Remuneration report

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

OUR REMUNERATION REPORT INCLUDES:

Review of focus areas – 2014 and 2015

We continually review our pay practices to align with shareholder interests and to ensure that the practices support our businesses and changes in our operating environment. We actively seek shareholder views and revise our reporting to improve transparency. The growth of our businesses across the African continent will see a shift in focus to pay practices in those markets going forward. We seek to remain competitive and relevant there, where often the talent is scarce. We set practices that take into account local conditions within a group governance framework. Specific focus areas for 2015 are detailed below.

Focus areas and achievements in 2014

- The executive performance evaluation process was refined for all prescribed officers.
- The new long-term performance-driven share plan – the performance reward plan (PRP) – was launched in March 2014. The PRP is fully conditional on the achievement of specific financial targets.
- We engaged with many significant shareholders on the group's remuneration policy.
- The remuneration policy was approved at the AGM held in May 2014, with 84% of shareholders voting in favour of the policy.
- Our 2013 remuneration report was placed second in the South African Reward Association's annual awards.
- Inclusion of a six year pay history for all of our executive directors in this report.

Focus areas in 2015

- We have established a benefits governance committee and they will focus on reviewing benefits across the African continent.
- Making sure that the link between pay and performance is understood.
- We will continue to award higher levels of increases to the lowest level of employees.
- We will review all our reward and benefits offerings outside Africa to take account of the disposal of the global markets operations in February 2015.

Chairman's letter

Dear Shareholder

Since the financial crisis in 2008, your board and executive teams have redefined the group's vision from that of a financial institution focused on emerging markets to being the leading financial services organisation in, for and across Africa.

As part of that reshaping process, we have, in a controlled manner, disposed of operations in many geographies beyond Africa and simplified the outside Africa business. The sale of a majority interest in Standard Bank Plc to ICBC on 1 February 2015 and consequent repositioning of capital is the most important landmark in this journey of transition.

2014 was a year of deep contrasts. Profit increased by 32% to R22,2 billion in the banking group excluding Standard Bank Plc. But Standard Bank Plc delivered a headline earnings loss of R3,7 billion. A significant downward valuation adjustment in respect of aluminium collateral held in bonded warehouses in China was included in that loss. We believe that fraudulent activities, entirely external to your group, gave rise to this adjustment and we continue to pursue various alternatives for recovery of the exposure.

Against this backdrop, accountability and remuneration decisions were complex. Critical to the Standard Bank Plc transaction was delivery of a strong, competent team of professionals, including enablers. For this reason, adequate remuneration for them was vital in 2014 and we endeavoured to deliver that. With deep maturity, however, the entire senior leadership of that business accepted significant reductions in remuneration in light of the 2014 loss.

The impact of the loss in Standard Bank Plc, rippled outward across CIB and into group leadership. CIB's continuing business grew headline earnings by 26%, but its bonus pool increased minimally. Given these disconnected rates of increase, CIB leadership worked positively on remuneration, understanding that short term sacrifices were constructive for the business in future.

For you as a shareholder, an important principle emerges. Accountability and remuneration are inextricably linked in Standard Bank Group. Executives and managers are held to account transparently for their activities and they take responsibility for their results. Reward responds to excellence, but penalises underperformance.

Our most senior leaders share in overall outcomes of the group, despite their specific responsibilities. The Standard Bank Plc loss had impacts on the variable remuneration of our prescribed officers beyond CIB. The prescribed officer variable remuneration information is set out on pages 147 and 148. In total, the 2014 annual incentive awards for executive directors and prescribed officers decreased by 30.2%.

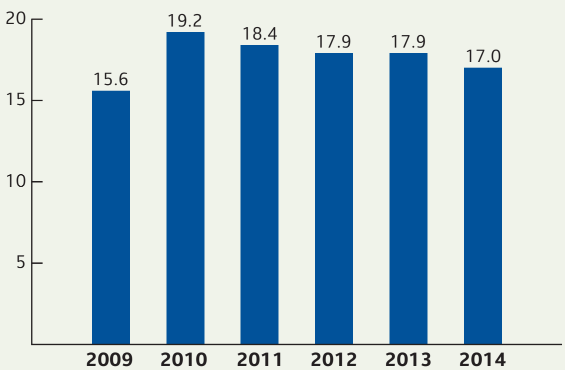
The joint-chief executive design in Standard Bank Group, with no deputies or chief operating officer, is proving to be highly effective. We hold the two people jointly accountable for delivering group results. There is no separation when we consider accountability. Remco's preferred policy is therefore to apply an equal-remuneration policy for the joint-chief executives, despite their leadership of different entities within the group, which changes with time.

