the group's state of corporate governance
- assessed director attendance of meetings for the year, as part of each individual director's performance assessment
- approved the 2021 board corporate calendar
- confirmed the 2020 prescribed officers in line with the requirements of the Companies Act.

Board performance review

- approved parameters for the 2020 board evaluation process which was conducted by an external facilitator
- considered results of the board and board committees effectiveness review. Action plans drawn from results were recommended to board for approval and the committee monitored the progress made on the implementation of the action plans to date.

Standard Bank Group subsidiary governance framework

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

Group audit committee

TRIX KENNEALY, Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
Trix Kennealy* (chairman)	8/8	30 November 2016 (as member) 24 May 2018 (as chairman)
Maureen Erasmus*	8/8	1 January 2020
Nomgando Matyumza*	8/8	15 August 2018
Martin Odduor -Otieno*	8/8	25 May 2016
Atedo Peterside CON*	8/8	27 May 2015
John Vice*	8/8	30 November 2016

* Independent non-executive director.

Collective skills and experience

- banking and financial services
- accounting and auditing

Committee purpose

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

Committee composition, skills and experience

- chaired by an independent non-executive director
- comprises six independent non-executive directors, including the GTIC and Remco chairmen
- Trix Kennealy, Maureen Erasmus, Martin Oduor-Otieno, Nomgando Matyumza and John Vice are considered financial experts. Atedo Peterside has extensive business and banking experience
- Standing attendees at committee meetings include the following:
  - board chairman
  - group CEO
  - group financial and value management officer
  - group chief audit officer
  - group chief compliance officer
  - group chief financial crime compliance officer
  - group chief risk and corporate affairs officer
  - external auditors
  - CEO's of client segments and client solutions
- Peter Sullivan retired from the board and the committee at the 2020 AGM
- Maureen Erasmus was appointed to the committee on 1 January 2020.

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

Key committee activities

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

The committee met eight times during 2020, including two meetings to consider quarterly financial results for SENS publication and the annual meeting with the SARB Prudential Authority.

In discharging its responsibilities as set out in the committee's terms of reference, the committee's activities in 2020 did not only focus on routine areas of responsibility, but also on specific focus areas that emerged as a result of the potential impact of the Covid-19 pandemic on the group's control environment and financial results:

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

- reviewed global and local regulatory and industry guidance on the accounting treatment of the financial impact of Covid-19
- reviewed and, where applicable, recommended that the board-approved management's adoption of regulatory guidance notes and directives issued by the SARB Prudential Authority, in response to the impact on the South African banking industry
- reviewed the accounting treatment of Covid-19 relief measures offered to the group's customers, notably in relation to the South African government Guaranteed Covid-19 Term loan scheme
- reviewed the potential impact of Covid-19 on the group's accounting for expected credit losses in accordance with IFRS 9
- reviewed the measures taken to ensure the internal financial control environment remained resilient despite the impact of Covid-19 on the operating environment
- reviewed and approved amendments to internal audit's plan in response to Covid-19, which included an enhanced approach to combined assurance, to strengthen risk and control oversight in business processes that had changed as a result of the groups response to the crisis
- reviewed the results of internal audit's advisory reviews in relation to the impact of Covid-19, with particular focus on credit portfolio reviews
- reviewed and endorsed group compliance's response to ensuring compliance and compliance monitoring activities were maintained and, where necessary, heightened amid the Covid-19 crisis
- as part of the interim and financial year end reporting process, reviewed the approach adopted to determine the forward-looking impact from an IFRS 9 perspective on the group's credit provisions
- considered the results of external audit's review of management's estimation of the impact of Covid-19 on the group's annual financial statements.

Internal audit

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

Compliance

- reviewed and approved the group compliance mandate, which sets out the mission, approach, accountability, roles, responsibilities and authority
- confirmed the independence and effectiveness of the group compliance function
- considered and approved group compliance and group anti-financial crime compliance's annual plan and monitoring activities
- reviewed quarterly group compliance reports covering progress made against the delivery of the compliance plan as well as key compliance matters across the group. The report also included a distinct section on matters that fall within the ambit of financial crime compliance, including its interaction with regulators; and contained an update on matters identified as part of regulators' routine and non-routine inspections.

Tax

- reviewed quarterly reports on tax matters of significance across the group, including ruling and emerging tax legislation
- reviewed and approved the latest revision to the group's tax governance standard.

Financial accounting and external reporting

- considered quarterly reports which outlined financial accounting and external reporting issues of significance, which affected or could affect the group in future. The audit committee considered the impact of these matters on the group's financial statements and disclosures
- reviewed periodic updates on developments in IFRS.

Financial control

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

Non-audit services

- reviewed and approved 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.

External reporting

- reviewed the annual integrated report, governance and remuneration report, risk and capital management report and report to society, and recommended these for board approval, after having considered King IV disclosure requirements.

Interim and annual financial statements

- considered and recommended to the board for approval, interim and annual financial results, after having considered an analysis of the results, relevant financial accounting issues, solvency and liquidity, going concern assessments, draft profit and dividend announcements, and after having noted capital adequacy levels as reviewed at the group risk and capital management committee
- reviewed trading updates, interim and final profit and dividend announcements for SENS publication, with due consideration of the requirements and implications of regulatory guidance notes and directives issued by the SARB's Prudential Authority
- reviewed the content of the JSE's annual proactive monitoring report including specific considerations in the preparation of financial statements
- reviewed regulatory, legislative and corporate governance requirements and how these were met, before approving the content of the audit committee's report for inclusion in the annual financial statements.

External audit

- assessed the independence of external auditors, including a review of regulatory disclosure requirements, before recommending their re-appointment for shareholder approval at the group's AGM
- considered the results of management's assessment of the effectiveness of the group's external auditors as part of the financial year end audit
- considered the independent auditors' report, with reference to the audit opinion. The report included key audit matters that were, in the external auditors' judgement, significant to the audit of the financial statements
- met with external audit during a closed session to discuss their experience from the engagement with management during the statutory audit, as well as external audit's perspective on the effectiveness of the finance function
- reviewed the external auditors' report on findings for the financial year; and at the meeting in November 2020, reviewed a progress report on findings from the preliminary audit for the year ended 31 December 2020
- reviewed the external auditors' report relating to the regulatory audit work for the year ended 31 December 2019
- 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 2020. The external audit plan confirmed that work with internal audit continued in ensuring all assurance providers were aligned from a combined assurance perspective.
- reviewed declarations made by the external auditors of matters that could potentially impact or be seen to impact the respective firms' professional judgement and independence in relation to the group, and considered the measures taken by the respective firms to remediate any identified breaches
- reviewed the results of the Independent Regulatory Board for Auditors' (IRBA's) firm inspection of both the group's external auditors, as it pertained to engagement inspections conducted by IRBA
- continued to review and consider the implications for the group of IRBA's mandatory audit firm rotation (MAFR) requirements, and the group's approach in response to these requirements.

Group risk and capital management committee

MYLES RUCK, Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
Myles Ruck* (chairman)	4/4	1 January 2007 (as member) 6 August 2010 (as chairman)
Maureen Erasmus*	1/1	19 August 2020
Geraldine Fraser-Moleketi*	4/4	30 November 2016
Thulani Gcabashe*	4/4	27 May 2015
Trix Kennealy*	4/4	30 November 2016
Jacko Maree*	4/4	16 August 2017
Nomgando Matyumza*	4/4	30 November 2016
Kgomotso Moroka**	4/4	28 May 2014
Nku Nyembezi*	3/3	1 April 2020
John Vice*	4/4	30 November 2016
Lubin Wang** (in his capacity as alternate to Xueqing Guan)	4/4	1 June 2017

* Independent non-executive director.
** Non-executive director.

Collective skills and experience

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

Committee purpose

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

Committee composition, skills and experience

- chaired by an independent non-executive director
- comprises nine independent non-executive directors and two non-executive directors and includes the chairmen of the board, GAC, GTIC, GMAC, Remco and GSEC
- the following individuals are standing attendees at committee meetings:
  - group CEO
  - group chief financial and value management officer
  - group chief risk and corporate affairs officer
  - CEO's of Africa Regions, business and commercial clients, client solutions, consumer and high net worth clients, and wholesale clients segments
  - chief risk officers of business and commercial, consumer and high net worth, and wholesale client segments
  - head of non-financial risk management
  - head of treasury and capital management
  - group chief audit officer
  - group general counsel
  - external auditors
- Peter Sullivan retired from the board and the committee at the 2020 AGM
- Nku Nyembezi was appointed to the committee on 1 April 2020
- Maureen Erasmus was appointed to the committee on 19 August 2020.

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

Key committee activities

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

During 2020, four quarterly committee meetings were held.

In addition, the chairman met with management on a number of occasions to review and discuss significant matters between scheduled committee meetings. Where necessary, committee and board members were informed of any major current risk issues which needed to be brought to their attention in a timely manner. In discharging its responsibilities as set out in the committee's terms of reference, the following were key focus areas for the year under review:

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

- reviewed management's approach to respond to the potential impact of the Covid-19 pandemic on the group's risk profile
- reviewed and endorsed the approach and structures to offer relief measures to the group's qualifying customers who were impacted by the pandemic
- reviewed quarterly reports which provided a detailed overview of the impact of the Covid-19 pandemic on the group's financial and non-financial risk profile, as well as the forecast impact based on various scenarios and assumptions
- reviewed the impact of the pandemic on risk appetite, earnings at risk, capital adequacy and the liquidity position of the group
- reviewed forward-looking assessments of the macroeconomic outlook in the context of the impact of the Covid-19 pandemic on expected credit losses, credit risk, capital and liquidity metrics
- considered global and domestic regulatory interventions in response to the Covid-19 pandemic
- reviewed and, where applicable, approved management's adoption of regulatory guidance notes and directives issued by the SARB Prudential Authority, in response to the impact on the South African banking industry
- continued to monitor the performing and non-performing loan portfolios and management's response strategies.

Financial and non-financial risk management

- considered and approved the risk appetite statement for the group's banking activities
- periodically considered management updates and reports on events that occurred or risks that emerged and were expected to have a direct or indirect impact on the group's risk profile
- on a quarterly basis, reviewed detailed risk management reports covering key risks including credit, country, market, equity, operational and other non-financial risks across the group and at a 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 was adjusted, where appropriate
- with reference to its oversight of credit risk, continued to monitor the group's exposure to high risk corporate and retail customers, as well as South African state-owned enterprises
- with reference to its oversight of the non-financial risk profile, the committee reviewed management reports on key contributors to operational risk and fraud losses and non-financial risk metrics by risk type, with focus on areas of priority and management's mitigating actions
- reviewed management's integrated approach to identify, rank and monitor key enterprise risks for the group in 2021
- periodically reviewed updates on the group's ESG priorities, as well as medium to longer-term deliverables that would further mature the group's approach to ESG risk management
- considered an update on significant insurance programmes across the group, as well as their current and renewal terms and conditions
- reviewed quarterly reports on legal and reputational risk
- reviewed and, where required, approved the group's intra-group funding exposures
- considered key matters raised at group risk oversight committee and key subsidiary risk committee meetings on a quarterly basis.

Capital and liquidity risk management

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

ICAAP

- approved the macroeconomic scenarios for the running of the ICAAP stress testing process
- reviewed and recommended to the board for approval the group's 30 June 2020 ICAAP, prior to submission to the SARB.

Governance

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

Regulatory matters

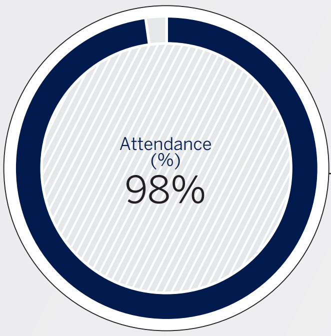
- periodically reviewed updates on progress to achieve BCBS 239 risk data aggregation and risk reporting (RDARR) compliance, in accordance with the scope and deadlines agreed with the SARB
- approved the annual update to the group's RDARR governance framework
- considered updates on regulatory developments, with continued focus on market conduct, consumer credit regulations and the implications of emerging local, global and prudential regulations on the group
- approved the annual update to the group's integrated recovery plan
- reviewed the annual risk disclosures made to shareholders to ensure timely, relevant, complete, accurate and accessible risk disclosure, in line with Basel pillar 3 disclosure requirements.

Group technology and information committee

JOHN VICE, Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
John Vice* (chairman)	4/4	30 November 2016 (as chairman)°
Paul Cook*	–	10 March 2021
Arno Daehnke~	4/4	25 May 2016
Nku Nyembezi*	2/3	1 April 2020
André Parker*	4/4	25 November 2015
Atedo Peterside CON*	4/4	27 May 2015
Sim Tshabalala~	4/4	27 May 2014
Lubin Wang** (in his capacity as alternate to Xueqing Guan)	4/4	1 June 2017

* Independent non-executive director.
** Non-executive director.
~ Executive director.
° Prior to his appointment to the committee in 2016, John Vice attended committee meetings in his capacity as an independent subject matter expert since 2014.



Collective skills and experience

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

Committee purpose

- ensures that prudent and reasonable steps are taken to govern technology and information, in line with King IV and the board briefing on IT governance, as published by the IT Governance Institute
- 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 five independent non-executive directors, one non-executive director, and both executive directors
- standing invitees to committee meetings include an independent technology subject matter expert, who has been an advisor to the committee since 2014
- standing management attendees include the group chief engineering officer, group technology and operations officer, chief data and analytics officer, group chief risk and corporate affairs officer, group chief audit officer, CEOs of segments and client solutions, technology executives as required, the head of non-financial risk management and the group's external audit technology partners
- Peter Sullivan retired from the board and the committee at the 2020 AGM.

During 2020, four committee meetings were held.

In addition to its routine oversight responsibilities, the committee also focused specifically on the group's response to the impact of Covid-19 on technology. In discharging its responsibilities set out in the committee's terms of reference, the following were key focus areas for the year under review:

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

Key committee activities

1. Oversight of the impact of Covid-19 on technology
2. Technology strategy
3. Technology governance
4. Technology investment
5. Cybersecurity and cyber resilience
6. Enterprise data management
7. Governance and assurance

Oversight of the impact of Covid-19 on technology

- reviewed the priorities and activities of the group technology working group that was charged with coordinating and overseeing the technology response to Covid-19
- reviewed group technology's response to infrastructure, user support, information security and technology resilience requirements to support a remote working model, as well as the resultant impact on technology cost and risk management practices
- reviewed quarterly updates on management's response to Covid-19 in the context of the impact on the technology function and operating model
- reviewed external audit's interim technology findings report which highlighted that consideration was given throughout the execution of external audit's interim procedures to identify any areas impacted by Covid-19 across people, processes and systems, and no matters of significance came to their attention.

Cybersecurity and cyber resilience

- reviewed the results of internal assessments of the group's cyber risk profile and the effectiveness with which the risk was addressed across the group
- reviewed the results of an independent external report on the group's cyber resilience.

Enterprise data management

- reviewed quarterly reports on the group's data strategy and alignment to the data operating model; data governance standards, information architecture and data monetisation cases
- reviewed a quarterly update on data transformation metrics.

Technology strategy

- reviewed the group chief information officer's quarterly report which included an update on the implementation of the group's technology strategy across strategic technology pillars
- reviewed and endorsed key technology priorities in 2020 which included the resilience of the group's technology landscape, acceleration of the Cloud transformation journey; accelerating digitisation efforts and implementation of the target technology architecture
- reviewed the results of an independent annual survey of clients' digital experience across the South African banking sector, the results of which reflected ongoing improvement of Standard Bank's ranking as measured by clients' overall experience score, and reviewed key areas of focus to further improve client's experience
- reviewed a programme report on the group's Cloud transformation journey, including key milestones achieved to date and planned short to medium term deliverables.

Technology governance

- reviewed the independent subject matter expert's annual report which focused on technology governance maturity in one of the group's key operations in Africa Regions
- reviewed group technology's 2020 focus areas to mature risk governance practices, with reference to alignment to target risk architecture, developing and enhancing technology risk and control capability and establishing programme assurance capability
- as part of its oversight programme for the year, reviewed detailed reports on the technology resource management governance domain and strategic integration governance domain, with particular focus on the acceleration of digital capability
- reviewed quarterly programme reports that focused on maintaining and enhancing the group's technology resilience, system stability and information security
- reviewed quarterly updates on the group's system and application simplification programme, technology performance and risk metrics.

Technology investment

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

Governance and assurance

- reviewed and approved the revised data and information governance standard
- reviewed internal and external audit findings related to data and technology, to strengthen the oversight of technology and information governance.

Group social and ethics committee

KGOMOTSO MOROKA, Committee chairman

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

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

Collective skills and experience

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

Committee purpose

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

Committee composition, skills and experience

- chaired by a non-executive director
- comprises four independent non-executive directors, one non-executive director, the group CEO and the CEO of SBSA
- management attendees include:
  - CEO's of Africa Regions, wholesale clients, business and commercial clients, consumer and high net-worth clients and of client solutions
  - group head, corporate citizenship
  - group chief risk and corporate affairs officer
  - group chief compliance officer
  - group head, diversity and inclusion
  - Chief people and culture officer

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

Key committee activities

1. Stakeholder engagement
2. Transformation
3. Employee engagement
4. Ethics
5. Governance and risk

The committee met four times during 2020.

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

Oversight of the impact of Covid-19 on the group's stakeholders

- monitored the impact of the group's Covid-19 response on stakeholders, particularly clients, employees and society
- considered the appropriateness of management's Covid-19 employee wellness plans to support employees. For employees working on group premises, assessed the health safety measures in place. Ensured that sufficient support was provided to enable those working from home
- reviewed the annual sponsorship spend and CSI on Covid-19 initiatives across the group for effectiveness and ensured alignment with the group's strategy and identity as a responsible corporate citizen

Stakeholder engagement

- considered feedback received post AGM from engagements with shareholders and civil society stakeholders
- considered quarterly stakeholder engagement report and monitored group's engagements with all key stakeholders
- considered regular updates from the group chief risk and ethics officer on matters that could affect the group's reputation.

Transformation

- considered progress made on the group's commitment to the UN HeforShe campaign which sought to improve female representation at management level
- considered SBSA's plans in pursuit of Financial Sector Charter (FSC) Scorecard elements and the overall 2019 FSC report where SBSA retained its Level 1 BBBEE contributor status
- regularly monitored progress made against SBSA employment equity plans and considered management's 2020/21 employment equity plans.

Employee engagement

- assessed the psychological wellbeing of employees through reports received from management on employee surveys conducted and the employee wellbeing report
- reviewed the group's compliance with occupational health and safety legislation, governance, and incident management
- reviewed the group's 2020 'Are you a Fan' survey results which measured employee eNPS to determine level of employee engagement.

Ethics

- considered as part of the annual assessment, the appropriateness of the group's approach to the institutionalisation of an ethical culture
- as part of monitoring the group's conduct, considered management's account of each business unit and corporate function's conduct through the regular presentation of conduct dashboards
- monitored annual progress made since becoming a signatory to the UN Principles for Responsible Banking
- received annual update on the group's anti-bribery and corruption programme and its implementation programme.

Governance and risk

- approved the 2020 materiality assessment conducted which confirmed issues most significant to the group's ability to create value in the short, medium and long term.
- approved the group's annual report to society and ESG reports.

Group remuneration committee

TRIX KENNEALY, Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
Trix Kennealy* (chairman)	5/5	30 November 2016 (as member) 26 June 2020 (as chairman)
Maureen Erasmus*	5/5	1 January 2020
Thulani Gcabashe*	5/5	27 May 2015
Jacko Maree*	5/5	28 May 2014
Nomgando Matyumza*	5/5	30 November 2016
André Parker*	5/5	30 November 2016
Atedo Peterside CON*	5/5	30 November 2016

* Independent non-executive director.

Collective skills and experience

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

Committee composition, skills and experience

- chaired by an independent non-executive director
- comprises seven independent non-executive directors
- the group CEO is a standing invitee to committee meetings.

Committee purpose

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

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

Key committee activities

1 Remuneration

2 Incentive schemes, share-based payments and other benefits

3 Subsidiary remuneration committees

4 Governance

The committee met five times during 2020.

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

Remuneration, including the oversight of the impact of Covid-19

- considered the economic outlook in light of Covid-19 and its impact on remuneration.
- deliberated on the implications of the SARB Guidance Note 4/2020 and SARB Guidance Note 3/2021 regarding the payment of executive bonuses.
- considered the group's financial performance for the year presented by the group chief financial and value management officer and the risk report presented by the group chief risk and corporate affairs officer when determining the group's incentive pool.
- considered the latest market and regulatory updates on banking remuneration, including a report on executive pay and trends during the pandemic.
- discussed the group's assessment of remuneration equality on the basis of gender and race.
- considered the performance reviews of the executive directors and prescribed officers when determining remuneration outcomes.
- considered proposed remuneration outcomes for other key executives including the approval of the total compensation for the top 400 employees.
- considered and approved increases in fixed remuneration for executives, managers and general employees.
- considered and recommended no increases to fixed remuneration for group leadership council members unless there has been a change in responsibilities.
- considered and recommended to the board that there be no increase to non-executive directors' fees for the year 2021.
- considered and noted the non-executive directors' fees paid by subsidiary entities in line with the subsidiary governance framework.

Incentive schemes, share-based payments and other benefits

- considered the impact of Covid-19 on the design and remuneration outcomes of the group's share-linked awards.
- Reviewed and approved the:
  - performance reward plan (PRP) performance metrics.
  - deferral rates that apply for the deferred bonus scheme for this year's incentive awards.
- after consideration of the report of the group chief risk and corporate affairs officer, no cases were noted that warranted forfeiture or clawback provisions being applied.
- considered and noted the non-delivery of the PRP awards that were due to vest in March 2021 based on the three-year performance period ending December 2020.
- considered the appropriateness of the performance conditions for existing PRP awards in the light of Covid-19.
- considered and noted share-linked awards that had been lapsed on account of employees leaving the group with unvested stock

Subsidiary remuneration committees

- noted reports from subsidiary remuneration committees.

Governance

- considered feedback from engagements with shareholders and investors in respect of the group's remuneration policy and implementation report.
- considered and recommended for board approval the group remuneration report which sets out the group's remuneration policy and the implementation report.

Group model approval committee

JACKO MAREE, Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
Jacko Maree* (chairman)	3/3	30 November 2016 (as member)/ 1 March 2017 (as chairman)
Arno Daehnke~	3/3	25 May 2016
David Hodnett^	3/3	3 June 2019
Kenny Fihla^	3/3	23 June 2017
Zweli Manyathi^	3/3	1 April 2018
Paul Cook*	–	10 March 2021
Funeka Montjane^	–	10 March 2021
Sim Tshabalala~	3/3	29 May 2013

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

Collective skills and experience

- banking
- regulatory risk
- credit risk
- model risk.

Committee purpose

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

Committee composition, skills and experience

- chaired by an independent non-executive director
- comprises:
  - group CEO; group financial and value management officer; CEO business and commercial clients; CEO wholesale clients; group chief risk and corporate affairs officer; and CEO high net worth clients
- The standing attendees at committee meetings are:
  - chief risk officer business and commercial clients; chief risk officer consumer and high net worth clients; chief risk officer wholesale clients; group head model validation; head of model validation, business and commercial clients; head of model validation, consumer and high net worth clients; and head of model validation, wholesale clients

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

Key committee activities

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

During 2020, three committee meetings were held.

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

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 risk 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, including data science focus areas; extracting value from alternate data sources; and designing and building capabilities for the future, including the use of machine learning techniques
- monitored the activities of PBB and CIB model approval committees
- reviewed and approved the mandates of these two subcommittees during the mandate review cycle
- reviewed reports on key interactions with regulators and considered the potential impact of regulatory reforms on model development activities
- reviewed disclosures related to model risk in the group's external reports and ICAAP submissions.

Model governance

- reviewed the results of a self-assessment, and confirmed compliance with the requirements of the group's model risk governance framework, which sets out the minimum requirements for model risk governance, as well as the identification, measurement, management and reporting of model risk, in accordance with the periodic review cycle
- reviewed updates from management on the enhancement of the model risk framework to enable a risk-based approach to model risk management and risk appetite setting
- reviewed the results of the self-assessment of compliance with the SARB's Advanced Internal Rating Based banking regulations and confirmed that no significant areas of non-compliance were identified
- reviewed internal audit's independent assurance reports on internal controls for the development, validation, governance and performance of risk models
- reviewed the results of internal audit's report on Covid-19 PBB payment holidays and restructures, as it pertained to the controls relating to the development of a model to classify temporary and permanently distressed customers.

EVALUATION AND PERFORMANCE OF THE BOARD

PRINCIPLE 9

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

Assessing the board's effectiveness

The board and its committees' performance is assessed in a number of ways:

MANDATE REVIEWS

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

EFFECTIVENESS EVALUATION

The chairman, the board and its committees undergo an effectiveness evaluation annually in terms of the S64B 2(b)(iv) of the Banks Act. The board alternates every other year between an externally facilitated independent evaluation, and an internal evaluation facilitated by the group secretary. Directors also participate in peer reviews.

ONE-ON-ONE DISCUSSIONS

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

The 2020 board effectiveness review was externally conducted by an independent service provider. The review was structured around eight key areas, each addressing a series of critical questions that all directors responded to on an online survey. Areas analysed included:

1. Board and committee process
2. Board composition and structure
3. Board culture and dynamics
4. Partnership with management
5. Board leadership
6. Individual director contribution
7. Strategic alignment and board mandate
8. Board strategic value-add.

Virtual follow-up interviews were conducted to interrogate and further understand board members' response.

Overall board performance and that of its committees was considered effective. The board is a high performing board and members had expressed appreciation, enjoyment and pride at being part of it. There is a solid relationship of mutual respect and trust between non-executive and executive directors which enables productive interactions.

The chairman has extensive chairing experience and has done much to strengthen boardroom dynamics and to deepen relationships with the executives. This has helped enhance board focus on matters, including the quality of conversations as well as relationships between directors.

The board has navigated the logistical complexities of Covid-19 well. The chairman, group CEO and secretariat have worked hard to facilitate the transition to virtual meetings. The group CEO was thought to have played a key role in deliberately strengthening the relationship between the board and management, and worked hard to ensure directors were kept abreast of all developments within the group and engagements with stakeholders.

The board appreciated management's efforts in enabling their full participation in the group's digitisation programme. Directors were able to understand the new direction, contribute to, and challenge the thought-processes underpinning the decision taken.

Subcommittees were considered an effective element of the overall governance framework and were led by high quality chairmen.

Areas for consideration/improvement

The board strengthening its oversight capabilities over the group's implementation of digitisation plans:

- While the board's skillset has improved through the board MIT digital savvy programme, it is aware of the constant need to keep up to date with developments within IT/digitisation. There is continued focus on appointing directors with the equivalent skillset that will enable it to carry out its duties effectively.

Increased client focus as the group evolves:

- There is a need for increased oversight over client experience, offering and satisfaction as the group evolves in line with its modernisation plans.

Conduct and culture:

- Continued focus on the impact of the group's modernisation plans on the group's conduct and culture.

Sustaibability:

- Continued focus on the group ESG and sustainability response.

Board succession:

- Continued focus on implementing board succession plans, while ensuring that the board remains high performing, engaged and value adding to the group.

Group leadership council

The group CEO, supported by the group leadership council (GLC), is accountable for the implementation of strategy and the performance of the group.

The previous group executive committee was replaced by the GLC effective September 2020. Changes have been made to the structure of the committee and certain members responsibilities to enable the delivery of the group's strategic acceleration.

The skills and experience of committee members underpin the group's ability to deliver its strategy, measured against the strategic value drives. The GLC has been constituted to support the group CEO in achieving the group's 'future-ready' plans, to ensure that there is overall coordination across the group in the delivery of group's commitments made to customers, employees, regulators and other key stakeholders.

APPOINTMENT AND DELEGATION TO MANAGEMENT

PRINCIPLE 10

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

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

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

Group secretary

Directors have access to the services of the group secretary. The group secretary, Zola Stephen, is neither a member of the board nor is she a prescribed officer of the group. The board considered the competence, qualifications and experience of the group secretary at its March 2021 meeting and concluded that she was competent to carry out her duties and that it was satisfied that an arm's length relationship existed between itself and the group secretary as envisaged in the JSE Listings Requirements.

The future-ready organisational structure consists of three core client segments, namely, consumer and high net worth clients; business and commercial clients; and wholesale clients. A new client solutions business was set up to partner the three client segments and the revised structure also includes an innovation capability to generate future-ready solutions and new business models.

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

Details of the GLC can be found on pages 44 and 45.

Group leadership council

1 Sim Tshabalala

Group CEO, SBG and executive director, SBSA

Qualifications

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

2 Arno Daehnke

Chief financial and value management officer

Qualifications

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

3 Sola David-Borha

Chief executive officer, Africa Regions

Qualifications

BSc Economics (University of Ibadan), MBA (University of Manchester), AMP (Harvard), GCP (IESE, Wharton, CEIBS)

4 Kenny Fihla

Chief executive officer, Wholesale Clients

Qualifications

MSc (University of London), MBA (Wits)

5 Lungisa Fuzile

Chief executive, SBSA

Qualifications

MCom (UKZN), AMP (Harvard)

6 David Hodnett

Chief risk and corporate affairs officer

Qualifications

BCom (Wits), BAcc (cum laude), CA (SA), MBA (Manchester Business School/Wits), Advanced Diploma in Banking.

7 Alpheus Mangale
Chief engineering officer

Qualifications

NDip Computer Systems Engineering (TUT), PG management (Henley), EDP (CCL), AMP (Harvard)

8 Zweli Manyathi
Chief executive officer, Business & Commercial Clients

Qualifications

BCom (Hons) (Unisa), PDP (New York), SEP (Wits & Harvard)

9 Funeka Montjane
Chief executive officer, Consumer & High Net Worth Clients

Qualifications

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

10 David Munro
Chief executive, Liberty

Qualifications

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

11 Margaret Nienaber
Chief executive officer, Client Solutions

Qualifications

BCompt (Hons) (University of the Free State), CA (SA)

12 Rod Poole
Chief change and business transformation officer

Qualifications

BCom (UNISA)

13 Thulani Sibeko
Chief brand and marketing officer

Qualifications

BSc Bus Admin (California State University, USA), MBA (Henley), Graduate Certificate (Harvard), CA (SA)

14 Sharon Taylor
Chief people and culture officer

Qualifications

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

15 Adrian Vermooten
Chief innovation officer

Qualifications

MBA New Venture Creation (Bond University, Australia)

for more details visit our website
https://www.standardbank.com/.

Wits: University of the Witwatersrand.
UCT: University of Cape Town.
UJ: University of Johannesburg.
UNISA: University of South Africa.
UKZN: University of KwaZulu-Natal.

Governance of functional areas

RISK GOVERNANCE

PRINCIPLE 11

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

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

Refer to GRCMC activities on page 33.

RCM Refer to the risk and capital management report.

INFORMATION AND TECHNOLOGY GOVERNANCE

PRINCIPLE 12

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

The board understands that information and technology are an integral component of the group's strategy and to achieving its 'future ready' plans. The GTIC assists with the oversight of the governance of information management and technology. It ensures that prudent and reasonable steps have been taken, including aligning the IT strategy with the group's strategic objectives, performance targets and ensuring that it contributes to the sustainability of the group. It monitors and evaluates significant IT investment and expenditure. It has delegated the day-to-day management of, and tasked management with the implementation of the IT governance framework while providing oversight. Technology and information risk are integrated in the group's risk management framework and are considered by the GRCMC as part of its oversight of operational risk.

Refer to GTIC activities on page 35.

RCM Refer to the risk and capital management report.

COMPLIANCE GOVERNANCE

PRINCIPLE 13

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

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

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

Refer to GAC activities on page 29.

REMUNERATION GOVERNANCE

PRINCIPLE 14

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

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

In line with the requirements of the King Code and the JSE Listings Requirements, annually the group's remuneration policy and the remuneration implementation reports are tabled to shareholders for a non-binding advisory vote at the group's AGM. Shareholders indicated their support for both the remuneration policy and the implementation report at the 2020 AGM with voting results of 88.33% and 86.35% support respectively.

Throughout the period, Remco monitored the impact of the pandemic on the remuneration policy to ensure remuneration practices remained relevant, yielding the right type of behaviour while ensuring that the group attracts and retains talented individuals. The board had considered the recommendations of the SARB Prudential Authority Guidance Note 4/2020 regarding the payment of executive bonuses and how this would impact future remuneration cycles.

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

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

ASSURANCE

PRINCIPLE 15

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

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

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

Refer to GAC activities on page 29.

AFS Refer to audit committee report in the AFS

Stakeholder relationships

STAKEHOLDERS

PRINCIPLE 16

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

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

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

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

AGM

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

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

In response to the lockdown restrictions imposed on physical attendance of public gatherings by the South African government in 2020, the board resolved to host the company's first electronic AGM. The board ensured that shareholders were given the opportunity to submit questions ahead of the AGM or in real time on the AGM platform, with all questions being carefully considered and answered individually by the board chairman, the group CEO and other members of the executive. In addition, extensive shareholder engagement took place with the chairman of the board, the chairman of Remco and other members of management remotely in the lead-up to the AGM in the context of seeking shareholders' views on and support for the proposed resolutions.

Following the AGM, in line with the group stakeholder engagement processes, follow-up meetings were scheduled with shareholders to engage on issues raised at the meeting.

ESG Refer to ESG for more detail on engagements with shareholders.

Shareholders' rights

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

Governing of group subsidiaries

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

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

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


REMUNERATION
REPORT
Standard Bank IT CAN BE™
Also trading as Stanbic Bank

Background statement from the remuneration committee chairman

"The implications of the Covid-19 crisis have greatly complicated our deliberations in rewarding the people of Standard Bank Group for the shared value they created for our stakeholders over the last year – under extraordinary duress. In particular, we thought deeply about how to recognise our executives for their balanced contribution, and how best to incentivise them in securing the group's ability to generate sustainably higher returns into the future, as promised to our shareholders."

Aligning shareholder and executive interests in an extraordinary year

I am confident that our performance-related pay policy and its implementation has helped the group withstand the challenges of a one in a hundred-year event. Covid-19 and its effects have tested the resolve of group leadership and demanded heightened flexibility. For our part, the remuneration committee (remco) has had to make difficult discretionary decisions that otherwise would not have arisen.

The circumstances in which we sought to fulfil our fiduciary duty were different to any other year in living memory, but our underlying philosophy remained the same: to align executive behaviour with long-term shareholder interest. Shareholders have asked that the executives share in the negative impact of the Covid-19 crisis on group performance, and we have heard their request. See page 70 of the implementation report.

Measuring and rewarding shared value outcomes

Any measure of success in business must include resilience to change and future relevance. This is truer than ever for the group as Covid-19 accelerates the global forces that are reshaping our competitive landscape and amplifying the expectations of our stakeholders. Of particular importance to the work of remco, stakeholders expect outcomes that not only demonstrate balanced, fair and responsible consideration of their interests, but that also seek to harmonise them over time.

AIR For an assessment of the risks and opportunities in the group's operating context, refer to page 22 in the group's annual integrated report.

It is of course vital that leadership anticipates the prevailing trends and urgently makes the necessary changes – however difficult – to succeed in the most likely future scenario. In considering the group's strategy, the reader will discern the theme of transition as we accelerate along our strategic path to offer a wider range of related services to achieve our ambition of being Africa's leading digital financial services business. Our strategy is centred on transforming client experience and operational excellence, by combining human skill and digital capabilities to secure the group's competitiveness in a radically changing context, while caring for society and the environment. This will position the group to earn higher revenues and better margins, while driving inclusive and sustainable growth in, for and across Africa.

AIR For an overview of the group's strategy and our objectives over the short, medium and long term, refer to page 32 in the group's annual integrated report.

Our growth story promises shareholders superior and sustainable returns premised on creating measurable value for our clients (client focus), for our people (employee engagement), and for all stakeholders by protecting the systemic integrity of both the group and the financial system of which we are part (risk and conduct). The group's strategies in these areas are designed to balance targeted financial outcomes with positive social, economic and environmental (SEE) impact that responds to Africa's most pressing needs, broadly commensurate with the United Nations (UN) Sustainable Development Goals (SDGs).

In rewarding these value outcomes, remco initially applies a formulaic approach to calculate short-term incentives (STIs) for executive directors and prescribed officers, based on the group's financial outcome and that of the business line (where applicable). In evaluating progress against the other four strategic value drivers, we then apply disciplined and discretionary judgement by assessing the metrics that the board had previously approved for each of these value drivers in respect of business and individual performance.

Enduring the worst economic conditions in a century

The Covid-19 crisis has been the largest single shock to the world economy and to human society in recent times. The loss of life and human capacity, and of income in both formal and informal sectors, is simply impossible to quantify. The IMF estimates that the global economy contracted by 3.5% and sub-Saharan Africa by 2.6%. South Africa's economy declined by 7.0% in 2020, according to Stats SA.

TRIX KENNEALY – CHAIRMAN OF THE REMUNERATION COMMITTEE

In South Africa, the pandemic was more pronounced and stringent lockdowns significantly disrupted social and economic activity. As the economy contracted, already critically high unemployment levels escalated. Despite fiscal and monetary policy actions and temporary social grants and funding support, the added pressure resulted in further downgrades to the country's sovereign credit ratings.

Elsewhere on the continent, although the public health impact was less severe allowing for more moderate restrictions, the socioeconomic effects were marked and government capacity to provide economic stimulus and relief programmes was limited. Weak sovereign and fiscal positions were exposed, with less diversified economies fairing worse than their more diversified peers.

Against this backdrop, the group's personal, business and corporate clients took heavy strain, particularly in South Africa and our financial results did not emerge unscathed.

Performance against our strategic value drivers

These dynamics severely impacted the group's financial outcome. However, there was improvement across most of the other metrics associated with the group's strategic value drivers. This should give shareholders some comfort in the group's resilience. Excluding the effect of the group's credit impairment charges, operating income declined by only 6%. This demonstrates the underlying resilience of the group's client franchises.

Furthermore, the group was able to preserve its liquidity buffers in line with regulatory, prudential and internal stress testing requirements. The group remains in robust good health, with adequate liquidity and capital flexibility to support the recovery in earnings and returns we expect in the years ahead.

The group's financial performance, and the corresponding erosion of financial value during the year, was therefore not a true reflection of effort. Despite the major impact of uncontrollable exogenous factors, significant achievement was made; for example, our Africa Regions performed well, and our client and employee net promoter scores (NPS and eNPS) mostly improved or remained above target.

Another important consideration for remco is that skilled and respected leaders are in high demand. It is therefore imperative that we retain top talent and reward the behaviours that deepen our resilience and secure our future relevance. This is fundamental both to protecting value, by holding on to our competitive edge, and to creating greater value by effectively delivering on our ambitious strategy, and the uplift in financial and SEE returns it envisages.

Despite the volatility occasioned by the Covid-19 pandemic, our people stayed focused on serving and protecting the interests of our clients, shareholders, communities, regulators and other stakeholders, while adapting to new ways of remote working. In the midst of the disruption, our executive teams designed and began to implement plans to accelerate the delivery of the group's strategy. To keep up the momentum, it has been essential to retain and motivate the current leadership team to achieve our intended strategic outcomes with foresight, diligence and urgency.

AIR More detail on the group's performance in 2020: chief executive officer's review from page 14, and the financial outcome chapter starting on page 86 in the group's annual integrated report.

STANDARD BANK GROUP (SBG) PROGRESS AGAINST STRATEGY

The detail below provides a useful snapshot of the group's performance against the measures that underpin the executive scorecard.

Client focus improving

- Pleasing client satisfaction scores despite an uncertain operating environment
- Continued progress to improve digital capabilities and streamline processes for our clients
- Supported our clients through payment holidays, loans restructures and fee waivers
- Facilitating intra-Africa and China-Africa banking and trade flows.

Metric	Progress	Actual 2020	Actual 2019	Medium-term target
PBB South Africa channel NPS	✓	72	67	Continually improve
PBB Africa Regions NPS	✓	33	25	Continually improve
Wealth NPS	O	68	70	Continually improve
CIB customer satisfaction index (CSI)	✓	8.2	8.1	Continually improve

Key

✓ Achieved O On target ✕ Not met

Good improvement in employee experience

- Support within the organisation rose to help our people deal with the pandemic
- Levels of empathy, collaboration across teams and trust were elevated and resulted in higher employee productivity and engagement.

Metric	Progress	Actual 2020	Actual 2019	Benchmarks and targets
eNPS	✓	+44	+18	+17**
Voluntary regrettable turnover	✓	1.4%	2.3%	9%*
Overall employee turnover	✓	6.0%	10.8%	13%*
Women in executive positions	O	33.6%	32.3%	>40% by 2023
African senior management representation (South Africa)		23.2%	21.0%	

* Gartner financial services benchmarks: 2019.
** Pure Survey for South African financial services: 2019.

Stable risk and conduct

- Level 1 risk metrics are above the required minimum and within board-approved targets, in a challenging risk environment
- Conduct refined and reported quarterly with no major breaches
- No material operational losses experienced outside of the Covid-19 costs incurred.

Metric	Progress	Actual 2020	Actual 2019	Medium-term target
Common equity tier 1 (CET 1) ratio	✓	13.3%	14.0%	10.0% – 11.5%
Total capital adequacy ratio		16.1%	16.7%	
Liquidity coverage ratio (LCR)	✓	134.8%	138.4%	Minimum >80%
Net stable funding ratio (NSFR)	✓	124.8%	119.5%	Minimum >100%
Compliance training completion rate[1]	✓	98.0%	n/a	

1 Introduced as a measure from 2020.

Financial outcome negatively impacted

- Group performance was better than peers due to a diverse portfolio
- Financial outcome negatively impacted by Covid-19
- SBG's total shareholder return, using share price movements and dividend payments, was down 21.2% (at 31 December 2020).

Metric	Actual 2020	Actual 2019
Return on equity (ROE)	8.9%	16.8%
Dividend per share	240c	994c
Headline earnings	R15.9 bn	R28.2 bn
Cost-to-income ratio	58.2%	56.4%

Medium-term targets were withdrawn due to the uncertainty created by Covid-19. New targets will be announced later in 2021.

Key

✓ Achieved O On target ✕ Not met

Improved SEE visibility

- Published a comprehensive suite of reports:
  - Environmental, Social and Governance (ESG) Report
  - Report to Society
  - The Standard Bank of South Africa Limited (SBSA) Transformation Report
- Published an interim Task Force for Climate-Related Financial Disclosures (TCFD) Report
- Published a Fossil Fuel Policy - Participating in UN Environment Programme Finance Initiative (UNEP FI) TCFD Banking Pilot Projects
- Working to enhance our data on climate risk
- Leader in sustainable finance on the continent and leading green bond arranger and issuer in South Africa
- Rated level 1 under the Financial Sector Code in South Africa for fourth consecutive year.

	Measure	2020	2019
RobecoSAM Corporate Sustainability Assessment score	Out of 100, higher is better	**60% (above industry average of 39%)**	51%
FTSE4Good Sustainability Index	Included	**Included**	Included
MSCI ESG rating	AAA to CCC	**AA (stable)**	AA
CDP climate score	A to F	**C (in line with industry average)**	B-
Sustainalytics ESG risk rating	Out of 100, lower is better	**25.5 med risk (226 out of 975 banks)**	29.9 med risk (339 out of 943 banks)
Corporate Knights Global 100 most sustainable corporations	Out of 100, lower is better	**53rd**	51st

Implementation of our remuneration policy in a year defined by Covid-19

In view of this performance, what then are the significant implementations, shifts and themes for the concerned reader to investigate in the group's remuneration report?

The main theme is that we are more committed than ever to incentivising leadership to grow shareholder value over the long term. The other is that remco will not resort to 'box-ticking'. It is our duty to engage in nuanced debate on policy and implementation in attracting and retaining talent in key leadership positions. This begins with offering market-related remuneration and extends to ensuring that employees are not unfairly prejudiced for circumstances beyond their control while ensuring alignment with shareholders. That said, the single figure total reward outcomes for FY2020 for executive directors and prescribed officers have reduced by up to 55% on the prior year due to the failure of the performance conditions of the long-term incentives (LTIs) awarded in 2018 and reduced short-term incentives awarded for FY2020 in line with group and business line results. The short-term incentive awarded to the executive directors are fully aligned to group results.

I am satisfied that the discussions by which we arrived at our decisions were conducted in a spirit of transparency, fact-seeking and fairness. And at all times in the interests of the organisation, and by definition those of all our stakeholders, were foremost in our minds.

Temporary amendments noted in our implementation report were as follows:

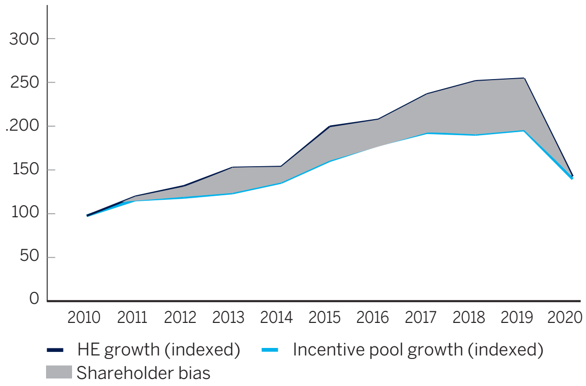
- We amended the way performance conditions of the March 2020 performance reward plan (PRP) award (our long-term incentive (LTI)) would be evaluated, so that remco would be able to evaluate relative performance at the end of the three-year performance period – the market was notified of this intention in December 2020 via a SENS announcement following engagement with shareholders on the matter in November 2020.
- We extended the exercise periods for the equity growth scheme (EGS), group share incentive scheme (GSIS) and share appreciation rights plan (SARP) awards that were due to expire between 27 May 2020 and 28 February 2023 to 31 March 2023. Considering that these share-linked awards had vested but had not been exercised and therefore had become valueless due to an event unrelated to performance after an extensive holding period, we believe this change to be fair to employees who had held vested share-linked awards for up to ten years prior to the extension.
- The reader will notice that there have been no forward-looking adjustments to fixed pay for executives and non-executive directors for 2021 with only one exception relating to an executive due to a change in responsibilities and therefore role size.

More broadly, it is important to note that the group is an important employer in the countries it operates, providing – otherwise scarce – opportunities for socioeconomic advancement. We minimised the impact of Covid-19 on our people with various measures. These included not reducing employees' fixed pay on account of periods of unproductivity brought about by the mandatory lockdowns and attempting to ensure productive contribution during this time.