Remco departed in 2014 from its equal-remuneration policy for the joint-chief executives for a specific reason. Given the impact of the Standard Bank Plc loss on variable remuneration across CIB, and Ben Kruger's involvement in the CIB business over many years, Remco decided that his 2014 variable remuneration should show a greater reduction than that applied to Sim Tshabalala.

In parallel with individual remuneration processes, Remco tracks the proportion of pre-tax profits allocated to variable remuneration across many years, by division, geography and at group level. We do not link bonus pools to profits mechanistically, but rather allow flex to accommodate specific situational needs each year. We do, however, maintain the allocation of profits to variable remuneration within a prudent range.

The chart below illustrates, for the banking group, total variable remuneration as a percentage of profits pre-tax and pre-variable remuneration. Profits include the full loss in Standard Bank Plc. Despite the substantial distortion to the bonus process to which I have referred earlier, variable remuneration as a percentage of profits reduced in 2014. This is the product of a disciplined attitude toward variable remuneration in this year of deeply contrasting performances across the group.

SBG – banking group
Total bonus/PBT before total bonus* (%)



* Total bonus comprises cash, deferred and EGS/DBS values for executives and managers.

Leaving the detail of 2014, how does your group's remuneration committee, or Remco, evaluate top executive delivery and determine accountability for outcomes? Is senior executive remuneration in Standard Bank Group justified by quantifiable delivery and individual accountability?

The overarching principle is that we pay for the value delivered to the group and its shareholders through time. The concept is simple, but the reality complex. In a large bank with wide product and geographic diversity, 'value delivered' can become an opaque ideal. How do we bring clarity to this vital subject?

Remco evaluates top executive delivery within pre-agreed spheres of expectation. Top of that list is financial performance, revenue and cost management, efficiency and returns on equity. We study a wide range of revealing metrics. Second on the list is balance sheet structure, liquidity and funding. Numeric evidence predominates.

In reviewing such evidence, we understand that external, environmental factors affect the financial performance of banks, sometimes substantially. We endeavour to reduce external 'noise' as we assess the value truly delivered by executives.

Clients and market shares, brand strength, reputation and relationships with multiple regulators are evaluated in detail. Risk management in all its dimensions, technological efficiency and effectiveness, rigorous governance, people leadership, development, retention and transformation are each analysed and considered.

Beyond all these, we gather evidence on individual innovation and success in building competitive advantage. A sense of executive urgency is vital. Remco considers the behaviours that lie behind financial results and the values that leaders instill across the organisation.

Finally, Remco stands away from the detail and judges the effectiveness of our leaders in moving the group rapidly and successfully toward ambitious strategic goals. We understand the complexities of motivating and aligning change across large numbers of people. We understand tough competitive forces, the digital revolution and regulatory realities. But the extent, speed and quality of the group's advancement toward board-approved

Chairman's letter | continued

group strategic destinations is a measure of leadership and consequent remuneration.

This evaluation process by Remco is detailed, thorough, and carefully designed to yield a relatively clear view of individual 'value delivered'. Then, standing on that foundation of evidence, Remco takes decisions on individual remuneration.

Critics of our design ask why we do not use pre-published financial targets and a formulaic determination of annual remuneration. This, they say, cuts through the complexities of assessing 'value delivered'.

Scorecard-based annual remuneration assumes that only what can be counted counts. This is correct in the long term from a shareholder perspective. But, year by year, scorecards overlook important elements of long-term strategic, structural and human resource delivery by the bank's leadership. Few large banks tie themselves to such a design, and those that do, typically leave room for remuneration committee over-rides.

Of deeper concern is that formulaic annual remuneration in banking nourishes a short-term bonus-centric culture. Bonus-boosting tactics would be favoured. Tilting toward higher risk business, delaying long-term strategies in favour of short term benefits, hiring quick-revenue generators rather than building deep talent, preserving fragmented IT structures and under-investing in risk, internal audit and compliance are all targets for bonus-focused executives. Such attitudes cost shareholders, typically with delayed but substantial impact.

Long-term, strategic thinking is vital in banking, and remuneration designs must promote this culture. In Standard Bank Group, for example, the strong earnings growth now emerging in sub-Saharan Africa, or the installation of world-class core-banking information technology systems, are consequences of far-seeing, courageous, resolute leadership through time.

Beyond annual performance measurement, your group's Performance Reward Plan, or PRP, is a long-term scheme designed to align roughly 100 top executives with shareholder interests. It uses three-year headline earnings growth and return on equity goals to reward strong, consistent performance on a rolling basis.

For each annual tranche of PRP awards, Remco considers the bank's current situation and then sets vesting thresholds for average headline earnings growth and average return on equity over the following three years. Actual outcomes against those vesting thresholds determine the extent of awards that vest. The remuneration report that follows explains the design and operation of the PRP.

Aligning executives with your interests as a shareholder is a priority for Remco. We require our top executives to build and maintain personal shareholdings in Standard Bank Group to specified value levels. In addition, all deferred remuneration tracks the group share price until vesting.

Your group has crystallised its focus on Africa. Its presence in 20 sub-Saharan African countries is a valuable platform on which to build. The group's strategic position has never been stronger.

Furthermore, a great depth and breadth of human capability has been built across many years. This is business muscle. It is a critical resource of intelligent, skilled, experienced, clear-thinking, energetic people who continuously drive growth and innovation, within clear risk boundaries. Understanding the value each person delivers, and rewarding them appropriately, is decisive in building a vibrant, results-orientated organisation for the benefit of shareholders.

Yours sincerely,

Ted Woods
Chairman,
remuneration committee

Remuneration policy

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

Our human capital report, starting on **page 46**, describes how we develop and retain our people.

We have four key objectives guiding our remuneration policy:

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

Principles that underpin our remuneration policy

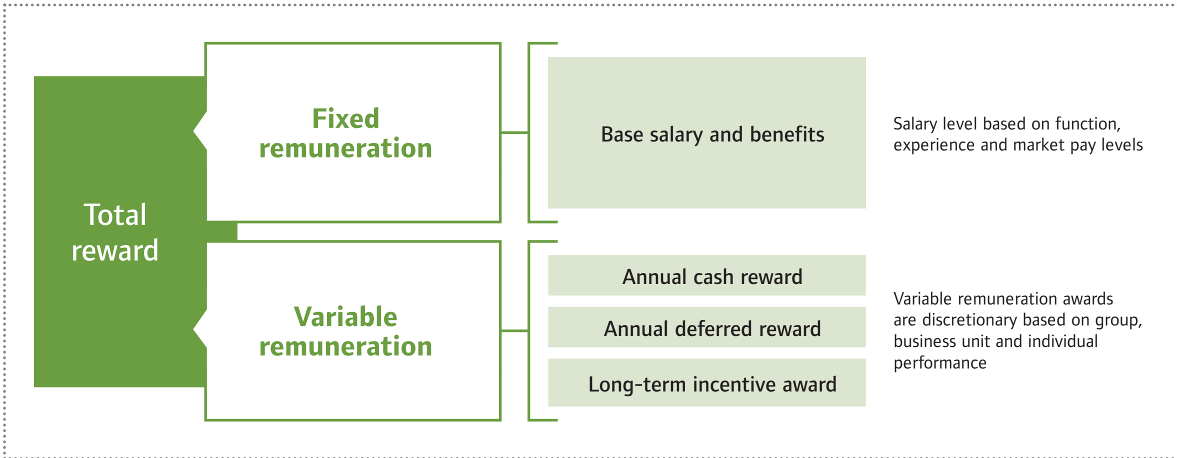
Our Remco is firmly committed to disclosing our reward policy, principles and structures to all relevant stakeholders, including our people, unions, regulators and shareholders, for them to make an assessment of our pay practices. The key principles that underpin our reward policy, reward structures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

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

Remuneration report | continued

Remuneration structure

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



Fixed remuneration

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

Elements of fixed remuneration

Element	Purpose	Detail
Base salary	To attract and retain employees.	We seek to remain competitive relative to peers in the remuneration we offer. Our annual base salary review takes into account available market data. Increases take effect on 1 March each year and are based on individual and business unit performance.
Compulsory benefits	To encourage retirement savings[1] and to cater for unforeseen life events.	Pension and disability plans, death cover[2] and medical insurance take into account in-country practices and requirements[3].
Optional benefits	To enhance the package available to employees.	These benefits (for example car allowances) vary and take into account in-country practices and requirements.

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

Variable remuneration

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

Element	Purpose	Detail
Annual incentive award comprising: › Annual cash award › Annual deferred award	To incentivise the delivery of our objectives, balancing short-term performance and risk taking with sustainable value creation for shareholders.	Individual awards are based on a combination of group, business unit and individual performance (utilising both financial and non-financial metrics over a multi-year period) and include effective risk management and compliance criteria. Awards above R1 million (or local currency equivalent) are subject to deferral. See **page 140** for details.
Long-term incentive award	To incentivise key senior executives and critical mid-level management to base their decision-making on the long-term interests of the group.	Awards for senior executives take into account the importance of long-term performance and are fully conditional. See **page 150** for details of the PRP for senior executives.