We also recognised the extraordinary effort of our employees and continued to award performance-related STIs in March 2021 in respect of FY2020, albeit significantly reduced to reflect the group's performance. We made a special once-off recognition 'National Service Appreciation' award to all general employees and managers who worked outside the safety of their homes delivering essential banking services during the first wave of lockdowns in South Africa and Africa Regions. Special leave and benefits were introduced to assist with school closures and for self-quarantine purposes to support employees and ensure sustainable productivity during these trying times.

The balance we seek between the interests of our people and our shareholders is reflected in the diagram below that shows the relative growth in headline earnings (HE) and incentive pools. The shaded area shows the bias to shareholders over the period.

RELATIVE HEADLINE EARNINGS AND INCENTIVE POOLS



Engaging with shareholders to improve remuneration disclosure

The 2020 annual general meeting (AGM) returned an 88% (2019: 92%) and 86% (2019: 94%) vote of approval on our remuneration policy and its implementation, respectively. We are confident that this in part reflects recognition of our ongoing commitment to engage with and act on shareholder concerns and we have attempted to address the concerns our shareholders have raised. The matters raised by them during our engagements are valuable and echo in our meetings and remuneration response.

This year we have streamlined the remuneration report to enhance and simplify our reporting, with clearer delineation between the remuneration policy and implementation report. We look forward to engaging further with our shareholders, and also hearing the views of other stakeholders, on this year's remuneration disclosure.

Remco obtained independent advice from Bowman Gilfillan on a range of remuneration policy and implementation issues during 2020, as well as obtaining independent remuneration benchmark analysis from a range of survey providers.

See page 70 of the implementation report.

Future focus for remco

As the group's system of value measurement evolves and matures in line with changes to the business, remco must adapt accordingly. The group is committed to developing metrics that give substance to our non-financial strategic priorities; metrics that are simple, clear and credible in guiding management and are accountable to our stakeholders.

AIR More detail on the group's priorities are included on page 33 of our annual integrated report.

As this development runs its course, some elements of the balanced scorecard that apply to our PRP will contain a higher degree of subjectivity than would ordinarily be the case. While this may cause some discomfort among shareholders, we will continue to engage transparently, supporting our decisions with reason and evidence.

As readers will be aware, the reputational risk to prioritising short-term profits over long-term blended value are becoming increasingly untenable in our globalised world, in which financial and non-financial risks are inextricably linked. With 'stakeholder capitalism' redefining conventional thinking on the purpose of corporations, ESG principles are increasingly informing investment decisions. The work underway to develop meaningful measures of ESG performance, in line with global standards, is important in this regard. Remco will over time seek to codify such measures in the PRP, which will require greater overlap between the mandates of remco and the social and ethics committee.

Furthermore, as the group seeks to differentiate itself through a broader suite of client solutions, innovation becomes ever more important. Commensurate to this, remco must develop its ability to measure return on investment in innovation; this includes sufficient room for development failure so that innovation is not stunted, appropriate investment intensity and guarding against runaway costs. Balancing these considerations will require careful and responsible assessment.

Also, with strategic partnerships being a cornerstone to the group's strategic ambition to progress towards offering a wider range of related services, measuring the quality of these relationships in combination with managing the significant potential risk to our service levels and reputation, will also be critical to measure and reward effectively.

In closing, I wish to reiterate remco's philosophy that ethical leadership is non-negotiable. It is clear, given the history of unethical corporate decision-making destroying both value and opportunity, that profits derived from unethical decisions will turn into losses for shareholders and stakeholders. Not only this: unethical decisions also damage the legitimacy of business in general, which we can ill afford in these fractious times. Therefore, we will continue to situate our remuneration policy and its implementation within an ethical leadership culture, understanding that our success is in large part derived from the trust of our stakeholders.

I know my colleagues on remco share my confidence, in the thoughtful work we have done this year to apply our performance-related pay policy; to assist the group to come out of this crisis stronger and more ready for the future than before.

Remuneration policy

Introduction

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

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

AIR Read more in employee engagement on page 66 of the annual integrated report.

Key objectives guiding our remuneration policy

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

Principles that underpin our remuneration policy

Fair, responsible and transparent pay decisions

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

Fair and responsible remuneration: page 68.
Remuneration governance: page 59.
Performance assessment: page 60.

R

Competitiveness

- All elements of pay are influenced by market and internal pay comparisons.
- We strive for competitiveness in the appropriate mix between fixed and variable pay for all our people, depending on their roles.
- We reward experience, performance relative to others doing similar work and performance against the market. We also take into account the need to retain talent, skill and experience.
- The focus is on total reward although we want to be competitive in both fixed and variable remuneration. Annual incentives are not a function of a guaranteed package.
- Fixed remuneration includes compulsory group and country-specific benefits.

Reward structures: page 61.

Benchmarking: page 59.

Inclusive

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

Shareholder engagement: page 70.

Competitiveness

- Our remuneration framework is designed to attract, motivate and retain talented people and experience across the group.
- We reward sustainable, long-term business results.
- Individual rewards are determined according to group, business line and individual performance.
- Ongoing oversight prevents irresponsible risk-taking, and we ensure that risk adjustment forms part of pay design.
- Our deferral policy affects annual incentives above certain levels with deferred amounts indexed to the group's share price.
- Discretionary performance-based awards ensure that senior executives are significantly invested in the group's share price and performance over time, aligning their interests with those of shareholders.
- Vesting of share-linked awards is subject to specific conditions including forfeiture (malus) of unvested awards and clawback on vested or paid awards.
- SEE criteria have been integrated in the performance agreements of all employees across the group.
- Pay designs comply with all tax and regulatory requirements across all geographic operations.

Reward structure: page 61.

Short-term incentives: page 62.

Long-term incentives: page 64.

Risk and remuneration: page 66.

R

Remuneration governance

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

The committee comprises seven members, six of whom are independent non-executive directors including the chair, Trix Kennealy, who was appointed in May 2020. No remco member has business or other relationships that could materially interfere with their independent judgements. Individual memberships in other key oversight committees ensure that the committee collectively is able to monitor risk trends across the group.

The group chief executive officer (CEO) attends remco meetings by invitation and other members of executive management are invited to attend from time to time. No one is present when their own remuneration is discussed.

GOV Read more about the collective skills and experience of the committee: page 38.

Performance evaluation

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

Remco mandate

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

- **Approve:**
  - general principles relating to terms and conditions of employment contracts;
  - terms of employment contracts with the group's key employees;
  - criteria and applicable terms for participation in annual incentive awards; and
  - recommendations for awards in terms of approved LTI plans.

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

- **Monitor:**
  - the adequacy of other benefits for key executives; and
  - compulsory employee benefits applicable at all levels and categories of employees across the group.

- Review and approve the general terms and mandates of subsidiary remuneration committees.
- Review and consider reports from subsidiary remuneration committees on changes in remuneration practices or philosophy.

Benchmarking and external advice

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

- Executive director and prescribed officer pay extracted from the remuneration reports of South Africa's major banks (FirstRand, Nedbank, Absa and Capitec).
- Reward outcomes and trends for senior executives in international banks extracted from remuneration reports (Standard Chartered Bank, Investec, HSBC Holdings, Wells Fargo, JP Morgan Chase, Westpac Group and Commonwealth Bank).
- A bespoke analysis of variable incentive pools of South African banks using published annual financial statements.
- PricewaterhouseCoopers (PwC) and Remchannel survey data.

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

In 2020, external advisors were used to benchmark remuneration and benefits across the group and to provide opinion on remuneration regulations and compliance. Advisors included PwC, PwC Remchannel, Bowman Gilfillan, Global Remuneration Solutions – Mercer, Employment Conditions Abroad, McLagan and Willis Towers Watson.

This process, together with supporting information from certain specialist business lines in the group, informs remco's proposals on the remuneration policy and implementation. The committee's proposals are approved by the board, and where necessary, the group's shareholders.

Regulatory disclosures

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

Pay practices

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

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

	Remuneration policy	How this applies to executive directors and prescribed officers	More information
Performance assessment	We use a groupwide performance management system – Perform to Grow. Performance is assessed against pre-agreed individual goals aligned to business goals with qualitative and quantitative measures.	Qualitative and quantitative performance measures and objectives are set at the beginning of each year against the five strategic value drivers. Achievement against objectives is tracked throughout the year and evaluated at year end.	
Fixed remuneration	Business results determine the affordability of fixed remuneration increases. Increases are based on a combination of inflation, market comparisons, individual performance and experience.	Fixed remuneration is determined based on the size and complexity of the role, benchmarked to the local market, and impacted by group, business line (if applicable) and individual performance.	Policy detail: page 61. Implementation: page 71. Executive directors and prescribed officers: page 95.
Short-term incentive	• These are annual discretionary awards of cash and share-linked awards. • Business results determine the size of STI pools. • All permanent employees are eligible to be considered for a discretionary annual incentive award assessed against pre-agreed goals. • Individual awards are based on a combination of group, business line, team and individual performance (using financial and non-financial metrics over a multi-year period) and include effective risk management and compliance criteria. • Deferred awards are typically granted from mid-management level to senior management level and executives.	STIs are directly influenced by group and business line performance (if applicable).	Policy detail: page 62. Implementation: page 71. Executive directors and prescribed officers: page 95.
Long-term incentive	• These are forward-looking share-linked awards with a rolling three-year delivery if performance conditions are met. • Awards are limited to senior executives with longer-term decision horizons and in roles that influence the group's results and long-term strategy. • Awards are made in relation to market pay benchmarks.	Long-term awards make up a significant proportion of executive directors' and prescribed officers' total remuneration.	Policy detail: page 64. Implementation: page 72. Executive directors and prescribed officers: page 95.
Other	• We subscribe to remuneration surveys. This applies in all countries in which we operate where relevant market data is available. • We have recognised union agreements in several countries across Africa, including South Africa. • Minimum standards are in place for group benefits and allow for localisation of benefits where market practice dictates. Changes to benefits are governed by a group benefits committee. • The quantum of benefits, expressed as a percentage of remuneration, are comparable across seniority levels in all of our countries.		

Overview of reward structures

TOTAL REMUNERATION

Fixed remuneration
Basic salary
Compulsory benefits Group benefits plus compulsory country-specific benefits
Optional benefits

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

Variable remuneration
Annual cash incentive award
Annual deferred incentive award Incentive awards above R1 million (or applicable local currency thresholds) plus discretionary deferred incentive awards
Long-term incentive award Performance reward plan

page 63.

page 64.

Variable remuneration awards are discretionary and based on **group, business line, team** and **individual performance.**

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

Pay mix

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

Typical pay mixes:

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

Fixed remuneration

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

Elements of fixed remuneration

Basic salary	Compulsory benefits	Optional benefits
To attract and retain employees We seek to remain competitive relative to our peers in the fixed remuneration we offer. Our annual basic salary review considers available market data, as well as individual and business line performance. Increases take effect on 1 March each year.	**To encourage retirement savings[1] and to cater for unforeseen life events** Pension and disability plans, death cover[2] and medical insurance[3] consider country practices and requirements.	**To enhance the package available to employees** These benefits vary and consider country practices and requirements.

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

Fixed remuneration implementation: page 71.

R

Variable remuneration

Short-term incentive awards (discretionary)

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

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

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

Read more on forfeiture (malus) and clawback arrangements: page 67.

Executive directors and prescribed officers

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

STI outcomes for executive directors are 100% aligned with group performance. STI outcomes for prescribed officers are aligned to group performance (50%) and their respective business line performance (50%).

STI implementation: page 71.

Setting the STI incentive pool

1

Group's incentive pool

- Incentive pools are correlated to headline earnings (HE) and HE pre-minorities and incentive (HEpMI[1]) on a through-the-cycle basis and adjusted for the group's performance against its five strategic value drivers.
- Tested against the historical ratio analysis of incentive pools and profit measures (see page 71).
- Assessed against the relative returns to shareholders and employees in the year of award and cumulatively over time (see page 71).
- Benchmarked against the variable incentive pools of our banking competitors in South Africa by analysing their annual financial statements.

[1] The key performance metric used by remco.

2

Business line[2] and corporate function pools

- Determined by group performance, as well as correlated to HEpMI on a through-the-cycle basis and adjusted for the performance of the business line or corporate function against the five strategic value drivers.
- Proposed by the group CEO for approval by remco.
- Cascaded to the relevant group leadership council members accountable for the business lines and corporate functions.

[2] Going forward, and in line with developments to accelerate our strategy, from 2021 business lines will be replaced by client segments.

AIR Refer to our annual integrated report for further detail.

3

Adjustments for risk

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

4

Individual proposals

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

R

Share-linked deferral scheme – deferred bonus scheme

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

The mandatory deferral rates applicable to the March 2021 awards have been maintained at the same level as 2020, with the maximum marginal deferral rate at 50%.

Mandatory deferral of incentive awards

AWARD VALUE

R0 to <R1 million	R1 million to <R3 million	R3 million to <R5.5 million	>R5.5 million
Cash award	Cash to R1 million	Cash to R1 million	Cash to R1 million
	Over R1 million deferred at 30%	R1 million to R3 million deferred at 30%	R1 million to R3 million deferred at 30%
		Over R3 million deferred at 40%	R3 million to R5.5 million deferred at 40%
			Over R5.5 million deferred at 50%

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

The deferred incentive is unitised into a number of units with respect to the group's share price on the date of award. DBS units are then linked to the group share price until the vesting dates and accrue notional dividends during deferral, which are payable at vesting. The awards vest in three equal tranches at 18, 30 and 42 months. The release of deferred incentive awards made in March 2021 is illustrated below.

2020	2021	2022	2023	2024
Performance period	March award	September – first vesting date: 33.3% of the award and a notional dividend payment	September – second vesting date: 33.3% of the award and a notional dividend payment	September – third vesting date: 33.3% of the award and a notional dividend payment
	Deferral period			

Scheme settlements

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

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

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

The release of rights awarded to employees in March 2021 under the SARP is illustrated below.

2021	2023	2024	2025	2027
March award	March – first vesting date 33.3% vests	March – second vesting date 33.3% vests	March – third vesting date 33.3% vests	Can hold for up to a further two years after each vesting date.

Long-term incentive awards – PRP (discretionary)

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

Plan features:

- **Awards and dividends:** awards are made annually although individuals may not always receive an award every year. Notional dividends that accrue during the vesting period are payable on vesting.
- **Vesting and performance periods:** Awards vest after a period of three years from the award date which is typically in March. Vesting is fully subject to performance conditions set at the time of award. The performance period over which the achievement of the performance conditions is measured runs over a three-year period aligned to the group's financial year, i.e. the performance period for an award made in March runs from 1 January of that year to 31 December three years later.
- **Performance conditions and targets:** the performance conditions are set annually by remco. For the 2021 award, the performance conditions were set to align to our refreshed strategic priorities. Refer to page 72 in the implementation report. The performance conditions determine the number of shares that ultimately vest.
  - They include a minimum threshold to start vesting and subsequent targets for vesting up to 200%. Straight line vesting applies for achievement between defined targets.
  - Vesting thresholds are set relative to relevant underlying minimum levels of performance, allowing for changing market conditions.
  - Targets are set at the commencement of an award and can only be amended by remco in exceptional circumstances. Any exceptional circumstances will be disclosed.
  - The achievement of stretch targets leads to total reward levels in the upper quartile of market remuneration.
  - The scheme has a minimum vesting of 0% of the number of awards and a maximum cap on vesting equal to 200% of the number of awards.
- **Vesting:** if the minimum threshold for vesting is exceeded, and to the extent that the performance conditions are achieved, the PRP award is settled with the individual in the form of shares on the applicable vesting date. Notional dividends are settled in cash. The group purchases the shares on vesting **to avoid any shareholder dilution** for external market participants.
- All awards are subject to forfeiture (malus) and clawback applies to material risk-takers for awards made on or after March 2019.
- PRP rules allow remco to apply its discretion to increase or reduce the formulaic vesting outcome for awards made on or after March 2021. This change has been made to ensure that remco can apply its judgement to achieve the appropriate result. This approach aligns with international best practice on LTI schemes.

AIR Read more about our key strategic measures in our strategy on page 38 of the annual integrated report.

Equity Growth Scheme

The EGS represents participation rights in the future growth of the group's share price. The eventual value of the right is settled by the receipt of the group shares equivalent to the full value of the participation rights. Certain EGS awards issued prior to March 2014 included performance conditions. The EGS is a historical scheme and the last awards were made in 2016. On vesting, the group issues shares but then has a **buyback policy in place to prevent dilution**.

LTI implementation: page 72.

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 100 – 111.

Remuneration scenarios for executive directors and prescribed officers

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

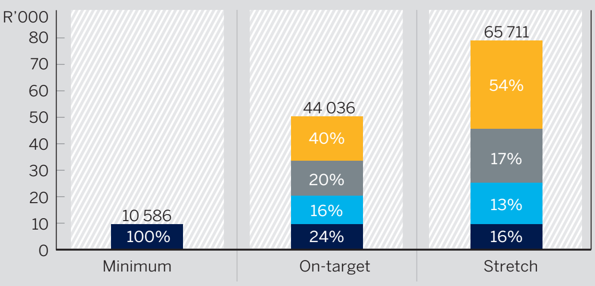
Remco considers the level of remuneration under these scenarios to ensure that remuneration is considered appropriate in terms of the group's performance and the value created for stakeholders.

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

- **Minimum reward outcome**
  - This outcome depicts a scenario in which only the fixed remuneration of the relevant individual would be paid.
- **On-target reward outcome**
  - This outcome depicts a scenario in which short-term incentives (cash and deferred) and long-term incentives are paid in addition to fixed remuneration.
  - Short-term incentives have been set on the basis of meeting targets (using both financial and non-financial metrics over a multi-year period) for the group, client segment (where applicable) and the individual.
  - The scenario assumes around 55% of the short-term incentive will be deferred in share-linked awards.
  - In line with King IV, the long-term incentive value is the fair value at grant for the most recent PRP award.
- **Stretch reward outcome**
  - Short-term incentives have been set on the basis of exceeding targets (using both financial and non-financial metrics over a multi-year period) for the group, client segment (where applicable) and the individual.
  - This scenario also assumes around 55% of the short-term incentive will be deferred in share-linked awards.
  - In line with King IV, the long-term incentive is set at the maximum achievement of the performance conditions of the most recent PRP award. This outcome would deliver significant value for shareholders.

The scenario outcomes presented are for illustrative purposes and should be seen as a range of possible remuneration outcomes in the future rather than an estimate for the FY2021 single figure outcomes. The target and stretch outcomes set out in the graphs below are lower than the equivalent outcomes disclosed in the FY2019 remuneration report as these scenarios are using the 2020 STIs as a base reference.

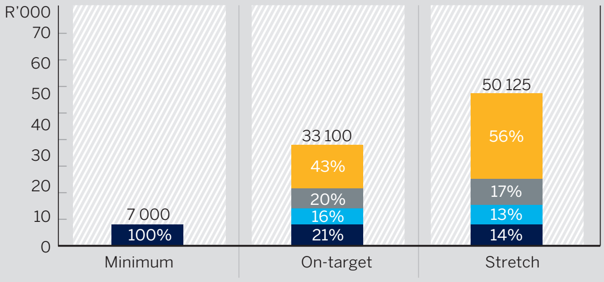
CHIEF EXECUTIVE OFFICER STANDARD BANK GROUP



The above scenarios include conditional LTI awards of R17.8 million and R35.5 million for on-target and stretch respectively.

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

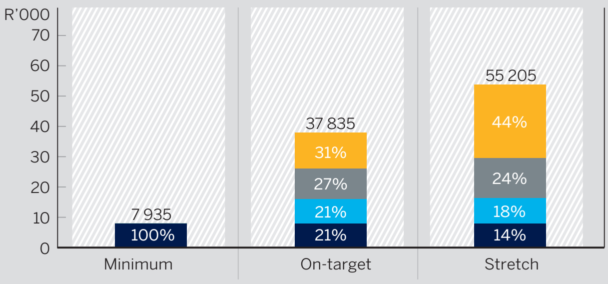
GROUP CHIEF FINANCIAL AND VALUE MANAGEMENT OFFICER



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

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

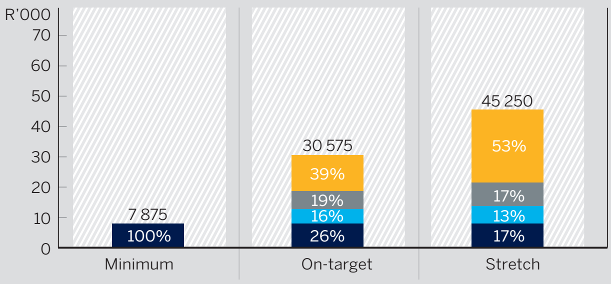
CHIEF EXECUTIVE OFFICER, WHOLESALE CLIENTS



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

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

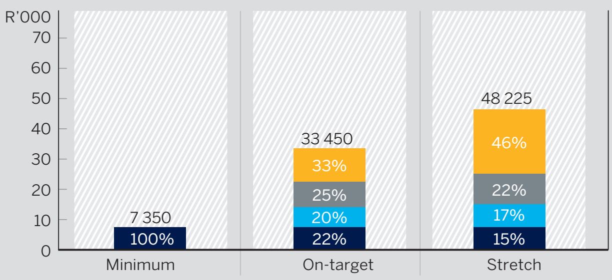
CHIEF EXECUTIVE OFFICER, BUSINESS & COMMERCIAL CLIENTS



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

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

CHIEF EXECUTIVE OFFICER, CLIENT SOLUTIONS



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

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

Risk management and remuneration

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

The group CEO and remco oversee the remuneration of all senior risk and compliance employees. Incentives for these employees are set independently from the business areas that they oversee.

Future risks

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

Governance of risk in remuneration

Group chief risk and corporate affairs officer	• Formally reports to remco twice a year on the application of the group enterprise risk management framework across major business lines and on any significant breaches of group enterprise risk management policies or limits by individuals. • Reports cover the group's risk appetite and the current and future risk profile in relation to risk appetite. • Qualitative and quantitative measures inform remco's determination of the overall incentive pools for business lines and corporate functions. • Individual incentive awards of senior managers and executives are reviewed against any breaches and adjusted, where required. • Proposed changes to reward policy are discussed with the group chief risk and corporate affairs officer.
Group chief financial and value management officer	• Formally reports to remco twice a year on risk-adjusted performance and remuneration. • Reports include an analysis of group and business line risk-adjusted metrics across a range of risk types and their relationships to incentive pools. They also consider HE, ROE, capital, return on assets and risk-adjusted performance (economic profit and return on economic capital). The analysis quantifies the cost of capital and takes into account credit, market and operational risk.
Group chief people and culture officer	• Reports annually to remco on all significant governance breaches and their impact on individual remuneration. Breaches can result in reduced incentives, removing incentive awards and/or removing salary increases. Material breaches may result in dismissal.

Adjustments

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

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

Forfeitures (malus) and clawbacks

	Forfeitures (applicable since 2009 and amended in 2011)	**Clawbacks** (applicable since 2019)
Applies to	Individual unvested awards of DBS, CSDBS, PRP and SARP and any cash incentive awards prior to payment.	Vested or paid variable incentive awards received by material risk-takers since March 2019 are subject to clawback conditions. The provisions apply to cash awards, deferred awards, share incentive awards, LTIs and related notional dividends.
Triggers	• Reasonable evidence of misbehaviour or material error by the participant; • The group or relevant business line suffers a material downturn in financial performance, for which the participant can be seen to have some responsibility; • The group or relevant business line suffers a material failure of risk management, for which the participant can be seen to have some responsibility; and/or • In remco's discretion, any other circumstances.	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; • Events, 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; • Action or conduct of an employee which amounts to gross misconduct that occurred prior to award or vesting; and/or • A material error, or inaccurate or misleading information, used to assess the performance condition(s) that determined an award.