Annual incentive awards

How we determine annual incentive awards

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

Pools are derived by evaluating:

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

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

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

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

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

Following the evaluation of the group's 2014 financial and risk-adjusted performance and delivery against board-approved strategy, Remco approved an increase to the total group incentive pool for banking operations (excluding Liberty) of 8%. The profits, before minorities, in banking operations (relevant profit metric to compare changes in incentive pools) increased by 15%. The ratio of the variable pool to profits before tax over time is set out in the Remco chairman's letter on page 134.

Remco reviewed the fixed and variable remuneration of 490 senior executives across the group for consistency of approach.

Deferral schemes

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

Refer to forfeiture and clawback, as detailed on **page 145**.

The deferral rates in March 2015 have been maintained at the same level as 2014.

The group currently runs two deferral schemes: the deferred bonus scheme, initiated in 2012, and the Quanto stock unit plan.

Remuneration report | Remuneration structure continued

Types of deferral schemes

Deferred bonus scheme

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

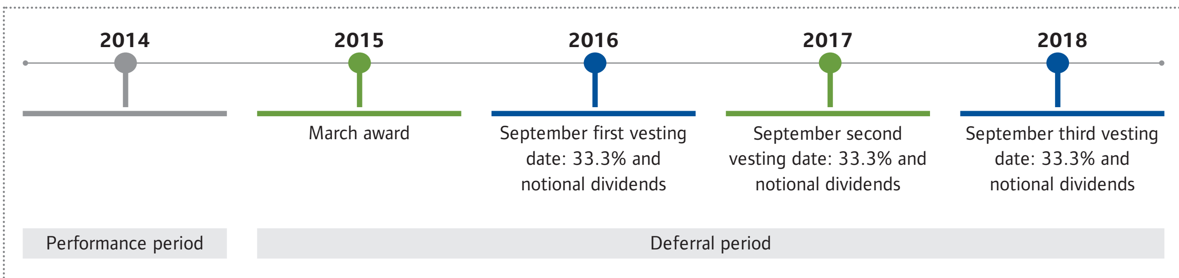
The deferred portion is linked to the group's share price during the deferral period and, for awards made from March 2012, accrues notional dividends during deferral which are payable at vesting.

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

The deferral levels were increased in March 2012 for the 2011 performance year and have been maintained for the 2014 performance year at a maximum marginal rate of 50%.

Scheme	Purpose	Detail
DBS – employees in Africa (including South Africa)	To encourage a longer-term outlook in business decision-making and closer alignment of performance with long-term value creation.	› Employees granted an annual performance award over a threshold of R1 million (or local currency equivalent) have part of their award deferred over a 42-month period. Awards made after 2011 are indexed to the group's share price and accrue notional dividends during deferral, which are payable at vesting. The awards vest in three equal tranches at 18 months, 30 months and 42 months from date of award. › Forfeiture or clawback is triggered under certain conditions. › Additional incremental payments will continue for legacy DBS awards made up to and including March 2011. › The maximum marginal DBS deferral rates have been maintained at 50%.

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



How DBS is deferred

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

Quanto stock unit plan award

The Quanto stock unit plan is a deferred share plan that pertains to our businesses outside Africa. The plan was developed in 2007 to retain employees and promote equity ownership. The plan will continue as the deferral mechanism for staff outside Africa in 2015. The number of participants will reduce due to the group's substantial reduction in presence outside Africa from February 2015.

Scheme:	Purpose	Detail
Quanto stock unit plan – employees in businesses outside Africa	To encourage a longer-term outlook in business decision-making and closer alignment of performance with long-term value creation.	• All Code Staff and other employees granted an annual performance award over a threshold of USD150 000 have part of their award deferred in Quanto stock units which are linked to the group's share price denominated in US dollars. The awards vest in three equal annual increments starting 12 months after the award. For Code Staff, however, payment of the vested portion is then subject to a further six-month retention. • For Code Staff, in terms of the residual cash portion, half is deferred into Quanto units for a further six months, with half paid in cash at award time. • Forfeiture or clawback is triggered under certain conditions. • Final payout is determined with reference to the group's share price at the exercise date. • The maximum deferral rate is 80% for UK and international employees, including Code Staff.

Long-term incentive plans

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

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

Remuneration report | Remuneration structure continued

Performance reward plan

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

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

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

Details of the PRP are provided in the table below:

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

Performance conditions for long-term incentive awards

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

If achievement of the metrics results in vesting, the PRP award is settled in shares to the employee on the applicable vesting dates together with notional dividends that are settled in cash. The shares that vest (if any) and that are delivered to the employee are fully conditional on the performance metrics. The metrics for the March 2015 awards are set out in the table that follows. The metrics (average growth in HEPS and growth in ROE) will remain unchanged for the March 2015 award but the vesting thresholds have been altered by Remco in response to shareholder feedback and taking into account group strategy and targets.

Metrics and vesting thresholds for March 2015 awards

Average growth in HEPS 2015	ROE improvements 2015
Vesting percentage	For each 0.1% increase in average ROE over the performance period above 14.1% up to 15% average ROE, 7.5% of the ROE-related conditional units awarded are released.
Below 8% average growth in HEPS*, no conditionally allocated units will vest.	
Once 8% average growth in HEPS* is achieved, 20% of conditionally allocated units will vest.	
For each 1% of average growth in HEPS* in excess of 8% up to 11% average growth, 20% of conditionally allocated units will vest.	For each 0.1% increase in average ROE over the performance period above 15% average ROE, 10% of the ROE-related conditional units awarded are released.
For each 1% average growth in HEPS* in excess of 11%, 30% of conditionally allocated units will vest.	
Maximum vesting at 200% of initial HEPS*-related conditional units awarded.	Maximum vesting at 200% of initial ROE-related conditional units awarded.

* Growth in HEPS is defined as growth in headline earnings per share over *pro forma* headline earnings per share in 2014 of 1 201,1 cents. This base represents continuing operations headline earnings for 2014 adjusted for 40% of the 2014 discontinued operations loss i.e. *pro forma* headline earnings base of R19 570 million as compared to the actual headline earnings for 2014 of R17 323 million. Remco adjusted the 2014 base to take into account the fact that the group retains a 40% stake in the GMOA business and to avoid the 2014 base being abnormally low.

Performance reward plan targets currently open

- **March 2014 (due to vest end of 2016).** In terms of average growth in HEPS for each 1% above zero to average CPI, 8% of the conditionally allocated units will vest. For each 1% above average CPI up to average CPI plus 5%, 10% of conditionally allocated units will vest. For each 1% above average CPI plus 5%, 15% of conditionally allocated units will vest. Maximum vesting at 200% of initial HEPS related conditional units awarded. In terms of the ROE metric, for each 0.1% increase in average ROE over the performance period above a threshold (14.1% for the March 2014 awards), 8% of the ROE-related conditional units awarded are released. Maximum vesting at 200% of initial ROE-related conditional units awarded.

Equity growth scheme

Although no employees were awarded conditional EGS awards in March 2015, the scheme continues to exist. Where employees within South Africa and the rest of Africa have deferred awards above R2 million (or equivalent), they are offered a choice on award date to have the value of their deferred award, or part thereof, invested in the EGS (vesting category D), rather than the default DBS. To the extent that they select EGS, they receive a premium of 10% of the value of the award. This premium encourages executives to accept 10-year exposure to the group's share price and compensates for a longer vesting period in comparison to DBS.

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

Remuneration report | Remuneration structure continued

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

2015	2016	2017	2018	2019	2025
March award		March award: first vesting date 33%	March award: second vesting date 33%	March award: third vesting date 33%	Option/right must be exercised within 10 years of the award date

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

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

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

Previous long-term incentives (EGS) that expired or were forfeited due to non-attainment of performance targets

Awards issued from March 2008 to 2012 in the EGS require that rights will not vest in the year in which they were to have vested unless real growth in group normalised headline earnings per share over the vesting period of these rights is not achieved on a compound annual growth basis.

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

Minimum shareholding requirement

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

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

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Refer to annexure D in the annual financial statements for details of all EGS and GSIS rights per prescribed officer and executive director which have not been exercised, and the director remuneration tables that follow.

Risk management and remuneration

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

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

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

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

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

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

Remco pays specific attention to:

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

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

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

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

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

During 2014, Remco implemented forfeiture in two cases.

RCM AFS SR

The summarised risk and capital management report, starting on **page 3**, describes the material risk types the group is exposed to and how it measures and manages these risks.

Disclosure of executive directors' and prescribed officers' remuneration

The financial performance for the group in 2014 reflected both very strong performance in the underlying operations of the group and very weak performance in operations which the group has disposed of. This was taken into account in determining the annual incentive awards for executive directors and prescribed officers and this is covered in the Remco chairman's letter.

Evaluation of executive directors, and prescribed officers

When Remco assesses the performance of the chief executives, financial director and prescribed officers, we do so in the areas of:

- business results and drivers of share price performance which include earnings performance, financial gearing, returns on assets and equity, management of risk assumed, economic cycle, and performance relative to peer group
- clients and customers
- leadership and people
- risk and control
- reputation and brand.