AIR Read more about how we manage our material risk types in risk and conduct on page 74 of the 2020 annual integrated report.

RCM For a full report on risk and capital management.

Fair and responsible remuneration

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

FAIR REMUNERATION DECISIONS ARE:

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

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

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

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

RESPONSIBLE REMUNERATION DECISIONS ARE:

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

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

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

The wage gap and minimum salaries

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

Mindful of income gaps and our commitment to fair and responsible remuneration, our minimum incomes enable employees in the lowest employment band to participate with dignity in the economies of the countries where they reside. Remco keeps abreast of the minimum levels of income in each country of operation, even if no prescribed minimum income exists, and compares these minimum levels against financial service/banking minimums.

Remco is aware of the various pay gap ratios that are in use in other jurisdictions and is aware of the reviews and recommendation by various bodies on pay gap disclosure. When such guidance or regulations have been finalised, remco will make the appropriate disclosures.

Minimum shareholding requirements

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

Group CEO	Three times fixed remuneration.
Executive directors and prescribed officers	Two times fixed remuneration.

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

Executive terms of employment

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

Restrictive covenants

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

Retention agreements and payments

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

Guaranteed incentives

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

Sign-on awards/buy-out awards

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

Severance payments

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

Non-executive director fees

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

Fees

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

Terms for non-executive directors

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

GOV More information on director independence: page 23.

Implementation report

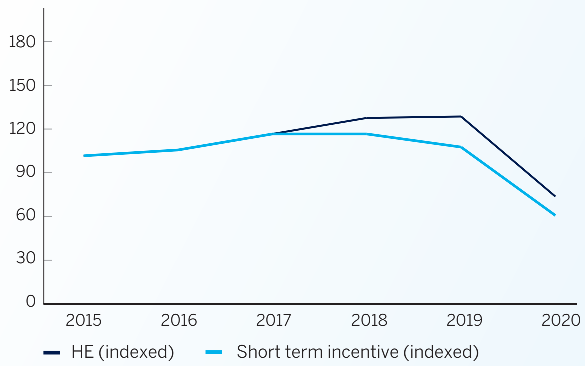
Implementation and shareholder alignment

This section of our remuneration report sets out the reward decisions taken by remco in 2020 pertaining to the group's executive directors, prescribed officers and the general workforce. Remco is satisfied that it has achieved its mandate and that the group's remuneration policy remains appropriate, evidenced by its ability to stand the test of Covid-19. The committee is also satisfied that implementation of its remuneration policy has been carefully deliberated to achieve the best and fairest outcomes for our shareholders and executives.

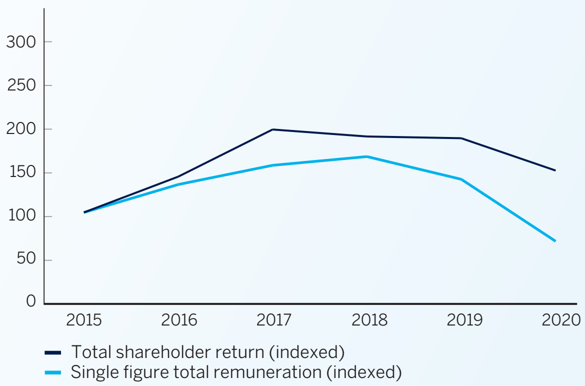
Remco's inclusive approach to remuneration requires it to listen to the concerns of our shareholders and engage with them on the challenges it faces. The committee chair and the head of reward have met with institutional shareholders with significant holdings twice in 2020.

The impact of Covid-19 on the group's financial performance and the interests and views of our shareholders were considered when agreeing the reward outcomes for the group, and particularly for the group's executive directors and prescribed officers. This alignment with shareholder interests is demonstrated in the graphs below, which track HE against the group CEO's STI awards since 2015 and total shareholder return against the group CEO's single figure total remuneration for the same period.

HEADLINE EARNINGS VERSUS GROUP CEO'S STI AWARDS



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



Implementation of the remuneration policy in response to Covid-19

The background statement (starting on page 52) provides the context and challenges of a one in a hundred-year event. While the remuneration policy has broadly withstood this challenge, remco has used its discretion to implement temporary amendments to ensure that there are sufficient incentives for leadership to protect shareholder value over the long term and to achieve the best and fairest outcomes for shareholders, executives and other stakeholders.

TEMPORARY AMENDMENTS IMPLEMENTED

Fixed remuneration for group leadership council members

Remco decided not to award fixed remuneration increases unless there has been a change in responsibilities.

Non-executive directors' fees

Remco decided not to increase fees for non-executive directors to ensure there is alignment with the group leadership council members and shareholders.

March 2020 PRP award performance conditions

Remco noted in the 2019 remuneration report that it would consider the impact that Covid-19 had on its remuneration policy in due course. In the December 2020 SENS announcement, remco confirmed that it would retain the conditional nature of the March 2020 PRP awards but that it would be in the best interests of the group to amend the related performance conditions, to an evaluation by remco at the end of the three-year performance period.

The December 2020 SENS announcement also noted that the performance conditions for the March 2018 and March 2019 awards would not be amended even though the threshold performance conditions have not been met for the March 2018 awards and there is high probability that the March 2019 awards will not vest.

Extension of expiry period for historical share-linked awards

Remco decided to extend the expiry period for a small number of historical awards that have already vested in the EGS, GSIS and the SARP. The extension is up to 31 March 2023. These share-linked awards that had already been held for up to ten years had become valueless due to an event unrelated to performance just prior to expiry.

Executive directors and prescribed officers

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

- **Fixed remuneration:** no increases in fixed remuneration apart from one increase to reflect a change in responsibilities and role size.
- **Variable remuneration:** closely linked to short- and long-term performance measures.
  - **STI awards:** significant reductions in STI awards reflecting the group's 2020 financial performance. The total reduction relative to 2019 awards is 40% although individual awards vary to reflect business line performance.
  - **Deferred incentive awards:** around 55% of STIs will be awarded in share-linked awards that vest in three equal tranches in September 2022, September 2023 and September 2024.
  - **LTI awards:** there will be no payout of PRP awards due to vest in March 2021 in terms of the three-year performance period ending December 2020. There is also a high probability that the PRP awards due to vest in March 2022 will not vest.
- **Single figure total remuneration:** decreased significantly as a result of the non-delivery of the March 2018 PRP award evaluated on the three-year performance for the period ending December 2020, and a significant reduction in the STI awarded for FY2020, reflecting the group's 2020 financial performance. The average reduction relative to 2019 is 47%.
- **Projections for single figure total remuneration:** projections for on-target and stretch STI reward outcomes have reduced to reflect the current business environment.
- **Share-linked unvested awards:** significant year-on-year reduction in the value of share-linked unvested awards given the group's share price and the achievement of long-term performance measures.

Individual disclosure starting on page 95.
Unvested shares on page 100.

Covid-19 impact and remuneration actions in respect of our employees

To help employees manage the impact of Covid-19, the following reward actions were taken:

- Maintained fixed remuneration for all employees during periods of temporary unproductivity brought about by the mandatory Covid-19 lockdowns.
- Continued to award STIs to employees who met the required performance standards albeit significantly reduced to reflect the group's 2020 performance.
- Made a special 'National Service Appreciation' recognition award (R5 000 or local equivalent) to the general employees and managers who continued to work from the bank's premises to deliver essential banking services to our clients during the first wave of national lockdowns in South Africa and Africa Regions.
- Introduced special leave policies including parental leave during school closures and leave for self-quarantine purposes.
- Repatriated our international assignees, where possible and if they wished to do so, ahead of border closures and travel bans and supported those that chose to remain.

Adjustments to fixed remuneration

With the exception of group leadership council members, remco approved the following increases to fixed remuneration with effect from March 2021:

- 5.4% average increase to basic salaries across the group.
- 4.2% average increase to cost-to-company for managers and executives based in South Africa
- 5.0% average increase for the fixed pay of our unionised general employees based in South Africa. Minimum salaries were increased to R204 200 per annum.

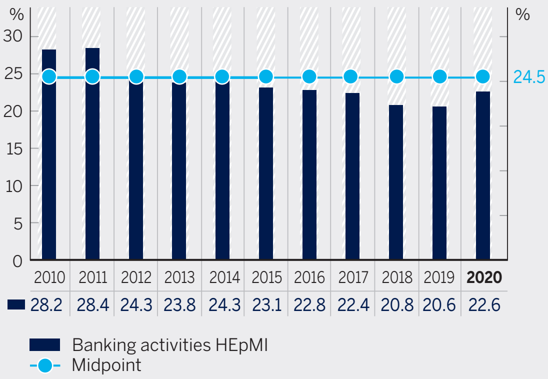
Short-term incentive awards

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

After remco's evaluation of the group's financial and risk-adjusted performance for the year and delivery against the group's strategy, the incentive pool for banking activities was reduced by 28% relative to banking activities HEpMI reduced by 35% in 2020. This represents an employee bias for 2020 although the index graph below shows a shareholder bias over the long term.

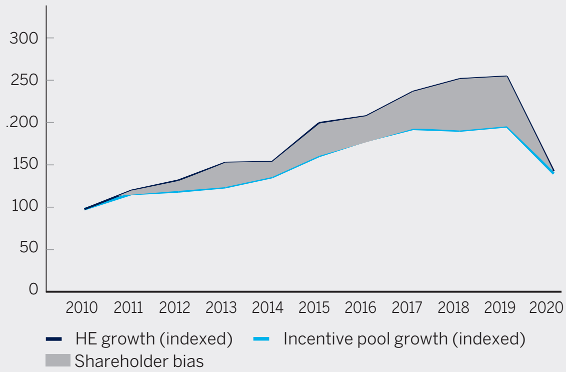
As shown in the graph below, the 2020 incentive pool as a percentage of banking HEpMI represents a year-on-year increase from 20.6% to 22.6%. However, the 2020 incentive pool is below the 24.5% midpoint over the ten-year analysis period.

INCENTIVE POOL AS A PERCENTAGE OF HEpMI FOR BANKING ACTIVITIES



The graph below charts the relative growth in the group's headline earnings and incentive pools since 2010. The shaded area represents the 'shareholder bias' over the period.

RELATIVE HEADLINE EARNINGS AND INCENTIVE POOLS



Long-term incentive awards

The status of the PRP awards are set out below.

	Status	Performance conditions
March 2021 awards	Awards continue to use a conditional share-linked plan that vests on the achievement of three-year performance targets, aligning the interests of executives and shareholders.	Performance conditions have been set to reflect our refreshed strategic priorities with a 60% weighting on financial performance (ROE) and 40% on non-financial priorities.
March 2020 awards	Covid-19 results in a large economic shock.	Conditional share-linked plan has been retained although the performance conditions have been amended as noted below.
March 2019 awards	High probability that the awards will not vest in March 2022.	Performance conditions remain unaltered.
March 2018 awards	These awards were due to vest in March 2021, but the threshold performance conditions have not been met.	Performance conditions remain unaltered. Remco agreed that individual awards for senior executives would lapse without vesting.

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

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

The performance conditions for the March 2021 awards are linked to our strategic priorities and value drivers to deliver our purpose and promise. We have updated our strategic priorities to align to our accelerated strategy, clarifying what we need to do to deliver our purpose. From 2021, these are

- transform client experience
- execute with excellence
- drive sustainable growth and value.

Further detail will be provided later in 2021.

AIR More detail on the group's priorities are included on page 32 of the annual integrated report.

The performance conditions, weightings and vesting levels are shown in the table below:

The level of vesting can range between 0% and 200% for the financial and non-financial conditions.

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

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

For each of the non-financial conditions, remco will evaluate the level of achievement against specific objectives and this will determine the score in terms of a five-point assessment scale. Remco will determine the achievement with reference to board-approved metrics, relevant benchmarks, performance relative to peers and qualitative outcomes for each priority. Remco will also take into account the macro conditions under which the progress is made.

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

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

Remco may determine any vesting from 0% to 200%. If any vesting occurs on 31 March 2023, remco will disclose in the FY2022 remuneration report the key considerations in determining any vesting.

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

The vesting level of the March 2020 awards will be at the sole discretion of remco after assessing the following performance conditions in the period ending December 2022:

- SBG performance conditions: in addition to ROE improvement and growth in headline earnings per share (HEPS) over the three-year performance period, remco will consider substantial progress made in the delivery of the five strategic value drivers and the board-approved measures.
- Individual performance condition: the achievement of a favourable individual performance rating for each year in the three-year performance period ending December 2022.

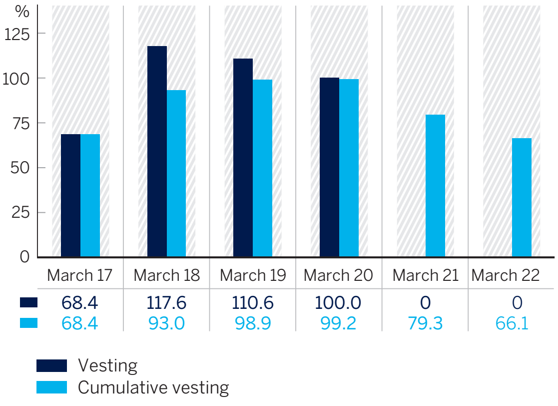
March 2019 and March 2018 awards

	March 2019 awards Vesting March 2022 Performance period ending December 2021	**March 2018 awards** Vesting March 2021 Performance period ending December 2020
Average growth in HEPS[1]	• Below 8%: no conditionally allocated units will vest. • Once 8% is achieved: 20% of conditionally allocated units will vest. • For each 1% of average growth in HEPS in excess of 8% up to 11%: 20% of conditionally allocated units will vest. • For each 1% average growth in HEPS in excess of 11%: 30% of conditionally allocated units will vest. • Maximum vesting at 200% of initial HEPS-related conditional units awarded.	• Below 9%: no conditionally allocated units will vest. • Once 9% is achieved: 20% of conditionally allocated units will vest. • For each 1% of average growth in HEPS in excess of 9% up to 12%: 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.
Average ROE	• For each 0.1% increase in average ROE above 18% up to 18.5%: 7.5% of the ROE-related conditional units awarded vest. • For each 0.1% increase in average ROE above 18.5% up to 19%: 10% of the ROE-related conditional units awarded vest. • For each 0.1% increase in average ROE above 19%: 15% of the ROE-related conditional units awarded vest. • Maximum vesting at 200% of the initial ROE-related conditional units awarded.	• For each 0.1% increase in average ROE above 17.5% up to 18%: 7.5% of the ROE-related conditional units awarded vest. • For each 0.1% increase in average ROE above 18% up to 18.5%: 10% of the ROE-related conditional units awarded vest. • For each 0.1% increase in average ROE above 18.5%: 15% of the ROE-related conditional units awarded vest. • Maximum vesting at 200% of the initial ROE-related conditional units awarded.

1 The average HEPS growth is relative to a HEPS base of 1 748.4 cents for 2019 awards and 1 640.0 cents for 2018 awards.

The graph alongside shows the vesting history since the PRP's inception in 2014. The first vesting was in March 2017 based on the three-year performance period ending December 2016. The average vesting since inception was tracking close to 100%. However, with 0% vesting in March 2021 and the high probability of 0% vesting in March 2022, the average is predicted to fall to around 66% in the 0% – 200% range.

PRP VESTING HISTORY



Other reward implementation considerations

During the course of 2020, remco have also considered and agreed the following actions.

Remuneration policy	2020 implementations	Policy detail
Forfeiture (malus) and clawback	No events led to the forfeiture and clawback triggers being implemented.	Page 66
Minimum shareholding requirement	All but one of the executive directors and prescribed officers have met the ongoing minimum shareholding requirements. The executive who does not currently meet the requirement is required to build up their personal shareholding from future vesting proceeds in the share-linked deferral schemes.	Page 68
Retention agreements and payments	None of the executive directors or prescribed officers are subject to a retention agreement.	Page 69
Guaranteed incentives	No guaranteed incentive was paid to an executive director or prescribed officer.	Page 69
Sign-on awards/buy-out awards	No sign-on award was given to an executive director or prescribed officer.	Page 69
Severance payments	None of the executive directors or prescribed officers have received special contractual severance payments.	Page 69

Fair and responsible remuneration

Learning and career development

We invested R677.5 million in learning and development opportunities. In addition, we spent R51 million on bursaries for 1 831 employees. This investment together with other development opportunities and internal job and promotion opportunities allows individuals to progress their careers and therefore their earning potential.

Minimum salaries

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

Gender and race

Following a pilot run in 2019, we have adopted a multivariate regression analysis methodology for conducting pay equity analysis on the grounds of gender and race. This analysis covers both fixed and variable remuneration.

Our analysis in 2020 indicates a more balanced gender equity pay distribution across countries and a more balanced race pay distribution in South Africa. The analysis indicates there are no systematic or entrenched issues. Any gaps are addressed during the annual remuneration review and when promotions take place. We are confident that our approach produces fair outcomes and we will continue to robustly address any risk of unconscious bias.

Individual performance and remuneration of executive directors and prescribed officers

Context to awards

The impact of Covid-19 dominated FY2020. It affected all the economies in which the group operates in. It affected our businesses, our leaders, our clients and our people. Our financial results reflect the economic damage caused by the pandemic, but these results also reflect the strength of the group. They demonstrate our capacity to support our clients and communities during the most difficult 12 months in living memory. They demonstrate the strength of our Africa-wide portfolio and sum up the extent of the damage to the South African economy.

No pre-determined executive performance contract or goals set in January 2020, could have captured everything the group leadership council were asked to do in FY2020. Consequently, the performance of these individuals was based on the group's FY2020 financial results, their own business line results where applicable, the strategic progress they made in FY2020 under the other four value drivers, and on how they have contributed to ensuring the group has remained sound, sustainable and socially relevant during the pandemic.

In this context, remco determined that FY2020 reward for executive directors and prescribed officers had to reflect the impacts of Covid-19 on financial performance. This led to a below target rating on the financial strategic value driver, which has been directly linked to STI awards. This then allowed remco to objectively assess the other four value drivers on their merits knowing that short-term incentives were determined solely on financial outcomes for FY2020.

STI outcomes for executive directors are 100% aligned with group performance and STI outcomes for prescribed officers are aligned to group performance (50%) and their respective business line performance (50%).

The table below details the group's material issues for each of its strategic value drivers. The individual disclosures for each executive director and prescribed officer detail the individual achievements against each strategic value driver and the link between performance and the reward outcomes.

Strategic value driver	Group's material issues
CLIENT FOCUS	• Deliver client value through competitive digital solutions. • Ensure fair outcomes for clients. • Support clients during difficult times.
EMPLOYEE ENGAGEMENT	• Deepen diversity and inclusion within the group. • Build the skills and workforce for an evolving world. • Support employee health and wellbeing. • Ensure that employees feel connected and motivated by our group purpose.
RISK AND CONDUCT	• Protect and maintain the integrity of our data and information assets. • Ensure the stability, security and speed of our IT systems. • Manage third-party risk as we accelerate our strategy. • Manage risk across geographies with different regulatory frameworks. • Effective business continuity in face of emerging risks.
FINANCIAL OUTCOME	• Deliver sustainable value to shareholders. • Maintain the resilience of our balance sheet. • Sustainable revenue growth.
SEE IMPACT	• Deliver sustainable finance solutions across Africa. • Effective management of environmental, social and governance (ESG) risk, with an emphasis on climate risk. • Demonstrate positive impact through our seven SEE impact areas of 1) financial inclusion, 2) job creation and enterprise growth, 3) infrastructure, 4) Africa trade and investment, 5) climate change and sustainable finance, 6) education, and 7) health.

AIR More detail of the group's material issues are included on page 30 of the annual integrated report.

Sim Tshabalala

Chief executive officer, Standard Bank Group

Performance against:

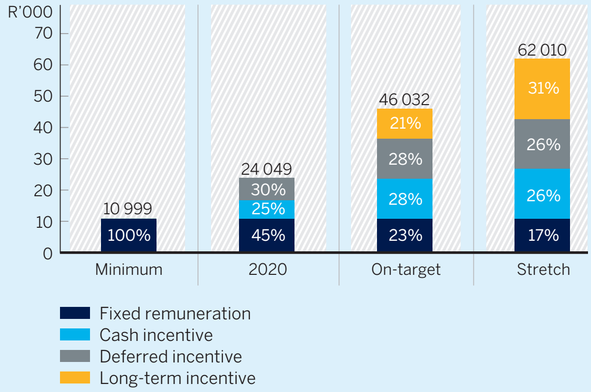
- **Financial strategic value driver** – below target rating
- **Non-financial strategic value drivers** – overall on-target rating

Sim's performance has been based on the group's FY2020 financial results, the strategic progress made under the other four value drivers and on how he has contributed to ensuring the group has remained sound, sustainable and socially relevant during the pandemic.

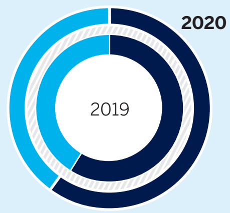
Link between performance and reward

- In line with the approach taken for executive directors and prescribed officers, there is no increase to fixed remuneration with effect from March 2021. The year-on-year increase in fixed pay of 8% from 2019 to 2020 is a consequence of adjustments made with effect from 1 March 2020.
- In line with all other group leadership council members, short-term incentives are proposed after considering headline earnings and the achievement of strategic value drivers. For executive directors, the financial performance is fully anchored around group performance. Consequently, short-term incentive awards have been reduced by 44%, in line with group headline earnings, which reduced by 43%.
- 55% of the short-term incentive award will be deferred in share-linked awards that will vest in three equal tranches in September 2022, 2023 and 2024.
- The conditional long-term incentive award in the PRP has been increased by R1.1 million from the prior year to incentivise the execution of future strategy after considering market information on pay mix and long-term incentive awards. Any delivery is subject to performance conditions being met as assessed by remco.
- The table below shows that total remuneration awarded by remco of R41.8 million (of which R17.75 million is at risk and may not deliver any value) is 17% lower than the prior year.
- Single figure awards are 51% down on the prior year, reflecting the non-delivery of the March 2018 PRP award evaluated on the three-year performance period ending December 2020 and a significant reduction in the short-term incentive award awarded for FY2020.
- The graph alongside shows that this year's single figure total reward of R24.1 million is 52% of on-target projected earnings and 39% of projected stretch earnings.