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

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

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

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

This year the report displays the pay of the executive directors over a 6 year period to demonstrate the variability of pay over time. The other prescribed officers are shown for the period that they have been serving as prescribed officers. Bruce Hemphill has completed his first year running the Wealth business at Standard Bank with the pay reflected in previous years relating to his service as chief executive of Liberty.

Regulatory disclosures

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

Terms of employment for executive directors and prescribed officers

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

Restrictive covenants

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

Retention agreements and payments

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

Executive directors' and prescribed officers' emoluments

R'000	2009	2010	2011	2012	2013	**2014**
Executive directors						
BJ Kruger*						
Base salary paid during the year	4 892	5 138	5 268	6 014	6 559	**7 352**
Retirement contributions paid during the year	746	824	858	963	1 088	**1 209**
Other benefits paid during the year	352	232	143	132	315	**199**
Total fixed remuneration	5 990	6 194	6 269	7 109	7 962	**8 760**
Annual cash award in respect of the year[1]	14 442	8 666	9 506	5 900	9 400	**5 275**
Annual deferred award in respect of the year[2]	1 075	2 310	9 763	5 100	11 100	**4 975**
Total annual incentive award	15 517	10 976	19 269	11 000	20 500	**10 250**
Total reward	21 507	17 170	25 538	18 109	28 462	**19 010**
SK Tshabalala*						
Base salary paid during the year	4 156	4 668	4 713	5 098	6 384	**7 378**
Retirement contributions paid during the year	399	448	454	482	990	**1 248**
Other benefits paid during the year	304	161	227	270	274	**277**
Total fixed remuneration	4 859	5 277	5 394	5 850	7 648	**8 903**
Annual cash award in respect of the year[1]	6 670		8 200	8 250	9 400	**7 337**
Annual deferred award in respect of the year[2]	1 930		7 900	7 450	11 100	**8 038**
Total annual incentive award	8 600		16 100	15 700	20 500	**15 375**
Total reward	13 459	5 277	21 494	21 550	28 148	**24 278**
SP Ridley*						
Base salary paid during the year	2 928	3 184	4 087	4 617	4 900	**5 328**
Retirement contributions paid during the year	424	432	514	572	624	**692**
Other benefits paid during the year	383	178	212	246	286	**289**
Total fixed remuneration	3 735	3 794	4 813	5 435	5 810	**6 309**
Annual cash award in respect of the year[1]	4 769	2 623	5 881	5 500	6 150	**5 150**
Annual deferred award in respect of the year[2]	817	553	5 600	4 700	7 850	**6 850**
Total annual incentive award	5 586	3 176	11 481	10 200	14 000	**12 000**
Total reward	9 321	6 970	16 294	15 635	19 810	**18 309**

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

2 The DBS is a cash-settled share scheme and the DBS (2012) is an equity-settled share scheme, both of which are described from page 140. The final value of the award is dependent on the performance of the group's share price. The deferred award is issued in the following financial year. The deferred award in the table above is the total award relating to the respective performance year. Deferred bonus amounts awarded for the 2011 performance year and beyond are subject to choice. Participants can elect to have the value of the deferred award, or a part thereof, invested in the EGS rather than the default DBS (2012). To the extent that EGS is selected, a 10% premium of the value of the award is added. Deferred bonus amounts not invested in EGS will be unitised with respect to the group's closing share price on the date on which the group's year end financial results are communicated publicly. The elections and the number of units have, for the 2011 – 2013 performance years, been included in the table commencing on page 150, with the elections relating to the 2014 performance year to be disclosed in the group's 2015 annual integrated report.

* All executive directors were also prescribed officers of the group for 2013 and 2014.

Remuneration report | Disclosure of executive directors' and prescribed officers' remuneration continued

Executive directors' and prescribed officers' emoluments continued

R'000	2010	2011	2012	2013	**2014**
Prescribed officers					
JB Hemphill[1]					
Base salary paid during the year	4 002	4 208	4 424	4 657	**5 316**
Retirement contributions paid during the year	363	394	132	295	**662**
Other benefits paid during the year	101	110	387	160	**154**
Total fixed remuneration	4 466	4 712	4 943	5 112	**6 132**
Annual cash award in respect of the year[2]	4 850	7 332	7 900	8 350	**8 150**
Annual deferred award in respect of the year[3]	4 650	2 713	3 850	4 150	**8 150**
Total annual incentive award	9 500	10 045	11 750	12 500	**16 300**
Total reward	13 966	14 757	16 693	17 612	**22 432**
DC Munro					
Base salary paid during the year				4 596	**5 355**
Retirement contributions paid during the year				641	**710**
Other benefits paid during the year				200	**254**
Total fixed remuneration				5 437	**6 319**
Annual cash award in respect of the year[2]				15 150	**5 650**
Annual deferred award in respect of the year[3]				14 850	**5 850**
Total annual incentive award				30 000	**11 500**
Total reward				35 437	**17 819**
PL Schlebusch					
Base salary paid during the year				4 476	**5 342**
Retirement contributions paid during the year				595	**709**
Other benefits paid during the year				199	**206**
Total fixed remuneration				5 270	**6 257**
Annual cash award in respect of the year[2]				10 150	**8 650**
Annual deferred award in respect of the year[3]				10 850	**8 650**
Total annual incentive award				21 000	**17 300**
Total reward				26 270	**23 557**

Totals for all executive directors and prescribed officers	2013	**2014**
Fixed remuneration	37 239	**42 680**
Annual incentive award	118 500	**82 725**
Total reward	155 739	**125 405**

1 Bruce Hemphill was CEO of Liberty until 28 February 2014. For an explanation of the awards made to him during his employment at Liberty, refer to Liberty's annual report. The 2010 to 2013 years indicate his pay while at Liberty.

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

3 The DBS is a cash-settled share scheme and the DBS (2012) is an equity-settled share scheme, both of which are described from page 140. The final value of the award is dependent on the performance of the group's share price. The deferred award is issued in the following financial year. The deferred award in the table above is the total award relating to the respective performance year. Deferred bonus amounts awarded for the 2011 performance year and beyond are subject to choice. Participants can elect to have the value of the deferred award, or a part thereof, invested in the EGS rather than the default DBS (2012). To the extent that EGS is selected, a 10% premium of the value of the award is added. Deferred bonus amounts not invested in EGS will be unitised with respect to the group's closing share price on the date on which the group's year end financial results are communicated publicly. The elections and the number of units have, for the 2011 – 2013 performance years, been included in the table commencing on page 150, with the elections relating to the 2014 performance year to be disclosed in the group's 2015 annual integrated report.

Executive directors' and prescribed officers' long-term incentives

Share incentives and share-based deferred awards not yet delivered

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

Remuneration report | Disclosure of executive directors' and prescribed officers' remuneration continued

Share incentives and share-based deferred awards not yet delivered continued

Year in which award was made	2004	2005	2006	2007	2008	2009	2010	
	GSIS	EGS	EGS	EGS	EGS	EGS	EGS	DBS
SK Tshabalala[2]								
Opening balance	25 000	50 000	45 000	50 000	125 000	93 750	125 000	10 344
Issue or offer price	40,65	65,60	79,50	98,00	92,00	62,39	111,94	111,94
Vesting category	A	B	A,B	A,B	B	A,B	A,B	
Expiry date	03/14	03/15	03/16	03/17	03/18	03/19	03/20	11/14
Taken up	(25 000)							(10 344)
Forfeited					(12 500)	(56 250)		
Granted								
Closing balance		50 000	45 000	50 000	112 500	37 500	125 000	
Benefit derived	2 125 000							1 449 194
BJ Kruger[3]								
Opening balance			300 000	150 000	50 000	125 000	200 000	5 761
Issue or offer price			79,50	98,00	92,00	62,39	111,94	111,94
Vesting category			B	B	B	A,B	A,B	
Expiry date			03/16	03/17	03/18	03/19	03/20	11/14
Taken up			(300 000)	(150 000)				(5 761)
Forfeited					(25 000)	(75 000)		
Granted								
Closing balance					25 000	50 000	200 000	
Benefit derived			15 255 000	4 852 500				800 779
SP Ridley								
Opening balance			75 000	30 000	25 000	75 000	100 000	4 381
Issue or offer price			79,50	98,00	92,00	62,39	111,94	111,94
Vesting category			B	A, B	B	A, B	A	
Expiry date			03/16	03/17	03/18	03/19	03/20	11/14
Taken up			(50 000)					(4 381)
Forfeited					(12 500)	(45 000)		
Granted								
Closing balance			25 000	30 000	12 500	30 000	100 000	
Benefit derived			2 239 500					605 016

1 This table reflects bonus awards made in the 2014 and prior financial years. The awards will only vest in future in terms of the rules of the EGS, DBS (2012) and PRP. The deferred bonus awards for the 2014 performance year are only issued in the 2015 financial year with reference to the closing share price on 5 March 2015. Subsequent to 31 December 2014 and as set out in the table above, the group awarded PRP units to the prescribed officers. The PRP units disclosed in this table have been determined using the closing SBG share price of R148,90 on 4 March 2015. The actual number of PRP units will, in terms of the scheme's rules, be determined with reference to the closing SBG share price on 5 March 2015. The actual number of units will be updated in the group's 2015 annual financial statements and 2015 annual integrated report.