SINGLE FIGURE TOTAL REWARD FOR 2020 IN RELATION TO MINIMUM, ON-TARGET AND STRETCH PROJECTED EARNINGS

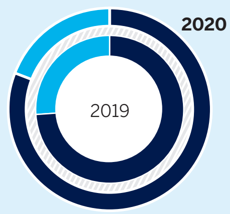


DEFERRED AWARDS AS PERCENTAGE OF TOTAL REWARD (%)



	2020	2019
Deferred for up to 3.5 years	**60**	59
Paid in cash	**40**	41

DEFERRED AWARDS AS PERCENTAGE OF TOTAL VARIABLE REWARD (%)



	2020	2019
Deferred for up to 3.5 years	**81**	74
Paid in cash	**19**	26

Remuneration awarded by remco for 2020

AWARDED

R'000	2019	**2020**	% Increase
Fixed remuneration	10 222	**10 999**	8
Cash incentive	10 525	**5 900**	(44)
Deferred incentive	12 725	**7 150**	
PRP awarded	16 650	**17 750**	7
Total reward	50 122	**41 799**	(17)

SINGLE FIGURE

R'000	2019	**2020**	% Increase
Fixed remuneration	10 222	**10 999**	8
Cash incentive	10 525	**5 900**	(44)
Deferred incentive	12 725	**7 150**	
PRP awarded	15 724	**–**	(100)
Total reward	49 196	**24 049**	(51)

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

During the pandemic, we engaged proactively with our clients to understand the support they required. We provided cumulative relief of R154 billion, and our client engagement teams stayed close to clients as they navigated complex and abnormal operating conditions.

CIB
We provided short-term liquidity to support otherwise sustainable businesses through the lockdowns and accelerated measures such as debt restructuring, asset sales and capital market transactions that were underway before the crisis hit, to help more vulnerable businesses reduce debt and recover. We focused on adjusting risk appetite to reflect changes in clients' operating environments, including the impact of Covid-19, and were selective in exposures to avoid concentration in certain sectors.

As the African leader in green bond issuance and arrangement, with expertise in both the African and global green bond market, we arranged Africa's largest green bond and South Africa's first offshore green bond in 2020. We received the Global Finance award for Best Global Investment Bank for Sustainable Finance.

PBB
We introduced a number of relief measures for qualifying personal and business clients, which included temporary loan repayment holidays, fee waivers and moratoriums, disbursement of loans in terms of the government-initiated loan guarantee scheme to support small businesses, and accelerated our digitisation strategy to expand and enhance our digital service solutions.

We expanded our digital solutions, adding new features and services on our app and internet banking solution throughout the year. The number of active users on our mobile banking app increased. We launched DigiMe multifactor authentication to provide extra security on high-risk online transactions, allowing clients to transact safely online in a rapidly changing digital environment. We saw good take up of our cashless offerings, and increased the number of customers using Standard Bank Mobile (from 68 000 to 150 000 subscribers).

We expanded and enhanced our digital solutions for small and medium-sized enterprises (SMEs), which included a suite of complete solutions to support SME growth. These included SimplyBlu, BizFlex, Trade Club, and business lending on internet banking.

The active client base in South Africa was 9.35 million at the end of December, a decline of 1% compared to the prior year.

In Africa Regions, the active client base grew by 7%, primarily through our digital channels, and clients were attracted by new solutions. We noted substantial growth in digital account origination (77% of all origination), transactions (95% of all transactions are now executed digitally) and lending services (56% of unsecured personal loan disbursements are digital). During the year we introduced several new digitally enabled solutions to serve these clients including PayPulse and @Ease, which were well received.

Wealth
Our ambition to be recognised as the leader in Wealth on the African continent was realised through 22 industry awards for our Wealth Management and Insurance capabilities on the continent, including Euromoney's Top Bank for Wealth Management in Africa for the fifth consecutive year.

We introduced a number of measures to mitigate the impacts of Covid-19, including cash back on insurance premiums during the lockdown, and premium payment relief on certain credit life, funeral and education policies.

The My360 app gives clients a consolidated view of their net worth across more than 20 000 global financial institutions on a single easy-to-use dashboard. Now with more than 42 000 users, the My360 app won the Most Innovative International Fintech award at the 2020 Benzinga Global Fintech awards.

While there were improvements in client scores, and many other achievements, clients still experienced too many frustrations with us, including those caused by system instability and outages, particularly towards the end of 2020 and early 2021. Responding to these frustrations quickly, and removing their root causes, remains one of our highest priorities.

CIB Client Satisfaction Index (CSI) Survey
8.2
2019: 8.1

PBB South Africa channel NPS
72
2019: 67

PBB Africa Regions NPS
33
2019: 25

Wealth NPS
68
2019: 70

Not achieved | Partly achieved | Achieved

LEADERSHIP AND PEOPLE

The 2020 'Are You a Fan' survey had a participation rate across the group of 83%, compared to 74% in 2019. The group's eNPS for 2020 improved to +44 from +18 in 2019. Scores in comparable companies range between +7 and +17.

We have been sharply focused on our duty of care to our people during the Covid-19 pandemic. A range of human capital initiatives were delivered and adapted for application in various lockdown phases across countries, ranging from providing ongoing workplace support to employees classified as essential services workers, engagements with unions, developing and communicating relevant protocols, providing wellbeing support, introducing special leave and benefit provisions (including parental leave for school closures and leave for self-quarantine purposes), revising policies where required and developing an internal Covid-19 hub and app to ensure access to accurate, relevant and helpful information about the pandemic. More than 75% of our people have been successfully working remotely for most of the year, and the group's essential services operated without material disruption.

We continued to focus on equipping our employees with future-ready skills, with more than R677.5 million invested in employee learning capabilities. Our MyLearning platform gives our people easy access to an extensive range of learning resources. More than 85% of employees took up the opportunity to access learning content. More than five million learning items were completed online by employees since going live in April 2020. Approximately 6 348 employees across all our countries took part in leadership development initiatives in 2020, of whom 55% were women.

Overall turnover decreased from 10.8%, to 6.0%. Voluntary employee turnover declined year-on-year and our voluntary regrettable turnover declined from 2.3% to 1.4%. Our overall and voluntary turnover remain well below global financial industry benchmarks of 13% and 9% respectively (Source: Gartner financial services benchmarks: 2019).

We are continuously working to improve the representation of women in senior positions across the group. Women currently hold 34% of executive positions across the group. When measured against the 2020 McKinsey Women in the Workplace Report, the group compares favourably in respect of the representation of women in both executive and senior management positions.

Building on the Diversity and Inclusion Framework developed for Africa Regions in 2019, in 2020 each country in Africa Regions developed a three to five-year plan, setting targets for the representation of women at senior management and executive levels, and outlined specific interventions to support the achievement of those targets. These interventions address the entire people value chain, with a focus on learning and development, to establish strong succession pipelines in which women are well represented. The plans also have strong monitoring and evaluation components.

Sim continued to represent the group as one of the global Thematic Champions of the HeForShe movement for gender equity, an international partnership led by UN Women, and to support the development and promotion of female leaders within the group.

eNPS
+44
2019: +18

Voluntary turnover rate
3%
2019: 4.8%

Voluntary regrettable turnover rate
1.4%
2019: 2.3%

Overall turnover
6%
2019: 10.8%

Voluntary turnover at executive level
4.4%
2019: 3.78%

Women in executive positions
34%
2019: 32%

Representation of black people (South Africa)

In South Africa, in line with our employment equity targets, we improved the representation of black people, and African people in particular, at all management levels. Representation of black people in the total South African workforce is 83%.

Not achieved Partly achieved Achieved

RISK AND CONDUCT

The group's capital position remained robust, and within or above board-approved ranges throughout 2020. The CET 1 ratio was 13.3%, well in excess of the regulatory minimum of 7%, and above the board-approved range of 10.0% – 11.5%.

Despite the volatile and constrained liquidity environment, the group maintained sufficient liquidity to meet risk appetite limits. Our clients' liquidity needs were appropriately planned for and timeously met. The group's Basel III liquidity coverage and net stable funding ratios remained in excess of regulatory requirements.

During 2020, the group successfully raised R52.8 billion of long-term funding, R1.5 billion of Basel III compliant AT1 and R7.0 billion of Basel III compliant tier II capital.

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

The Always On, Always Secure programme was established to correct the unacceptably high level of system instability in 2019. In 2020, the resilience of our technology platform improved, with 57% fewer critical impact incidents. The mean time to repair these critical impact incidents also improved significantly compared to the previous year.

Our systems performed well during the year from a security perspective, with no material cyber incidents in 2020 against a backdrop of increasing cyber risk given the current pandemic.

Common equity tier 1 capital adequacy (CET 1) ratio
13.3%
2019: 14.0%

Total capital adequacy ratio
16.1%
2019: 16.7%

Liquidity coverage ratio (LCR)
134.8%
2019: 138.4%

Net stable funding ratio (NSFR)
124.8%
2019: 119.5%

Compliance training completion rate
98.0%
2019: n/a

FINANCIAL OUTCOME

Group headline earnings for 2020 was R15.9 billion, 43% lower than the prior year. Group ROE was 8.9%, lower than the prior year of 16.8%. The decline in group headline earnings was largely driven by higher credit impairment charges (2.6 times those of the prior year). This reflects the extraordinary strain imposed by the pandemic on households and firms, in South Africa in particular.

Operating expense growth was well contained at 1% but, given the 2% decline in total income, the group generated negative jaws of 306 basis points and the cost-to-income increased to 58.2%.

The group's diverse client base, geographic footprint and business mix cushioned a weak performance in South Africa. The Standard Bank of South Africa Limited's headline earnings declined 72%. Africa Regions grew headline earnings 9%, and 4% in constant currency. Africa Region's contribution to 2020 banking headline earnings grew to 58%.

Return on equity
8.9%
2019: 16.8%

Headline earnings
R15.9 bn
2019: R28.2 bn

Dividend per share
240 c
2019: 994 cents

Cost growth
1%
2019: 4%

Cost-to-income ratio
58.2%
2019: 56.4%

Not achieved　Partly achieved　Achieved

SEE IMPACT

Our overall measure for SEE value is our score on selected ESG indices. In 2020, we improved our total ESG score on the RobecoSAM score to 60%, from 51% in 2019. This compares positively to an industry average of 39%. In the Corporate Knights Global 100 Most Sustainable Corporations in the World, we are the only African company in the top 100 (placed 53rd).

During the year, we further integrated our SEE strategy into individual performance agreements for all our employees, from executives to frontline employees, across the group.

ESG risk has been integrated into the group's enterprise risk management framework, and we have adopted a revised group ESG risk governance framework which addresses social, environmental and climate-related risk identification, classification, analysis, monitoring and reporting.

We published our first TCFD aligned report on climate risk in October 2020 and will publish a fuller report in March 2021 as part of the group's annual ESG report. We also continue to participate in the UN Environment Programme Finance Initiative's TCFD pilot programme, and we are working with the Banking Association South Africa and the National Business Initiative to enhance our data on climate risk. We published our fossil fuel policy in 2020, which sets parameters for our lending in this area.

Our sustainable finance business unit has been working with business and partner organisations over the past 18 months. We published our Sustainable Bonds Framework in 2020. We are the leading Green Bond arranger and issuer in South Africa, and we issued Africa's largest green bond under our Sustainable Bond Framework – USD200 million placed with the International Finance Corporation (IFC).

We engaged with governments and our Corporate Social Investment (CSI) implementing partners to determine appropriate responses to the social and economic damage caused by the pandemic. We developed a CSI Covid-19 response strategy and framework to align the activities towards areas of greatest impact and need. In South Africa, in addition to our 2020 CSI budget of R97.2 million for ongoing strategic projects (most of which focus on education), we spent an additional R27 million under the Covid-19 response programme, to provide urgent medical and humanitarian support to communities. Africa Regions made significant contributions to Covid-19 response programmes. Stanbic Kenya donated 192 ventilators to the Ministry of Health, and facilitated acquisition of personal protection equipment (PPE) from China for government; Standard Bank Lesotho funded the construction of an ICU unit; Stanbic Bank Ghana donated USD225 000 to be used for PPE and testing kits; and Standard Bank Namibia provided PPE to informal settlements and assistance to government in disbursing Namibia's emergency income grant.

RobecoSAM score
(Higher is better)
60%
2019: 51%

FTSE4Good Sustainability Index
Included
2019: Included

MSCI ESG rating
AA (stable)
2019: AA (stable)

CDP climate score
A to F
C
2019: B-

Sustainalytics ESG risk rating
Out of 100, lower is better
25.5
med risk
2019: 29.9
med risk

Corporate Knights Global 100 most sustainable corporations
53rd
2019: 51st

Not achieved Partly achieved Achieved

Dr Arno Daehnke

Group chief financial and value management officer
(previously group financial director)

Performance against:

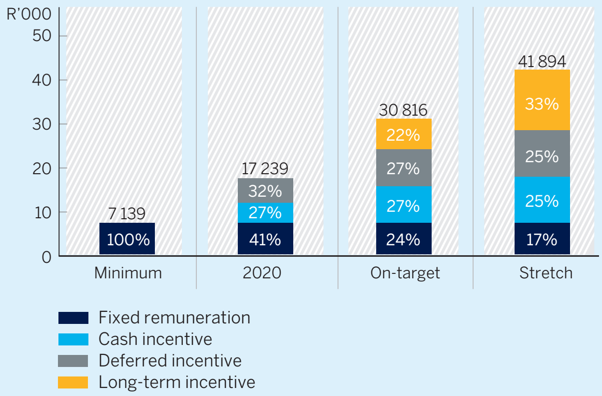
- **Financial strategic value driver** – below target rating
- **Non-financial strategic value drivers** – overall on-target rating

Arno's performance has been based on the group's FY2020 financial results, the strategic progress made under the other four value drivers and on how he has contributed to ensuring the group has remained sound, sustainable and socially relevant during the pandemic.

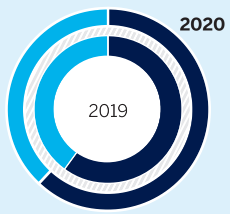
Link between performance and reward

- In line with the approach taken for executive directors and prescribed officers, there is no increase to fixed remuneration with effect from March 2021. The year-on-year increase in fixed pay of 11% from 2019 to 2020 is a consequence of adjustments made with effect from 1 March 2020 after remco considered appropriate market data.
- In line with all other group leadership council members, short-term incentives are proposed after considering HE and the achievement of strategic value drivers. For executive directors, the financial performance is fully anchored around group performance. Consequently, short-term incentive awards have been reduced by 44%, in line with group headline earnings, which reduced by 43%.
- 54% of the short-term incentive award will be deferred in share-linked awards that will vest in three equal tranches in September 2022, 2023 and 2024.
- The conditional long-term incentive award in the PRP has been increased by R2 million from the prior year to incentivise the execution of future strategy after considering market information on pay mix and long-term incentive awards. Any future delivery is subject to performance conditions being met as assessed by remco.
- The table below shows that total remuneration awarded by remco of R31.2 million (of which R14.0 million is at risk and may not deliver any value) is 14% lower than the prior year.
- Single figure awards are 48% down on the prior year, reflecting the non-delivery of the March 2018 PRP award evaluated on the three-year performance period ending December 2020 and a significant reduction in the short-term incentive award awarded for FY2020.
- The graph alongside shows that this year's single figure total reward of R17.2 million is 56% of on-target projected earnings and 41% of projected stretch earnings.

SINGLE FIGURE TOTAL REWARD FOR 2020 IN RELATION TO MINIMUM, ON-TARGET AND STRETCH PROJECTED EARNINGS

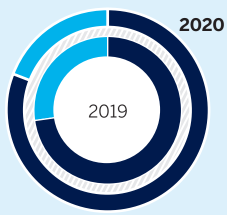


DEFERRED AWARDS AS PERCENTAGE OF TOTAL REWARD (%)



	2020	2019
Deferred for up to 3.5 years	**62**	60
Paid in cash	**38**	40

DEFERRED AWARDS AS PERCENTAGE OF TOTAL VARIABLE REWARD (%)



	2020	2019
Deferred for up to 3.5 years	**81**	73
Paid in cash	**19**	27

Remuneration awarded by remco for 2020

AWARDED

R'000	2019	**2020**	% Increase
Fixed remuneration	6 409	**7 139**	11
Cash incentive	8 150	**4 600**	(44)
Deferred incentive	9 850	**5 500**	
PRP awarded	12 000	**14 000**	17
Total reward	36 409	**31 239**	(14)

SINGLE FIGURE

R'000	2019	**2020**	% Increase
Fixed remuneration	6 409	**7 139**	11
Cash incentive	8 150	**4 600**	(44)
Deferred incentive	9 850	**5 500**	
PRP awarded	8 804	**–**	(100)
Total reward	33 213	**17 239**	(48)

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

In this crisis period, the finance teams were instrumental in ensuring we were able to support clients through extensive and material restructures of loan books and facilities, yet remain within risk appetite.

Appropriate capital and liquidity raising was executed to support client growth. Capital supply was successfully managed and optimised and, in very difficult conditions, R1.5 billion in AT1 capital and R7 billion in tier II capital was raised at reasonable pricing.

Finance teams across the group performed extensive and important analytics and produced actionable insights with respect to IFRS 9 provisioning assessments, partnering with business to assist clients in managing their liquidity and funding positions and driving the finalisation of the SME guarantee lending facility in South Africa.

Driver based reporting available (business day)
7
2019: 9

LEADERSHIP AND PEOPLE

Arno continued to display a high level of leadership participation at group leadership council and board level, particularly with regard to driving the group's future-ready transformation.

Finance managed a seamless transition to working from home during lockdown with excellent feedback from employees.

Finance eNPS score improved significantly to a pleasing level.

Annual finance innovation awards continued to be held albeit virtually, with a continued high standard of submissions.

A strong focus on upskilling and re-skilling across finance continued. Power Skills identified specifically for finance employees and online learning pathways were created, with excellent take up. Regrettable turnover in finance was within the target range for 2020.

Transformation and diversity targets were largely achieved for finance in South Africa.

Finance eNPS	Women in executive positions (Finance)	Regrettable turnover (Finance)
+43	39%	3%
2019: +17	2019: 41%	2019: 5%

RISK AND CONDUCT

In 2020 a proactive and agile approach to balance sheet management was adopted. Excellent short-term crisis management of capital and liquidity levels ensured that all level 1 risk metrics remained within risk appetite and board approved target levels. This was balanced with ensuring sufficient resources were allocated to support our clients and the group's future-ready transformation. Despite a difficult year, the group's capital ratios remain strong and above targets.

In 2020 there were no material breakdowns in financial control.

We achieved compliance with the BCBS239 principles for effective risk data aggregation and risk reporting, covering 98% of the group's risk-weighted assets, and are on track for full compliance by 2021.

Conduct dashboards were entrenched across finance and no major conduct breaches were identified in the year.

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

Group tax risk was well-managed during a particularly difficult year.

Arno actively participated in, and often lead, discussions and debates at risk and credit management and board committees.

CET 1 capital adequacy ratio	Net stable funding ratio	Liquidity coverage ratio
13.3%	124.8%	134.8%
2019: 14.0%	2019: 119.5%	2019: 138.4%

Not achieved | Partly achieved | Achieved

FINANCIAL OUTCOME

The group's financial outcome for 2020 is clearly disappointing. In this crisis year, our focus turned from driving financial outcomes, to preserving capital and liquidity, and ensuring provision levels were appropriate and adequate.

We maintained focus on cost management and we were pleased with cost growth of 1%. Credit impairments were 2.6 times those of the prior year which resulted in a credit loss ratio of 151 basis points. Through extensive analysis and modelling we are satisfied that our level of provisioning is appropriate for the level of risk in our lending portfolios. Constrained revenues, well contained costs and elevated credit losses resulted in banking headline earnings declining by 42% compared to 2019. The non-repeat of a prior year loss in our associate investment ICBCS was welcome, but was offset by a disappointing result from our subsidiary, Liberty.

Group headline earnings reduced 43% which resulted in an ROE of 8.9%.

Group finance costs were well managed with direct costs down 2% on 2019.

Within finance, we used the opportunity of this crisis and the prospects of a persistently unclear outlook, to transition from traditional budgets to an agile, scenario-based approach to planning, which allows us to adapt to a changing environment and client needs. As part of this initiative, we implemented a new and agile resource allocation framework.

In 2020, we successfully closed the sale of our 20% shareholding in Argentina to ICBC, overcoming many regulatory hurdles in a difficult environment.

ROE
8.9%
2019: 16.8%

Headline earnings
R15.9 bn
2019: R28.2 bn

Cost growth
1%
2019: 4%

Credit loss ratio
151 bps
2019: 68 bps

Cost-to-income ratio
58.2%
2019: 56.4%

Finance direct cost growth
(2%)
2019: 1%

SEE IMPACT

See additional commentary in the scorecard for the CEO, SBG on page 80.

The group's annual integrated reporting suite continues to be of a high standard, ranking in the top ten in the South African EY annual reporting awards.

Our SEE impact visibility was improved in 2020 when we published our first TCFD aligned report on climate risk in October 2020 and will publish a fuller report in March 2021 as part of the group's annual ESG report.

In South Africa we managed and maintained our broad-based black economic empowerment financial sector code score at Level 1.

Not achieved Partly achieved Achieved

Kenny Fihla

Chief executive officer, Wholesale Clients
(previously Chief executive, CIB)

Performance against:

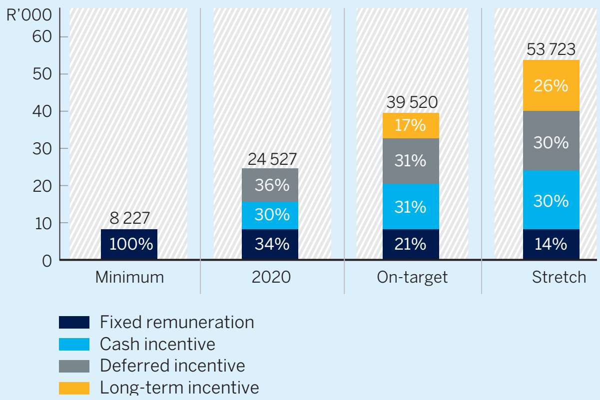
- **Financial strategic value driver** – below target rating
- **Non-financial strategic value drivers** – overall on-target rating

Kenny's performance has been based on the group's FY2020 financial results, CIB's business line results and the strategic progress made under the other four value drivers.

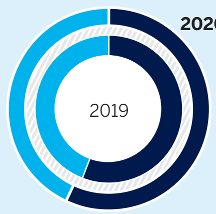
Link between performance and reward

- In line with the approach taken for executive directors and prescribed officers, there is no increase to fixed remuneration with effect from March 2021. The year-on-year increase in fixed pay of 6% from 2019 to 2020 is a consequence of adjustments made with effect from 1 March 2020.
- In line with all other group leadership council members, short-term incentives are proposed after considering HE and the achievement of strategic value drivers. As a chief executive of a business line, the financial performance is anchored on 50% CIB business line and 50% group.
- The 25% reduction in the short-term incentive award to R16.3 million takes into account the following metrics:
  - 50% weighting to the group's headline earnings reduction of 43%.
  - 50% weighting to CIB's headline earnings reduction of 6%.
- 55% of the short-term incentive award will be deferred in share-linked awards that will vest in three equal tranches in September 2022, 2023 and 2024.
- The conditional long-term incentive award in PRP has been increased by R0.85 million from the prior year to incentivise the execution of future strategy after considering market information on pay mix and long-term incentive awards. Any future delivery is subject to performance conditions being met as assessed by remco.
- The table below shows that total remuneration awarded by remco of R36.5 million (of which R12 million is at risk and may not deliver any value) is 10% lower than the prior year.
- Single figure awards are 34% down on the prior year, reflecting the non-delivery of the March 2018 PRP award evaluated on the three-year performance period ending December 2020 and a significant reduction in the short-term incentive award awarded for FY2020.
- The graph alongside shows that this year's single figure total reward of R24.5 million is 62% of on-target projected earnings and 46% of projected stretch earnings.

SINGLE FIGURE TOTAL REWARD FOR 2020 IN RELATION TO MINIMUM, ON-TARGET AND STRETCH PROJECTED EARNINGS

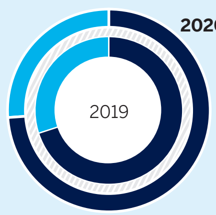


DEFERRED AWARDS AS PERCENTAGE OF TOTAL REWARD (%)



	2020	2019
Deferred for up to 3.5 years	**57**	56
Paid in cash	**43**	44

DEFERRED AWARDS AS PERCENTAGE OF TOTAL VARIABLE REWARD (%)



	2020	2019
Deferred for up to 3.5 years	**74**	70
Paid in cash	**26**	30

Remuneration awarded by remco for 2020

AWARDED

R'000	2019	**2020**	% Increase
Fixed remuneration	7 734	**8 227**	6
Cash incentive	10 025	**7 400**	(25)
Deferred incentive	11 725	**8 900**	
PRP awarded	11 150	**12 000**	8
Total reward	40 634	**36 527**	(10)

SINGLE FIGURE

R'000	2019	**2020**	% Increase
Fixed remuneration	7 734	**8 227**	6
Cash incentive	10 025	**7 400**	(25)
Deferred incentive	11 725	**8 900**	
PRP awarded	7 548	**–**	(100)
Total reward	37 032	**24 527**	(34)

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

CIB's client experience is at the highest recorded level with a CSI score of 8.2.

Approximately 80% of CIB's revenue is derived from corporate clients, reflecting a strong client franchise. The relationships with a growing number of multinational clients remains a powerful competitive advantage; multinationals contribute approximately 65% of the client revenues and continue to be the primary driver of revenue growth due to their resilience through economic cycles.

The domestic client segment grew by 9%, highlighting relevance in markets in which CIB operates.

Global multinational corporate (clients headquartered in international regions and operate in Africa) continued to contribute strongly to CIB results amidst the impact of Covid-19 and delivered R3.95 billion, 16% growth.

Several application programming interfaces (APIs) were developed to assist our service to our clients. CIB has nearly 25 business-led APIs aimed at solving particular client pain points across the business.

Brand strength and reputation: CIB experienced good brand affinity across most of our key markets. International events and key activities were successfully held albeit online, including the Africa Investor Conference and London Conference, and continue to carry a high level of awareness among targeted institutional clients and corporates.

Client Satisfaction Index survey
8.2
2019: 8.1

LEADERSHIP AND PEOPLE

Continued priority focus on embedding diversity, inclusion and transformation initiative, such as the Accelerate Programme, a key initiative that supports succession with purposeful and targeted development. In South Africa, there is a specific focus on black South African succession and Ignite, which is our signature women's development programme.

Celebrated exceptional employee contribution through recognition programmes Beyond Excellence and Mark of Excellence, which included our first virtual gala dinner where our 2019 winners were acknowledged while being celebrated at home with their families.

Pioneered various wellbeing activities to support our people mentally and physically through the negative impacts of Covid-19.

Employee engagement scores increased in 2020. The higher participation rate was encouraging as this has provided greater insights for CIB on focus areas to enhance the employee experience and ensure that we continue to focus on being a people-centric organisation which helps our people 'find new ways to make their dreams possible'. The top themes relating to the increases were Meaningful Work, Values and Culture, Company Brand, Career Growth Opportunities and Management and how the bank has shown up and cared for employees during the Covid-19 pandemic.

Voluntary turnover
5%
2019: 6%

Regrettable turnover
3%
2019: 4%

Employee engagement participation
79%
2019: 71%

eNPS
+38
2019: +8

Women at executive level
28%
2019: 27%

Not achieved | Partly achieved | Achieved

RISK AND CONDUCT

Significant expected credit losses on non-performing loans (NPLs), particularly in the power & infrastructure and oil & gas sectors, due to a combination of clients moving into default, as well as higher impairments on existing non-performing loans due to headwinds faced in restructuring transactions and/or enforcement actions in liquidation/foreclosure matters.

Negative economic impact of the Covid-19 pandemic on the performing portfolio increased impairments have been driven by higher migration of clients to stage 2 lifetime expected credit losses following multiple rapid risk grade reviews on higher risk sectors; heightened sovereign risk with downgrades seen in Zambia, South Africa, and Angola; and a deterioration in the probability of defaults due to the volatility in global equity markets. Impairments on the performing portfolio have been mitigated to an extent by robust risk management and Covid-19 relief measures extended to clients.

CIB impairment charges
R4.2 bn
2019: R1.6bn

CLR on loans to customers
80 bps
2019: 40bps

FINANCIAL OUTCOME

CIB results were mixed in a challenging low growth environment across our markets, as well as sustained currency and legislative headwinds in some of our key markets.

Despite the challenging macros and local conditions due to the Covid-19 pandemic, global markets posted a stellar performance in 2020, with revenues increasing 28%. Growth of 5.7% and 44.6% recorded in South Africa and Africa Regions respectively. Challenges to client performance included reduced corporate activities, sovereign weaknesses (foreign exchange weakness noted in multiple regions, directly reducing trade volumes off the back of supply chain disturbances, decline in oil prices resulting in a direct impact on oil-led economies, and impact on state-owned entities specifically in South Africa).

Continued focus on multinational corporates continued to drive client revenue growth. The execution on the Global Multinational Corporate strategy and leveraging regional relationships combined contributed to client revenue growth.

Cost containment continues to be a key focus. Progress made in the management of discretionary spend in the year, with direct cost base growth of 2% for 2020 (<3% CAGR over a three-year period).

Reported positive jaws and progress on structural changes to impact cost base going forward.

Ecosystems and partnerships – in advancing the group's strategic priority of ecosystems and partnerships, Kenny continued to lead the client ecosystems initiative to establish and align investment gateways for the scaling of select ecosystem initiatives.

Return on equity
15.7%
2019: 19.0%

Headline earnings
R10.6 bn
2019: R11.3 bn

Revenue growth
5%
2019: 5%

Client revenue growth
5%
2019: 7%

Cost-to-income ratio
53.3%
2019: 54.8%

Not achieved | Partly achieved | Achieved

SEE IMPACT

See additional commentary and metrics in the scorecard for the CEO, SBG, on page 80.

The fossil fuels policy, which sets parameters for group financing of companies and projects in the fossil fuels sector, specifically coal, and oil and gas, was approved by group leadership council and noted at the group board. The policy was also positioned with investors and the market and made available to the public.

The sustainable finance business unit has shown remarkable growth in a short period of time and within a difficult Covid-19 year was awarded the Best Global Investment Bank for Sustainable Finance, aligned to the number of global firsts within the year.

Sustainable finance has collaborated with various teams within the group and delivered several achievements:

- Developed the Group Sustainable Bond framework, which allows the group to issue green, social and sustainable bonds aligned to the SDGs that support our lending to green projects aimed at climate change adaptation and mitigation (including physical and transition risks related to climate change).
- Originated, structured and executed Standard Bank of South Africa Limited's first ever green bond via private placement with the IFC. The USD200 million, London Stock Exchange-listed green bond is Africa's largest green bond and South Africa's first offshore green bond issuance. Pricing 90 basis points (bps) better than comparable pricing raised by treasury historically.
- In June 2020, the group conducted another strategic funding transaction with the IFC. SBSA signed a loan agreement with IFC which saw the close of the SBSA's first Covid-19 loan. The proceeds of the three-year loan facility will be used for the express purpose of immediate relief and ongoing support for eligible SMEs and corporates in South Africa.
- The group acted as sole lender and sustainability agent to Equites Property Fund and successfully concluded Equites inaugural R1.6 billion sustainability-linked loan in September 2020 in the real estate sector in Africa.
- In a first for South Africa's telecommunications, media and technology sector, the group facilitated a R2 billion sustainability-linked loan facility for Vodacom that aligns the telecoms giant's sustainability incentives with its financing structure. We acted as the sole arranger, sole lender and sustainability agent on the deal.

Our innovation in the sustainable finance space extends across debt capital markets, equity capital markets, advisory and lending.

Zweli Manyathi

Chief executive officer, Business and Commercial Clients
(previously Chief executive, PBB)

Performance against:

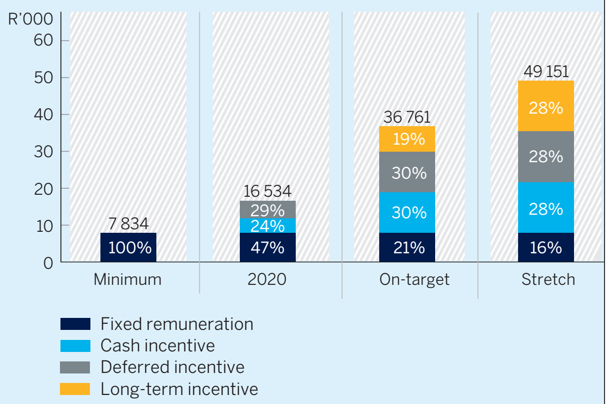
- **Financial strategic value driver** – below target rating
- **Non-financial strategic value drivers** – overall on-target rating

Zweli's performance has been based on the group's FY2020 financial results, PBB's business line results and the strategic progress made under the other four value drivers.

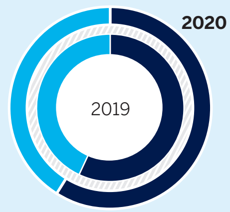
Link between performance and reward

- In line with the approach taken for executive directors and prescribed officers, there is no increase to fixed remuneration with effect from March 2021. The year-on-year increase in fixed pay of 4% from 2019 to 2020 is a consequence of adjustments made with effect from 1 March 2020.
- In line with all other group leadership council members, short-term incentives are proposed after considering HE and the achievement of strategic value drivers. As a chief executive of a business line, the financial performance is anchored on 50% PBB business line and 50% group.
- The 59% reduction in the short-term incentive award to R8.7 million takes into account the group's headline earnings reduction of 43% and significant reduction in PBB's headline earnings.
- 55% of the short-term incentive award will be deferred in share-linked awards that will vest in three equal tranches in September 2022, 2023 and 2024.
- The conditional long-term incentive award in PRP has been increased by R0.85 million from the prior year to incentivise the execution of future strategy after considering market information on pay mix and long-term incentive awards. Any future delivery is subject to performance conditions being met as assessed by remco.
- The table below shows that total remuneration awarded by remco of R28.5 million (of which R12.0 million is at risk and may not deliver any value) is 29% lower than the prior year.
- Single figure awards are 56% down on the prior year, reflecting the non-delivery of the March 2018 PRP award evaluated on the three-year performance period ending December 2020 and a significant reduction in the short-term incentive award awarded for FY2020.
- The graph alongside shows that this year's single figure total reward of R16.5 million is 45% of on-target projected earnings and 34% of projected stretch earnings.

SINGLE FIGURE TOTAL REWARD FOR 2020 IN RELATION TO MINIMUM, ON-TARGET AND STRETCH PROJECTED EARNINGS

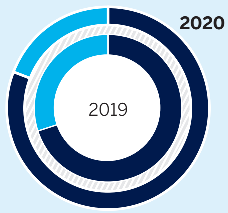


DEFERRED AWARDS AS PERCENTAGE OF TOTAL REWARD (%)



	2020	2019
Deferred for up to 3.5 years	**59**	57
Paid in cash	**41**	43

DEFERRED AWARDS AS PERCENTAGE OF TOTAL VARIABLE REWARD (%)



	2020	2019
Deferred for up to 3.5 years	**81**	70
Paid in cash	**19**	30

Remuneration awarded by remco for 2020

AWARDED

R'000	2019	2020	% Increase
Fixed remuneration	7 520	**7 834**	4
Cash incentive	9 900	**3 950**	(59)
Deferred incentive	11 600	**4 750**	
PRP awarded	11 150	**12 000**	8
Total reward	40 170	**28 534**	(29)

SINGLE FIGURE

R'000	2019	2020	% Increase
Fixed remuneration	7 520	**7 834**	4
Cash incentive	9 900	**3 950**	(59)
Deferred incentive	11 600	**4 750**	
PRP awarded	8 176	**–**	(100)
Total reward	37 196	**16 534**	(56)

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

Despite the impact of Covid-19, PBB has shown a very positive increase in customer NPS scores.

During the first half, Covid-19 impacted on active customer numbers growth, as the closure of branches to protect our customers and employees led to a dip in productivity levels. This had largely reversed in the second half. Africa Regions on the other hand, continued to experience solid customer growth. Total active customers increased to 14.8 million across the continent.

During the year, and despite operating under work-from-home conditions, the teams continued with customer journey initiatives and the process of actively digitising client solutions. This included the launch of several new offerings including MyMo Biz, an Escrow account solution, @Ease Wallets and PayPulse, among others. These new solutions provided enhanced offerings for both main market, affluent and business customers. During the year, 55 features were launched on SBG App and 66 were released on internet banking. Furthermore, digital origination progressed well, leading to a substantial uplift in originations through these channels especially given the lockdown limitations. This was evidenced with 51% and 56% of personal loans originated through digital offerings across South Africa and African Regions respectively. Further digitisation evidence is the origination of 77% of all new accounts digitally in Africa Regions through the use of Moby and remote onboarding capability.

The use of data science and behavioural economics improved our customer engagement model and provided an improvement in customer experience and driving a positive increase in take up rates.

The advancement of Trade Suite, to improve our customers trade experience was delivered and is now gearing towards scaling up. While the launch of Unayo, our informal market platform, was successfully launched into Malawi and is on track for deployment across the continent. LookSee, our home services solution, continues to see increased interest with a 29% increase in unique visitors during 2020.

In terms of brand strength and reputation, PBB was the recipient of multiple awards across the continent including Global Finance: Outstanding Crisis Leadership in Healthcare, The Asian Banker: Financial Technology Innovation Awards 2020 – Best Branch Digitisation Implementation in Africa, and Infosys: Client Innovation Awards 2020-Digital Unsecured Lending, among others.

NPS (South Africa)
72
2019: 67

NPS (Africa Regions)
33
2019: 25

Active customer numbers
14.8 m
2019: 14.6 milliom

LEADERSHIP AND PEOPLE

Our business has supported our people to respond to the impacts of Covid-19 and the lockdowns implemented by various governments in 2020. All markets implemented their business continuity plans and implementation varied depending on the level of lockdown. Our response included supporting our people to work from home, enabling and protecting essential service employees to continue to work from the office and branch, and offering repatriation support for assignees who elected to opt for the offer of repatriation.

Our employee survey feedback was very positive, with a 90% participation rate and a doubling in the eNPS score, reflecting the teams gratitude and appreciation towards the business for support during the pandemic.

Regrettable turnover reduced during the period and remained comfortably below the 10% threshold.

Priority focus continued to be placed on embedding diversity, inclusion and transformation initiatives that support succession planning and progress on transformation targets/ representation. This includes the introduction of a woman mentorship programme, the continued focus on building future-ready skills through the introduction of data science and business economics mastery skills and the continued rollout of the universal bankers programme.

We remain committed to ongoing culture enhancements supported through virtual Umhlangano sessions and the embedment of Care & Grow in leadership programmes.

Celebrated exceptional employee contribution through recognition programmes.

eNPS
+43
2019: +16

Voluntary turnover
3%
2019: 4%

Regrettable turnover
1%
2019: 1%

Employee engagement participation
90%
2019: 75%

Women at executive level
28%
2019: 26%

Not achieved Partly achieved Achieved

RISK AND CONDUCT

Following the initial hard lockdown experienced in South Africa in the first half of 2020, economic recovery was slow and in keeping with our promise to deepen our client relationships and support them through the crisis, payment holidays and further extensions were provided across our customer base. As at December 2020, active payment holidays reduced to R20 billion across the continent. While risk appetite was tightened at the margins, the broader risk appetite remained unchanged to provide consistent and stable support to the customer base.

New business origination quality is closely monitored and, to date, has performed in line with expectations and within risk-based pricing principles. Significant increase in expected credit losses was driven by increased provisioning held in response to the deteriorated economic climate, deterioration anticipated in credit drivers, elevated impairment coverage related to the payment holiday population and its commensurate risk, intuitive provisioning held against the retrenchment population and the government guarantee lending book. The stage 3 population reflects substantial growth, as accounts are proactively staged into default based on evidence of distress, alongside the consequence of delays resulting from collections capacity limitations during lockdown and the court closures.

Net operational losses continued to operate comfortably within risk appetite.

All required personal mandatory training requirements have been completed within the executive team.

Impairment charges
R15.9 bn
2019: R6.4 bn

CLR on loans to customers
229 bps
2019: 96 bps

FINANCIAL OUTCOME

PBB experienced a very challenging year on the financial front. Headwinds to the financial results related to the severe impact of interest rate cuts across the continent leading to lower net interest income, client fee relief alongside the substantial reduction in transactional flows in response to lockdowns, as well as the significant growth in expected credit losses leading to credit impairment charges 2.5 times higher than the prior year.

The first half of the year was materially impacted by lockdowns leading to reduced customer activity with respect to transactional flows and trade, reduced lending demand. The second half of the year saw a meaningful recovery in transactional and trade activity with year end asset growth showing a pleasing recovery and a positive improvement in the non-interest revenue for the period. The migration of customers to digital channels has also led to reduced revenue flows as customers embrace lower cost digital channels.

Costs remained well contained during the period, substantially below average inflation levels, benefitting from prior year infrastructure reconfiguration journey. This created scope for increased IT spend to support the customer journey and solution requirements (including cloud and South Africa digital development). The deterioration in the cost-to-income ratio is largely the result of revenue pressures rather than a cost containment challenge.

Return on equity
8.9%
2019: 24.4%

Headline earnings
R6.4 bn
2019: R16.6 bn

Gross loans and advances
R769 bn
2019: R737.6 bn

Customer deposits
R700 bn
2019: R607 bn

Revenue
R70.1 bn
2019: R72.8 bn

Pre-provision profit
R25.8 bn
2019: R29.6 bn

Cost-to-income ratio
63.2%
2019: 59.3%

Not achieved Partly achieved Achieved

SEE IMPACT

See additional commentary in the scorecard for the CEO, SBG on page 80.

Since the launch of the free **Microsoft Digital Literacy offering**, 20 240 clients have registered on the platform, 12 148 have enrolled for the course and 5 791 learners have completed the course. Clients who enrol are provided with the opportunity to develop digital skills that equip them to connect, learn, engage with their communities, and create more promising futures.

To date, R47 million has been raised through the **Feenix platform**, impacting approximately 1 300 students with several students receiving funding more than once.

The **OneFarm initiative in Uganda**, that improves the productivity of small farmers, assisted 500 small holding or subsistence farmers to improve their yields by 38%. OneFarm has also extended loans into the same cooperatives for a further maize season. Collections have drastically improved from 50% in season one to 81% in season two. OneFarm Share was launched in early November, a marketplace connecting NGOs with farmers to source locally produced food for distribution to the hungry. OneFarm also connects the smallholder farmers to corporates and guarantee the input quality to these corporates.

The **Lesotho Highlands Project**: the infrastructure around the construction of the dam and pipelines have contributed to the upliftment of the surrounding villages. Roads are more accessible, healthcare facilities available and workforce creation on the rise.

In Zimbabwe, we supported **142 PPC Zimbabwe employees in accessing home loans** with the target to extend home improvement loans and home loans to the remainder of the employee base.

The **Enterprise Development** team supported the creation of **1 450 new jobs.**

We strive to scale up investments in **Founders Factory by supporting new entrepreneurial clients** with startups and developing new businesses.

Margaret Nienaber

Chief executive officer, Client Solutions
(previously Chief executive, Wealth)

Performance against:

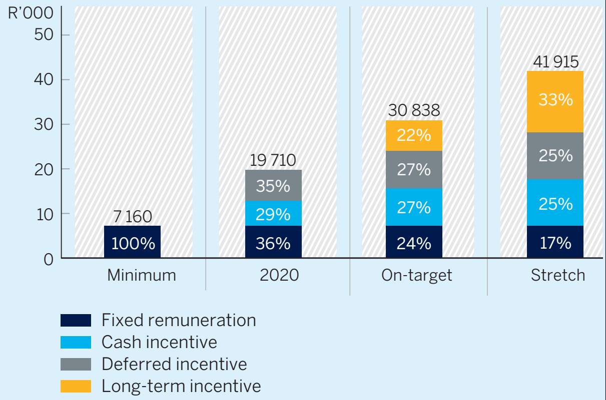
- **Financial strategic value driver** – below target rating
- **Non-financial strategic value drivers** – overall on-target rating

Margaret's performance has been based on the group's FY2020 financial results, Wealth's business line results and the strategic progress made under the other four value drivers.

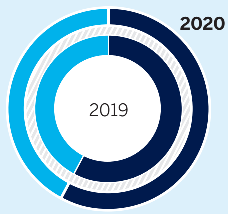
Link between performance and reward

- Fixed remuneration has increased by 5% with effect from March 2021 to reflect increased responsibilities following an internal restructuring of the client portfolios. Margaret has been appointed Chief executive officer Client Solutions. She is the only exception to the no increase determination.
- The year-on-year increase in fixed pay of 11% from 2019 to 2020 is a consequence of adjustments made with effect from 1 March 2020.
- In line with all other group leadership council members, short-term incentives are proposed after considering HE and the achievement of strategic value drivers. As a chief executive of a business line, the financial performance is anchored on 50% Wealth business line and 50% group.
- The 28% reduction in the short-term incentive award to R12.6 million takes into account the following metrics:
  - 50% weighting to the group's headline earnings reduction of 43%.
  - 50% weighting to wealth's headline earnings reduction of 13%.
- 55% of the short-term incentive award will be deferred in share-linked awards that will vest in three equal tranches in September 2022, 2023 and 2024.
- The conditional long-term incentive award in PRP has been increased by R500 000 from the prior year to incentivise the execution of future strategy after considering market information on pay mix and long-term incentive awards. Any future delivery is subject to performance conditions being met as assessed by remco.
- The table below shows that total remuneration awarded by remco of R30.7 million (of which R11 million is at risk and may not deliver any value) is 11% lower than the prior year.
- Single figure awards are 46% down on the prior year, reflecting the non-delivery of the March 2018 PRP award evaluated on the three-year performance period ending December 2020 and a significant reduction in the short-term incentive award awarded for FY2020.
- The graph alongside shows that this year's single figure total reward of R19.7 million is 64% of on-target projected earnings and 47% of projected stretch earnings.

SINGLE FIGURE TOTAL REWARD FOR 2020 IN RELATION TO MINIMUM, ON-TARGET AND STRETCH PROJECTED EARNINGS

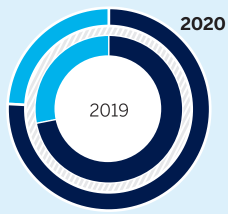


DEFERRED AWARDS AS PERCENTAGE OF TOTAL REWARD (%)



	2020	2019
Deferred for up to 3.5 years	**58**	58
Paid in cash	**42**	42

DEFERRED AWARDS AS PERCENTAGE OF TOTAL VARIABLE REWARD (%)



	2020	2019
Deferred for up to 3.5 years	**76**	72
Paid in cash	**24**	28

Remuneration awarded by remco for 2020

AWARDED

R'000	2019	2020	% Increase
Fixed remuneration	6 431	**7 160**	11
Cash incentive	7 900	**5 675**	(28)
Deferred incentive	9 600	**6 875**	
PRP awarded	10 500	**11 000**	5
Total reward	34 431	**30 710**	(11)

SINGLE FIGURE

R'000	2019	2020	% Increase
Fixed remuneration	6 431	**7 160**	11
Cash incentive	7 900	**5 675**	(28)
Deferred incentive	9 600	**6 875**	
PRP awarded	12 567		(100)
Total reward	36 498	**19 710**	(46)

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

Obsession with client satisfaction remains a focus across the businesses.

NPS of +68 from +70 in 2019. Surveys were completed while business continuity management plans were in place; however, through concerted efforts client satisfaction was minimally affected and the score remained above the target range of >60.

22 award wins from established industry publications, including winning Euromoney's award for Best Bank for Wealth Management for the fifth year in a row.

A number of **Covid-19 client relief measures**, the most popular being in South Africa where we were first in the market to provide clients with 25% cash back on their motor insurance during lockdown.

Within the current Covid-19 environment, we continue to **proactively engage with clients** by hosting more than 250 virtual events.

Launch of **Africa Women's Impact Fund** in partnership with UN Economic Commission for Africa.

Launch of the innovative **Flexi-Funeral Solution** with more than 250 000 policies sold.

Melville Douglas' **client performance** remains robust with global equity performance in the 1st quartile and ahead of the index and benchmark.

Global positioning campaign #WealthIsWithin.

Continued to serve our clients, no matter where the work takes place, with the launch of **WhatsApp chatbots, digital onboarding and e-signatures** and the accelerated rollout of My360 app.

Group **executive sponsor** for **Salesforce**, foundational elements completed to deliver a common client engagement platform across SBG.

NPS	68	2019: 70
Awards	22	2019: 20
Clients' assets under management	R461 bn	2019: R419 bn
My360 users	+42 k	2019: +13 k

LEADERSHIP AND PEOPLE

eNPS of +40, up from +25 in 2019.

An online version of the **Behavioural Science Academy** launched across the group – the first of its kind – the programme focuses on reskilling employees for the Fourth Industrial Revolution.

Regrettable turnover of 1.9% from 2.4% in 2019.

Diversity and inclusion is a key focus and numerous talent development programmes exist. 56% of wealth employees are female and good progress across the South Africa transformation targets.

Ongoing connect sessions and CE townhalls held virtually with employees to answer any of their concerns and alleviate any anxieties.

Launch of a **Mentorship Programme** and a digital learning academy, My Wealth Journey.

Financial Fitness Academy was rolled out as an offering across the group. This provides our people with tools and insights to guide their personal and family goals-based financial journey.

eNPS	+40	2019: +25
Regrettable turnover	1.9%	2019: 2.4%
Inclusion – female employees	56%	2019: 55%

Not achieved | Partly achieved | Achieved

RISK AND CONDUCT

Strong focus on implementing a conduct culture where employees feel empowered to do the right business, the right way. This is underpinned by our **risk governance structures and conduct dashboards**, which are well embedded in our businesses. On an ongoing basis, we continue to assess the risks that our business is exposed to, to effectively address and mitigate them.

There were no **significant incidents or compliance breaches** in the period under review, with matters highlighted through whistleblowing receiving urgent executive attention and decisive action.

Satisfactory **deep dive visits from regulators** in South Africa, International and Africa Regions.

Outside business interest declarations
97%
2019: 95%

Compulsory training
98%
2019: 97%

Credit loss ratio
0.11%
2019: 0.05%

FINANCIAL OUTCOME

Headline earnings of R3.2 billion down 13% on prior year with a robust ROE of 29%.

We are pleased with wealth's financial performance considering the macroeconomic environment and if we exclude the endowment impact, wealth would be **13% up on prior year**.

Cost-to-income ratio of 55%.

Return on equity
29%
2019: 41%

Headline earnings
R3.2 bn
2019: R3.6 bn

Headline earnings (excl. endowment)
R4 bn
2019: R3.6 bn

SEE IMPACT

See additional commentary and metrics in the scorecard for the CEO, SBG on page 80.

Total savings to date of over R1 billion through **creating a culture of savings** in low cost investments solutions.

Cultivating financial literacy through the Financial Fitness Academies and the Leadership Academies, which continue to empower youth.

Our focus continues to be on assisting our **short-term insurance procurement providers** with their personal journeys of running successful businesses.

Standard Trust Limited provides **beneficiary care** to 13 000 orphaned children.

Not achieved   Partly achieved   Achieved

Executive directors' and prescribed officers' emoluments

The two tables shown below and on the pages that follow, are awards made by remco for 2020 and the single figure format as required by King IV.

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

Executive directors' and prescribed officers' emoluments [as awarded by REMCO]

R'000 Executive directors	Notes	2016	2017	2018	2019	2020
SK Tshabalala*						
Cash package paid during the year		7 850	7 899	8 636	8 781	**9 427**
Retirement contributions paid during the year		1 106	1 076	1 222	1 235	**1 350**
Other allowances		242	128	129	206	**222**
Cost to company package		9 198	9 103	9 987	10 222	**10 999**
Once-off allowances/payments	1			632		
Short-term incentive (cash)	2	10 090	11 350	11 350	10 525	**5 900**
Short-term incentive (share-linked deferral)	3	12 790	14 050	14 050	12 725	**7 150**
Short-term incentive		22 880	25 400	25 400	23 250	**13 050**
Total reward (excluding PRP)		32 078	34 503	36 019	33 472	**24 049**
Face value of conditional PRP awarded		12 500	14 000	14 000	16 650	**17 750**
Total reward (including PRP)		44 578	48 503	50 019	50 122	**41 799**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000 Executive directors	Notes	2016	2017	2018	2019	2020
SK Tshabalala*						
Cash package paid during the year		7 850	7 899	8 636	8 781	**9 427**
Retirement contributions paid during the year		1 106	1 076	1 222	1 235	**1 350**
Other allowances		242	128	129	206	**222**
Cost to company package		9 198	9 103	9 987	10 222	**10 999**
Once-off allowances/payments	1			632		
Short-term incentive (cash)	2	10 090	11 350	11 350	10 525	**5 900**
Short-term incentive (share-linked deferral)	3	12 790	14 050	14 050	12 725	**7 150**
Short-term incentive		22 880	25 400	25 400	23 250	**13 050**
Total reward (excluding conditional long-term incentive awards)		32 078	34 503	36 019	33 472	**24 049**
EGS awards vesting	8	3 459	4 312			
PRP awards vesting	9	10 219	14 658	20 228	13 499	
PRP notional dividend	10	1 288	1 643	2 818	2 225	
Total reward (including conditional long-term incentive awards)		47 044	55 116	59 065	49 196	**24 049**

Notes are included on page 99.

Executive directors' and prescribed officers' emoluments [as awarded by REMCO]

R'000 Executive directors	Notes	2016	2017	2018	2019	2020
A Daehnke*	4					
Cash package paid during the year		2 986	5 084	5 570	5 648	**6 254**
Retirement contributions paid during the year		375	610	704	702	**782**
Other allowances		2	3	20	59	**103**
Cost to company package		3 363	5 697	6 294	6 409	**7 139**
Once-off allowances/payments	1			111		
Short-term incentive (cash)	2	7 400	8 025	8 025	8 150	**4 600**
Short-term incentive (share-linked deferral)	3	8 100	8 725	8 725	9 850	**5 500**
Short-term incentive		15 500	16 750	16 750	18 000	**10 100**
Total reward (excluding PRP)		18 863	22 447	23 155	24 409	**17 239**
Face value of conditional PRP awarded		7 000	10 000	12 000	12 000	**14 000**
Total reward (including PRP)		25 863	32 447	35 155	36 409	**31 239**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000 Executive directors	Notes	2016	2017	2018	2019	2020
A Daehnke*	4					
Cash package paid during the year		2 986	5 084	5 570	5 648	**6 254**
Retirement contributions paid during the year		375	610	704	702	**782**
Other allowances		2	3	20	59	**103**
Cost to company package		3 363	5 697	6 294	6 409	**7 139**
Once-off allowances/payments	1			111		
Short-term incentive (cash)	2	7 400	8 025	8 025	8 150	**4 600**
Short-term incentive (share-linked deferral)	3	8 100	8 725	8 725	9 850	**5 500**
Short-term incentive		15 500	16 750	16 750	18 000	**10 100**
Total reward (excluding conditional long-term incentive awards)		18 863	22 447	23 155	24 409	**17 239**
PRP awards vesting	9	4 907	8 790	11 330	7 558	
PRP notional dividend	10	618	985	1 578	1 246	
Total reward (including conditional long-term incentive awards)		24 388	32 222	36 063	33 213	**17 239**

Notes are included on page 99.

Executive directors' and prescribed officers' emoluments [as awarded by REMCO]

R'000 Prescribed officers	Notes	2016	2017	2018	2019	2020
AKL Fihla	5					
Cash package paid during the year			3 507	6 506	6 628	**7 067**
Retirement contributions paid during the year			444	853	855	**925**
Other allowances			64	229	251	**235**
Cost to company package			4 015	7 588	7 734	**8 227**
Once-off allowances/payments	1			710		
Short-term incentive (cash)	2		9 150	8 650	10 025	**7 400**
Short-term incentive (share-linked deferral)	3		10 850	10 350	11 725	**8 900**
Short-term incentive			20 000	19 000	21 750	**16 300**
Total reward (excluding PRP)			24 015	27 298	29 484	**24 527**
Face value of conditional PRP awarded			10 000	12 000	11 150	**12 000**
Total reward (including PRP)			34 015	39 298	40 634	**36 527**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000 Prescribed officers	Notes	2016	2017	2018	2019	2020
AKL Fihla	5					
Cash package paid during the year			3 507	6 506	6 628	**7 067**
Retirement contributions paid during the year			444	853	855	**925**
Other allowances			64	229	251	**235**
Cost to company package			4 015	7 588	7 734	**8 227**
Once-off allowances/payments	1			710		
Short-term incentive (cash)	2		9 150	8 650	10 025	**7 400**
Short-term incentive (share-linked deferral)	3		10 850	10 350	11 725	**8 900**
Short-term incentive			20 000	19 000	21 750	**16 300**
Total reward (excluding conditional long-term incentive awards)			24 015	27 298	29 484	**24 527**
PRP awards vesting	9		10 263	9 709	6 480	
PRP notional dividend	10		1 150	1 353	1 068	
Total reward (including conditional long-term incentive awards)			35 428	38 360	37 032	**24 527**

Notes are included on page 99.

Executive directors' and prescribed officers' emoluments [as awarded by REMCO]

R'000 Prescribed officers	Notes	2016	2017	2018	2019	2020
ZN Manyathi	7					
Cash package paid during the year				5 039	6 735	**7 010**
Retirement contributions paid during the year				467	600	**625**
Other allowances				128	185	**199**
Cost to company package				5 634	7 520	**7 834**
Short-term incentive (cash)	2			9 900	9 900	**3 950**
Short-term incentive (share-linked deferral)	3			11 600	11 600	**4 750**
Short-term incentive				21 500	21 500	**8 700**
Total reward (excluding PRP)				27 134	29 020	**16 534**
Face value of conditional PRP awarded				10 000	11 150	**12 000**
Total reward (including PRP)				37 134	40 170	**28 534**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000 Prescribed officers	Notes	2016	2017	2018	2019	2020
ZN Manyathi	7					
Cash package paid during the year				5 039	6 735	**7 010**
Retirement contributions paid during the year				467	600	**625**
Other allowances				128	185	**199**
Cost to company package				5 634	7 520	**7 834**
Short-term incentive (cash)	2			9 900	9 900	**3 950**
Short-term incentive (share-linked deferral)	3			11 600	11 600	**4 750**
Short-term incentive				21 500	21 500	**8 700**
Total reward (excluding conditional long-term incentive awards)				27 134	29 020	**16 534**
PRP awards vesting	9			9 709	7 019	
PRP notional dividend	10			1 353	1 157	
Total reward (including conditional long-term incentive awards)				38 196	37 196	**16 534**

Notes are included on page 99.

Executive directors' and prescribed officers' emoluments [as awarded by REMCO]

R'000 Prescribed officers	Notes	2016	2017	2018	2019	2020
M Nienaber	6					
Cash package paid during the year			4 829	5 497	5 571	**6 196**
Retirement contributions paid during the year			542	589	640	**718**
Other allowances			146	171	220	**246**
Cost to company package			5 517	6 257	6 431	**7 160**
Once-off allowances/payments	1			78		
Short-term incentive (cash)	2		6 650	7 213	7 900	**5 675**
Short-term incentive (share-linked deferral)	3		7 350	7 913	9 600	**6 875**
Short-term Incentive			14 000	15 125	17 500	**12 550**
Total reward (excluding PRP)			19 517	21 460	23 931	**19 710**
Face value of conditional PRP awarded			10 000	10 000	10 500	**11 000**
Total reward (including PRP)			29 517	31 460	34 431	**30 710**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000 Prescribed officers	Notes	2016	2017	2018	2019	2020
M Nienaber	6					
Cash package paid during the year			4 829	5 497	5 571	**6 196**
Retirement contributions paid during the year			542	589	640	**718**
Other allowances			146	171	220	**246**
Cost to company package			5 517	6 257	6 431	**7 160**
Once-off allowances/payments	1			78		
Short-term incentive (cash)	2		6 650	7 213	7 900	**5 675**
Short-term incentive (share-linked deferral)	3		7 350	7 913	9 600	**6 875**
Short-term Incentive			14 000	15 125	17 500	**12 550**
Total reward (excluding conditional long-term incentive awards)			19 517	21 460	23 931	**19 710**
PRP awards vesting	9		4 395	5 655	10 789	
PRP notional dividend	10		493	788	1 778	
Total reward (including conditional long-term incentive awards)			24 405	27 903	36 498	**19 710**

1 Includes a once-off payment made in respect of death in service and permanent health insurance benefits.
2 These are performance-related short-term incentive payments in the March following the financial year under review.
3 These are performance-related deferred incentive awards issued in the March following the financial year under review. Participants can elect to have the value of the deferred awards, or part thereof, invested in the SARP rather than the default DBS. To the extent that the SARP is selected, a 10% premium of the value of the award is added. Deferred incentive awards not invested in SARP will be unitised in DBS with respect to the group's closing share price the day results are announced. The award will be updated in the group's annual financial statements the following year to reflect the choices made and units/rights awarded.
4 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. The relevant performance conditions were met as at 31 December 2017.
9 There were no PRP awards vesting for the performance year ending 2020 in respect of the PRP units awarded in March 2018. The PRP awards vesting in earlier performance years are calculated based on the group's closing share price at the end of the performance period (R168.32 for December 2019, R178.81 for December 2018, R195.66 for December 2017 and R151.75 for December 2016) and the conditional percentage delivery based on the three-year performance conditions (0% delivery on the 2018 awards, 100.0% delivery on the 2017 awards, 110.58% delivery on the 2016 awards, 117.61% delivery on the 2015 awards and 68.37% delivery on the 2014 awards). The amount included in the single figure numbers above are not amended for the actual vesting share prices on 31 March following the performance year. The actual payment values will be included in the settlement schedule.
10 PRP notional dividend is calculated by multiplying the vesting PRP units by the cumulative notional dividend granted in the period between the grant date and the vesting date. The amount included in the single figure numbers are not amended for the actual dividends declared following the performance year. The actual payment values will be included in the settlement schedule.
* All executive directors were also prescribed officers of the group.

Share-linked deferred awards for executive directors and prescribed officers

Standard Bank equity growth scheme

The EGS represents participation rights in the future growth of the group's share price. The eventual value of the right is settled by the receipt of the group's shares equivalent to the full value of the participation rights. Certain EGS awards issued prior to March 2014 included performance conditions.

Deferred bonus scheme

Employees are awarded a deferred incentive, as a mandatory deferral of their short-term incentive or as discretionary award, into the deferred bonus scheme. The deferred incentive is unitised into a number of units with respect to the group's share price on the date of award. The shares are delivered to the employee on the vesting date for equity-settled share incentives. The cash settled deferred bonus scheme awards are settled in cash on the vesting date. Notional dividends on the units are paid to the employees on the vesting date.

Performance reward plan

The group's PRP, effective from March 2014, is an equity-settled share scheme with a three-year vesting period that is designed to incentivise the group's senior executives whose roles enable them to contribute to and influence the group's long-term decision-making and performance results. The PRP seeks to promote the achievement of the group's strategic long-term objectives and to align the interests of those executives with shareholders. The awards are subject to the achievement of performance conditions set at award date and that determine the number of shares that ultimately vest. The awards will only vest in future in terms of the rules of the PRP. The shares, subject to meeting the pre-specified conditions, are delivered to the employee on vesting date. Notional dividends accrue during the vesting period and will be payable on vesting date.

Share appreciation rights plan

The SARP represents participation rights in the future growth of the group's share price. The eventual value of the right is settled by the receipt of the group's shares equivalent to the full value of the participation rights.

SK Tshabalala

Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting Date/ Vesting category	Expiry Date/ Final vesting date
Deferred Bonus Schemes					
2016	2017/03/02	155,95	1 667	2020/09/30	
2016*	2017/03/02	155,95	2 597	2020/09/30	
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	2020/09/30	
2017*	2018/03/08	220,97	3 017	2021/09/30	
2018	2019/03/07	182,43	1 666	2020/09/30	
2018	2019/03/07	182,43	1 666	2021/09/30	
2018	2019/03/07	182,43	1 667	2022/09/30	
2018*	2019/03/07	182,43	3 017	2020/09/30	
2018*	2019/03/07	182,43	3 017	2021/09/30	
2018*	2019/03/07	182,43	3 017	2022/09/30	
2019	**2020/03/05**	**152,64**	**1 500**	**2021/09/30**	
2019	**2020/03/05**	**152,64**	**1 500**	**2022/09/30**	
2019	**2020/03/05**	**152,64**	**1 500**	**2023/09/30**	
2019*	**2020/03/05**	**152,64**	**2 742**	**2021/09/30**	
2019*	**2020/03/05**	**152,64**	**2 742**	**2022/09/30**	
2019*	**2020/03/05**	**152,64**	**2 742**	**2023/09/30**	
Performance Reward Plan					
2016	2017/03/02	155,95	12 507	2020/03/31	
2017	2018/03/08	220,97	14 009	2021/03/31	
2018	2019/03/07	182,43	14 011	2022/03/31	
2019	**2020/03/05**	**152,64**	**16 653**	**2023/03/31**	
Totals for 2020			**97 588**		

* Cash settled Deferred Bonus Scheme

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 2020	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
10 688		10 688			109	1 160	354		
16 652		16 652			109	1 807	552		
7 542		7 542			109	818	187		
7 544				7 544				959	187
13 652		13 652			109	1 481	338		
13 652				13 652				1 735	338
9 135		9 135			109	991	140		
9 135				9 135				1 161	140
9 138				9 138				1 161	140
16 536		16 536		–	109	1 794	254		
16 536				16 536				2 101	254
16 537				16 537				2 102	254
	9 827			**9 827**				**1 249**	**53**
	9 827			**9 827**				**1 249**	**53**
	9 828			**9 828**				**1 249**	**53**
	17 961			**17 961**				**2 282**	**97**
	17 961			**17 961**				**2 282**	**97**
	17 963			**17 963**				**2 283**	**97**
80 200		80 200			96	7 698	2 225		
63 400				63 400				8 057	1 569
76 800				76 800				9 760	1 178
	109 100			**109 100**				**13 864**	**589**
						15 749	**4 050**	**51 494**	**5 099**

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					
2016	2017/03/02	155,95	1 000	2020/09/30	
2016*	2017/03/02	155,95	1 700	2020/09/30	
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	2020/09/30	
2017*	2018/03/08	220,97	1 909	2021/09/30	
2018	2019/03/07	182,43	1 000	2020/09/30	
2018	2019/03/07	182,43	1 000	2021/09/30	
2018	2019/03/07	182,43	1 000	2022/09/30	
2018*	2019/03/07	182,43	1 908	2020/09/30	
2018*	2019/03/07	182,43	1 908	2021/09/30	
2018*	2019/03/07	182,43	1 909	2022/09/30	
2019	**2020/03/05**	**152,64**	**1 333**	**2021/09/30**	
2019	**2020/03/05**	**152,64**	**1 333**	**2022/09/30**	
2019	**2020/03/05**	**152,64**	**1 333**	**2023/09/30**	
2019*	**2020/03/05**	**152,64**	**1 950**	**2021/09/30**	
2019*	**2020/03/05**	**152,64**	**1 950**	**2022/09/30**	
2019*	**2020/03/05**	**152,64**	**1 950**	**2023/09/30**	
Performance Reward Plan					
2016	2017/03/02	155,95	7 002	2020/03/31	
2017	2018/03/08	220,97	10 010	2021/03/31	
2018	2019/03/07	182,43	12 004	2022/03/31	
2019	**2020/03/05**	**152,64**	**12 013**	**2023/03/31**	
Equity Growth Scheme					
Vested					
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	2023/03/31
2010	2011/03/04	98,80		B	2023/03/31
2010	2011/03/04	98,80		B	2023/03/31
2013	2014/03/06	126,87		D	2024/03/06
2013	2014/03/06	126,87		D	2024/03/06
Totals for 2020			**68 120**		

* Cash settled Deferred Bonus Scheme

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 2020	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
6 413		6 413			109	696	213		
10 901		10 901			109	1 183	361		
4 525		4 525			109	491	112		
4 527				4 527				575	112
8 636		8 636			109	937	214		
8 637				8 637				1 098	214
5 481		5 481			109	595	84		
5 481				5 481				697	84
5 483				5 483				697	84
10 460		10 460			109	1 135	160		
10 460				10 460				1 329	160
10 462				10 462				1 330	160
	8 735			**8 735**				**1 110**	**47**
	8 735			**8 735**				**1 110**	**47**
	8 736			**8 736**				**1 110**	**47**
	12 775			**12 775**				**1 623**	**69**
	12 775			**12 775**				**1 623**	**69**
	12 776			**12 776**				**1 624**	**69**
44 900		44 900			96	4 310	1 246		
45 300				45 300				5 757	1 121
65 800				65 800				8 362	1 009
	78 700			**78 700**				**10 001**	**425**
12 500		12 500			152	507			
12 500		12 500			152	507			
12 500				12 500					
9 375				9 375					
3 125				3 125					
45 832				45 832					
22 918				22 918					
						10 361	**2 390**	**38 046**	**3 717**

I

AKL Fihla

Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting Date/ Vesting category	Expiry Date/ Final vesting date
Deferred Bonus Schemes					
2016	2017/03/02	155,95	834	2020/09/30	
2016*	2017/03/02	155,95	2 034	2020/09/30	
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	2020/09/30	
2017*	2018/03/08	220,97	2 284	2021/09/30	
2018	2019/03/07	182,43	1 333	2020/09/30	
2018	2019/03/07	182,43	1 333	2021/09/30	
2018	2019/03/07	182,43	1 334	2022/09/30	
2018*	2019/03/07	182,43	2 117	2020/09/30	
2018*	2019/03/07	182,43	2 117	2021/09/30	
2018*	2019/03/07	182,43	2 117	2022/09/30	
2019	**2020/03/05**	**152,64**	**1 333**	**2021/09/30**	
2019	**2020/03/05**	**152,64**	**1 333**	**2022/09/30**	
2019	**2020/03/05**	**152,64**	**1 333**	**2023/09/30**	
2019*	**2020/03/05**	**152,64**	**2 575**	**2021/09/30**	
2019*	**2020/03/05**	**152,64**	**2 575**	**2022/09/30**	
2019*	**2020/03/05**	**152,64**	**2 575**	**2023/09/30**	
Performance Reward Plan					
2016	2017/03/02	155,95	6 004	2020/03/31	
2017	2018/03/08	220,97	10 010	2021/03/31	
2018	2019/03/07	182,43	12 004	2022/03/31	
2019	**2020/03/05**	**152,64**	**11 158**	**2023/03/31**	
Equity Growth Scheme					
Vested					
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	2023/03/31
2010	2011/03/04	98,80		B	2023/03/31
2010	2011/03/04	98,80		B	2023/03/31
Totals for 2020			**71 353**		

* Cash settled Deferred Bonus Scheme

	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 2020	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
	5 345		5 345			109	580	177		
	13 040		13 040			109	1 415	432		
	6 034		6 034			109	655	149		
	6 035				6 035				767	149
	10 333		10 333			109	1 121	256		
	10 334				10 334				1 313	256
	7 308		7 308			109	793	112		
	7 308				7 308				929	112
	7 311				7 311				929	112
	11 602		11 602			109	1 259	178		
	11 602				11 602				1 474	178
	11 604				11 604				1 475	178
		8 735			**8 735**				**1 110**	**47**
		8 735			**8 735**				**1 110**	**47**
		8 736			**8 736**				**1 110**	**47**
		16 869			**16 869**				**2 144**	**91**
		16 869			**16 869**				**2 144**	**91**
		16 872			**16 872**				**2 144**	**91**
	38 500		38 500			96	3 696	1 276		
	45 300				45 300				5 757	1 121
	65 800				65 800				8 362	1 009
		73 100			**73 100**				**9 290**	**395**
	12 500		12 500			152	507			
	12 500		12 500			152	507			
	13 750				13 750					
	10 312				10 312					
	3 438				3 438					
							10 533	**2 580**	**40 058**	**3 924**

Z Manyathi					
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting Date/ Vesting category	Expiry Date/ Final vesting date
Deferred Bonus Schemes					
2016	2017/03/02	155,95	1 250	2020/09/30	
2016*	2017/03/02	155,95	1 617	2020/09/30	
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	2020/09/30	
2017*	2018/03/08	220,97	1 617	2021/09/30	
2018	2019/03/07	182,43	1 333	2020/09/30	
2018	2019/03/07	182,43	1 333	2021/09/30	
2018	2019/03/07	182,43	1 334	2022/09/30	
2018*	2019/03/07	182,43	1 267	2020/09/30	
2018*	2019/03/07	182,43	1 267	2021/09/30	
2018*	2019/03/07	182,43	1 267	2022/09/30	
2019	**2020/03/05**	**152,64**	**1 333**	**2021/09/30**	
2019	**2020/03/05**	**152,64**	**1 333**	**2022/09/30**	
2019	**2020/03/05**	**152,64**	**1 333**	**2023/09/30**	
2019*	**2020/03/05**	**152,64**	**2 533**	**2021/09/30**	
2019*	**2020/03/05**	**152,64**	**2 533**	**2022/09/30**	
2019*	**2020/03/05**	**152,64**	**2 534**	**2023/09/30**	
Performance Reward Plan					
2016	2017/03/02	155,95	6 503	2020/03/31	
2017	2018/03/08	220,97	10 010	2021/03/31	
2018	2019/03/07	182,43	10 015	2022/03/31	
2019	**2020/03/05**	**152,64**	**11 158**	**2023/03/31**	
Share Appreciation Rights Plan					
2018	2019/03/07	182,43		2021/03/07	
2018	2019/03/07	182,43		2022/03/07	
2018	2019/03/07	182,43		2023/03/07	
Equity Growth Scheme					
Vested					
2013	2014/03/06	126,87		D	2024/03/06
2013	2014/03/06	126,87		D	2024/03/06
2013	2014/03/06	126,87		D	2024/03/06
2014	2015/03/05	156,96		D	2025/03/05
2014	2015/03/05	156,96		D	2025/03/05
2014	2015/03/05	156,96		D	2025/03/05
Totals for 2020			**65 854**		

* Cash settled Deferred Bonus Scheme

	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 2020	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
	8 017		8 017			109	870	266		
	10 368		10 368			109	1 125	344		
	6 034		6 034			109	655	149		
	6 035				6 035				767	149
	7 316		7 316			109	794	181		
	7 317				7 317				930	181
	7 308		7 308			109	793	112		
	7 308				7 308				929	112
	7 311				7 311				929	112
	6 943		6 943			109	753	107		
	6 943				6 943				882	107
	6 944				6 944				882	107
		8 735			**8 735**				**1 110**	**47**
		8 735			**8 735**				**1 110**	**47**
		8 736			**8 736**				**1 110**	**47**
		16 596			**16 596**				**2 109**	**90**
		16 596			**16 596**				**2 109**	**90**
		16 599			**16 599**				**2 109**	**90**
	41 700		41 700			96	4 003	1 382		
	45 300				45 300				5 757	1 121
	54 900				54 900				6 977	842
		73 100			**73 100**				**9 290**	**395**
	29 823				29 823					
	29 823				29 823					
	29 824				29 824					
	43 696				43 696					
	43 696				43 696					
	43 697				43 697					
	56 725				56 725					
	56 725				56 725					
	56 725				56 725					
							8 993	**2 541**	**37 000**	**3 537**

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					
2016	2017/03/02	155,95	1 000	2020/09/30	
2016*	2017/03/02	155,95	1 283	2020/09/30	
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	2020/09/30[5]	
2017*	2018/03/08	220,97	1 450	2021/09/30	
2018	2019/03/07	182,43	1 000	2020/09/30	
2018	2019/03/07	182,43	1 000	2021/09/30	
2018	2019/03/07	182,43	1 000	2022/09/30	
2018*	2019/03/07	182,43	1 637	2020/09/30[5]	
2018*	2019/03/07	182,43	1 637	2021/09/30	
2018*	2019/03/07	182,43	1 638	2022/09/30	
2019	**2020/03/05**	**152,64**	**1 333**	**2021/09/30**	
2019	**2020/03/05**	**152,64**	**1 333**	**2022/09/30**	
2019	**2020/03/05**	**152,64**	**1 333**	**2023/09/30**	
2019*	**2020/03/05**	**152,64**	**1 867**	**2021/09/30**	
2019*	**2020/03/05**	**152,64**	**1 867**	**2022/09/30**	
2019*	**2020/03/05**	**152,64**	**1 867**	**2023/09/30**	
Performance Reward Plan					
2016	2017/03/02	155,95	9 996	2020/03/31	
2017	2018/03/08	220,97	10 010	2021/03/31	
2018	2019/03/07	182,43	10 015	2022/03/31	
2019	**2020/03/05**	**152,64**	**10 502**	**2023/03/31**	
Totals for 2020			**65 218**		

* Cash settled Deferred Bonus Scheme

	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 2020	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
	6 413		6 413			109	696	213		
	8 230		8 230			109	893	273		
	4 525		4 525			109	491	112		
	4 527				4 527				575	112
	6 562		6 562			109	712	162		
	6 562				6 562				834	162
	5 481		5 481			109	595	84		
	5 481				5 481				697	84
	5 483				5 483				697	84
	8 976		8 976			109	974	138		
	8 976				8 976				1 141	138
	8 977				8 977				1 141	138
		8 735			**8 735**				**1 110**	**47**
		8 735			**8 735**				**1 110**	**47**
		8 736			**8 736**				**1 110**	**47**
		12 229			**12 229**				**1 554**	**66**
		12 229			**12 229**				**1 554**	**66**
		12 230			**12 230**				**1 554**	**66**
	64 100		64 100			96	6 153	2 124		
	45 300				45 300				5 757	1 121
	54 900				54 900				6 977	842
		68 800			**68 800**				**8 743**	**372**
							10 514	**3 106**	**34 554**	**3 392**

I

JH Maree

Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/ Vesting category	Expiry date/ Final vesting date
Equity Growth Scheme					
Vested					
2011	2012/03/08	108.90		A	2022/03/08[6]
2012	2013/03/07	115.51		A	2023/03/07[6]
2014	2015/03/05	156.96		D	2025/03/05
2012	2013/03/07	115.51		A	2023/03/07[6]
2014	2015/03/05	156.96		D	2025/03/05
2014	2015/03/05	156.96		D	2025/03/05
Totals for 2020					

* 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 2017 PRP award that vested in 2020 was 100%, against the performance conditions as set out in the remuneration policy section of the governance

2 Value is calculated by multiplying the notional dividend per unit with the total vesting units and applying performance conditions (where applicable).

3 Value is calculated by multiplying the year end SBK share price of R127.08 by the total outstanding units and applying performance conditions (where applicable).

4 Value is calculated by multiplying the notional dividend (accumulated from grant date to year-end) with the total outstanding units and applying performance conditions (where applicable). Notional dividends are subject to the vesting conditions

5 This award was settled with equity as opposed to cash in September 2020. This was done in order for the director to meet minimum shareholding requirements.

6 These awards have already vested but the expiry dates have been extended to 31 March 2023.

	Units					Weighted Average Exercise date share price	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 2020		Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
	61 471				61 471					
	37 729				37 729					
	26 148				26 148					
	18 865				18 865					
	26 148				26 148					
	26 149				26 149					
							–			

and remuneration report.

Equity Growth Scheme

The awards in category D are elections into EGS in favour of a DBS award. All conditional EGS tranches for executive directors and prescribed officers have vested. Effective from 2017, the group no longer issues EGS and GSIS awards. The last awards in GSIS were issued in 2011 and for the EGS in 2016. Awards are now provided in terms of the group's other share schemes, notably the DBS and SARP, both of which are settled by the group to employees with shares that the group purchases from external market participants, and the cash-settled deferred bonus plan, which is settled in cash.

AFS refer to annexure D in the group annual financial statements: Group share incentive schemes for further information.

Usage of share capital and share buy-backs for EGS and GSIS awards. During the year 231 636 (2019: 1 195 330) ordinary shares were issued in terms of the group's equity compensation plans, notably the EGS and GSIS[1] . No surplus capital was used to purchase ordinary shares in 2020 (2019: R nil) to counteract the dilutive impact of the shares issued under the equity compensation plans. At the end of the year, the group would need to issue 383 111 (2019: 1 485 507) 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% (2019: 2.1%).

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

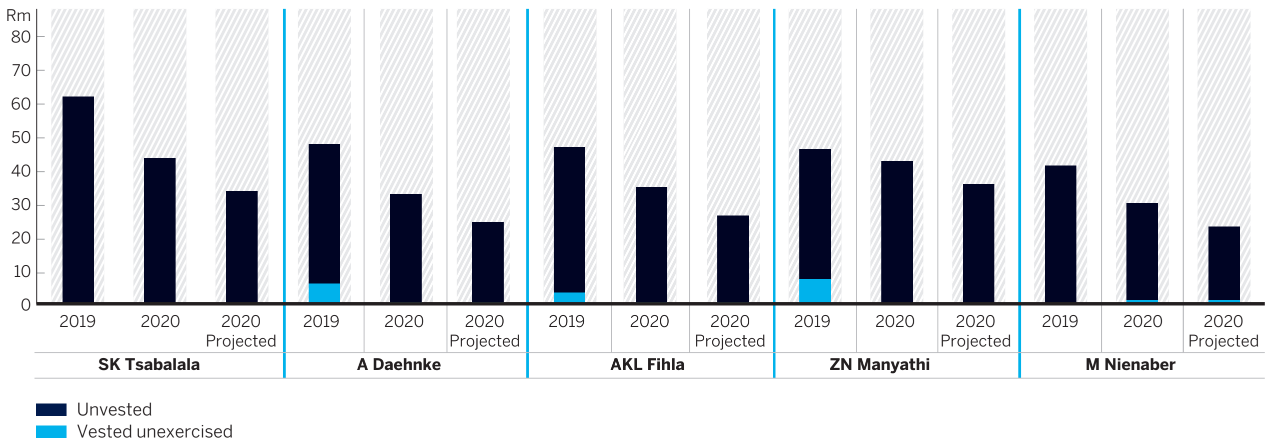
Share ownership culture

A true ownership culture exists where the executives have a substantial personal stake in the company's performance. The graph below illustrates the share-linked awards that have not yet been exercised (split between vested and unvested where appropriate) for executive directors and prescribed officers.

The reducing year-on-year values are a reflection of the non-delivery of the March 2018 PRP award evaluated on the three-year performance period ending December 2020 and the current share price. The final bar shows what the unvested awards would equal if the March 2019 PRP award does not vest.

Executive directors' and prescribed officers' unvested and unexercised shares

AWARDS BY EMPLOYEE (CURRENT RAND VALUE)

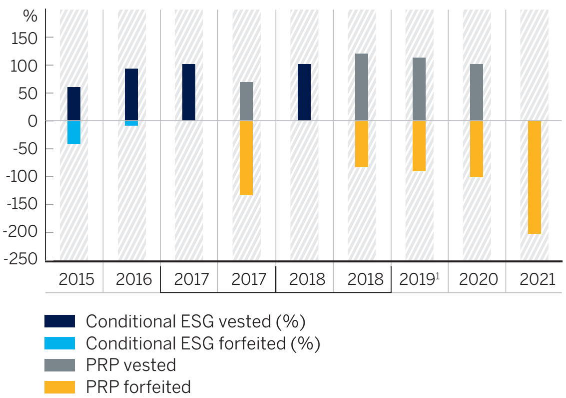


Executive directors' and prescribed officers' actual and potential vesting of conditional PRP and EGS awards from March 2015 to March 2021

Conditional PRP awards issued in March 2018 did not vest in March 2021 (0% out of a possible 200%) in line with the achievement of the performance conditions for the three-year period ending 31 December 2020, as set out on page 73.

AFS Full details of the number and value of awards granted during the year in terms of our share-based plans are included in the group annual financial statements, available online at www.standardbank.com/reporting.

% VESTING VS. FORFEITURE BY VESTING YEAR



Non-executive director fees

During 2020, meeting fees totalled R37.9 million (2019: R36.6 million) paid to 17 (2019: 15) non-executive directors who worked to discharge the board's responsibilities.

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

Non-Executive Directors 2020

		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]	**2020**	**6 953**			**364**	**7 317**
	2019	6 622			503	7 125
MA Erasmus	**2020**	**1 055**	**680**	**1 055**		**2 790**
	2019	457		457		914
GJ Fraser-Moleketi	**2020**	**290**	**662**	**290**		**1 242**
	2019	277	825	277		1 379
X Guan [2]	**2020**	**121**	**274**	**121**		**516**
	2019					
GMB Kennealy	**2020**	**290**	**1 635**	**290**		**2 215**
	2019	277	1 344	277		1 898
BP Mabelane [3]	**2020**	**170**	**229**	**170**		**569**
	2019					
JH Maree [4]	**2020**	**290**	**1 348**	**3 355**		**4 993**
	2019	277	1 200	3 170		4 647
NNA Matyumza	**2020**	**290**	**967**	**290**		**1 547**
	2019	277	823	277		1 377
Adv KD Moroka	**2020**	**290**	**900**	**290**		**1 480**
	2019	277	857	277		1 411
NMC Nyembezi [5]	**2020**	**290**	**401**	**290**		**981**
	2019					
Dr ML Oduor-Otieno	**2020**	**1 055**	**473**	**1 055**		**2 583**
	2019	963	450	963		2 376
AC Parker	**2020**	**290**	**762**	**290**		**1 342**
	2019	277	698	277		1 252
ANA Peterside CON	**2020**	**1 055**	**775**	**1 055**		**2 885**
	2019	963	676	963		2 602
MJD Ruck [6]	**2020**	**290**	**1 367**	**1 288**		**2 945**
	2019	277	1 441	1 472		3 190
PD Sullivan [7]	**2020**	**517**	**704**	**517**		**1 738**
	2019	963	1 436	963		3 362
JM Vice	**2020**	**290**	**1 280**	**290**		**1 860**
	2019	277	1 233	277		1 787
L Wang	**2020**	**290**	**351**	**290**		**931**
	2019	277	351	277		905
H Hu [8]	2019	963	469	963		2 395
Total	**2020**	**13 826**	**12 808**	**10 936**	**364**	**37 934**
Total	2019	13 424	11 803	10 890	503	36 620

1 TS Gcabashe other benefits refer to the use of motor vehicle.
2 X Guan was appointed to the board on 1 August 2020.
3 BP Mabelane resigned from the SBG and SBSA boards and committees as at 31 July 2020.
4 JH Maree's fees for services as a director of group subsidiaries includes fees paid by Liberty Holdings Limited.
5 NMC Nyembezi joined the SBSA and SBG boards on 1 January 2020.
6 MJD Ruck's fees for services as a director of group subsidiaries includes fees paid by Industrial and Commercial Bank of China (Argentina) S.A.
7 PD Sullivan retired on 26 June 2020.
8 Dr H Hu resigned on 24 February 2020.

Regulatory disclosures

Regulation 43 of the Banks Act sets out extensive quantitative and qualitative disclosures that are required to assist stakeholder understanding of the approaches adopted by financial services organisations in respect of risk and remuneration.

The quantitative disclosures are addressed below and the qualitative disclosures are addressed elsewhere in the remuneration report. The definition of material risk-takers is based on the Financial Stability Board Principles for Sound Compensation Practices. The tables meet the directive from SARB to incorporate Basel pillar III requirements in respect of remuneration.

Specific disclosures relating to the aggregate 2020 (and comparative 2019) remuneration of senior managers and material risk-takers are set out below. Variable remuneration includes cash, deferred STI awards (DBS, CSDBS and SARP), and LTI awards (PRP). The award date values of DBS, CS DBS, SARP and PRP awards are reflected. 124 individuals, out of 1 924 employees with deferred remuneration, were identified as material risk-takers in 2020 (2019: 120 out of 2 155).

Following a review, remco have re-classified Category A material risk-takers as those employees who are included in the group's key decision-making forum, the global leadership council (previously known as group exco). Previously this category only included executive directors and prescribed officers.

Material Risk Takers and all employees with deferred variable remuneration

		Number of employees	Variable remuneration as a % of total remuneration	% of variable remuneration subject to deferral[1]	Deferral period (years)	% of variable remuneration in shares or share-linked instruments	% of variable remuneration subject to risk adjustment[2]
2020							
A	Group leadership council members	**20**	**70.6%**	**75.2%**	**1 – 6 years**	**75.2%**	**100.0%**
B	Other senior executives	**46**	**66.7%**	**61.9%**	**1 – 6 years**	**61.9%**	**100.0%**
C	Other employees whose individual actions have a material impact on the risk exposure of the group	**58**	**66.7%**	**56.7%**	**1 – 6 years**	**56.7%**	**100.0%**
D	All other employees receiving variable remuneration that is subject to deferral	**1 800**	**41.4%**	**35.0%**	**1 – 6 years**	**35.0%**	**35.0%**
Total		**1 924**	**47.6%**	**44.5%**	**1 – 6 years**	**44.5%**	**56.9%**
2019							
A	Executive directors and prescribed officers	5	80.9%	70.9%	1 – 6 years	70.9%	100.0%
B	Other senior executives	54	74.7%	63.9%	1 – 6 years	63.9%	100.0%
C	Other employees whose individual actions have a material impact on the risk exposure of the group	61	73.3%	56.8%	1 – 6 years	56.8%	100.0%
D	All other employees receiving variable remuneration that is subject to deferral	2 035	49.1%	36.3%	1 – 6 years	36.3%	36.3%
Total		2 155	54,9%	44.2%	1 – 6 years	44.2%	56.1%

Key:

A. This category has been expanded in 2020 to include the group leadership council members of Standard Bank Group Limited (for banking operations only).
B. This category includes heads of major business lines, major geographic regions and heads of risk and control, and other corporate functions.
C. This category includes employees whose individual actions have a material impact on the risk exposure of the group as a whole, based on the ability to:
- commit a significant amount of the group's risk capital;
- significantly influence the group's overall liquidity position; or
- significantly influence other material risks.

D. This category includes all other employees receiving any deferred variable remuneration and for whom the variable remuneration award is linked to personal or business line performance.

Notes:

1. Consists of deferred awards in the group's share-linked schemes. Awards in DBS, CS DBS, SARP and PRP awards are based on the award date value.
2. Material risk-taker (categories A - C) remuneration is subject to clawback provisions from 1 March 2019.

FY2020 Basel Pillar 3 remuneration disclosures

REM1: Remuneration awarded during the financial year

Remuneration amount (Rm)		2020 Senior management[1]	2020 Other material risk-takers	2019 Senior management[1]	2019 Other material risk-takers
Fixed remuneration	Number of employees	**66**	**58**	59	61
	Total fixed remuneration[2]	**374**	**241**	304	233
	Of which: cash-based	**374**	**241**	304	233
Variable remuneration	Number of employees	**66**	**58**	59	61
	Total variable remuneration[3]	**804**	**482**	947	640
	Of which: cash-based	**262**	**209**	330	276
	Of which: share-linked instruments[4]	**542**	**274**	617	363
	Of which: deferred	**542**	**274**	617	363
Total		**1 179**	**723**	1 251	873

Notes:
1. Senior management includes Category A and B material risk-takers as defined on the previous table.
2. Fixed remuneration is cash-based and is not deferred.
3. Variable remuneration consists of a cash portion which is not deferred and a deferred portion in the form of share-linked instruments.
4. Consists of deferred awards in the group's share-linked schemes. Awards in DBS, CS DBS, SARP and PRP awards are based on the award date value.

REM2: Special payments

Special payments	2020 Guaranteed bonuses		2020 Sign-on/buy-out awards		2020 Severance payments	
	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)
Senior management	**0**	**0**	**0**	**0**	**2**	**14**
Other material risk-takers	**0**	**0**	**0**	**0**	**0**	**0**

Special payments	2019 Guaranteed bonuses		2019 Sign-on/buy-out awards		2019 Severance payments	
	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)
Senior management	0	0	2	4	0	0
Other material risk-takers	0	0	1	1	1	3

REM3: Deferred remuneration

Remuneration amount (Rm)

Deferred and retained remuneration[1]	2020 Total amount of outstanding deferred remuneration[2]	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments[3]	Total amount of deferred remuneration paid out in the financial year
Senior management					
Shares or share-linked instruments	**1 195**	**1 195**	**0**	**(139)**	**351**
Other material risk-takers					
Shares or share-linked instruments	**681**	**681**	**0**	**(43)**	**210**
Total	**1 876**	**1 876**	**0**	**(181)**	**561**

Deferred and retained remuneration[1]	2019 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	1 661	1 661	0	0	810
Other material risk-takers					
Shares or share-linked instruments	1 010	1 010	0	0	440
Total	2 671	2 671	0	0	1 250

Notes;
1. All deferred remuneration is in the form of share-linked instruments.
2. Consists primarily of DBS, SARP and PRP awards. The year end value of DBS awards is reflected and the intrinsic value has been used for SARP awards. The value of PRP awards is calculated as the number of instruments multiplied by the year-end share price and the actual vesting percentage for PRP for delivery in March 2021. Later PRP awards are estimated at 100% vesting.
3. Ex post implicit adjustments reflect changes in the expected vesting percentage linked to the performance conditions of deferred awards.

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