2 As at 31 December 2014, SK Tshabalala has a right to 698 339 (2013: 698 339) shares as a beneficiary of the Tutuwa Manager's Trusts. At 31 December 2014, the debt per share was R52,39 (2013: R48,21). Rights are subject to settlement of funding and transaction costs. Subsequent to 31 December 2014, SK Tshabalala disposed of 279 525 shares in order to settle employees' tax and associated funding and transaction costs arising on the lifting of the final restrictions imposed in terms of the group's Tutuwa initiative. Pre-approval for this transaction was obtained from the JSE.

3 BJ Kruger elected to have the value of his 2013 performance year award or part thereof (as applicable) invested in the EGS rather than the default DBS. Regarding the 2013 performance year DBS has been updated accordingly.

	2011		2012		2013		2014			2015
	EGS	**DBS**	**EGS**	**DBS (2012)[1]**	**EGS**	**DBS (2012)[1]**	**EGS**	**PRP**	**DBS (2012)[1]**	**PRP**
	200 000		274 305		302 109					
	98,80		108,90		115,51			**126,87**	**126,87**	
	A,B		A,D		E,D					
	03/21		03/22		03/23			**03/17**	**09/17**	
								98 500	**87 492**	**67 200**
	200 000		274 305		302 109			**98 500**	**87 492**	**67 200**
	200 000	23 381	61 471	59 765	56 594	44 153				
	98,80	98,80	108,90	108,90	115,51	115,51	**126,87**	**126,87**		
	A,B		A		E		**D**			
	03/21	11/15	03/22	09/15	03/23	09/16	**03/24**	**03/17**		
		(23 381)		(29 882)		(14 717)				
							316 322	**98 500**		**67 200**
	200 000		61 471	29 883	56 594	29 436	**316 322**	**98 500**		**67 200**
		3 249 959		3 921 415		1 931 312				
	200 000	5 596	36 883	34 283	42 445	40 690				
	98,80	98,80	108,90	108,90	115,51	115,51		**126,87**	**126,87**	
	A,B		A		E					
	03/21	11/15	03/22	09/15	03/23	09/16		**03/17**	**09/17**	
		(2 239)		(17 141)		(13 563)				
								63 100	**61 875**	**53 700**
	200 000	3 357	36 883	17 142	42 445	27 127		**63 100**	**61 875**	**53 700**
		311 221		2 249 413		1 779 872				

Remuneration report | Disclosure of executive directors' and prescribed officers' remuneration continued

Share incentives and share-based deferred awards not yet delivered continued

Year in which award was made	2005		2006	2007	2008	2009		2010		
	EGS					EGS		EGS		
	SBG	Liberty	EGS	EGS	EGS	SBG	Liberty	SBG	Liberty	DBS
JB Hemphill										
Opening balance	25 000	40 000	60 000#	120 000#	80 000#	31 250	100 000	150 000	240 000	
Issue or offer price	60,35	58,40	77,28	80,25	73,21	62,39	65,15	111,94	69,00	
Vesting category	A, B	A	A	A	A	A, B	A	A, B	A	
Expiry date	04/15	04/15	04/16	02/17	02/18	03/19	02/19	03/20	02/20	
Taken up	(25 000)	(40 000)	(60 000)	(120 000)	(80 000)		(100 000)	(56 250)	(180 000)	
Forfeited						(18 750)				
Granted										
Closing balance						12 500		93 750	60 000	
Benefit derived	1 915 750	2 932 000	3 265 200	6 174 000	4 679 200		6 655 000	1 408 500	11 286 000	
DC Munro[2]										
Opening balance	50 000		250 000	47 500	62 500	62 500		100 000		15 739
Issue or offer price	65,60		79,50	98,00	92,00	62,39		111,94		111,94
Vesting category	B		B	A, B	B	A, B		A		
Expiry date	03/15		03/16	03/17	03/18	03/19		03/20		11/14
Taken up										(15 739)
Forfeited					(6 250)	(37 500)				
Granted										
Closing balance	50 000		250 000	47 500	56 250	25 000		100 000		
Benefit derived										2 173 556
PL Schlebusch										
Opening balance				40 000	71 875	62 500		100 000		5 306
Issue or offer price				98,00	92,00	62,39		111,94		111,94
Vesting category				A, B	A, B	A, B		A, B		
Expiry date				03/17	03/18	03/19		03/20		11/14
Taken up										(5 306)
Forfeited						(37 500)				
Granted										
Closing balance				40 000	71 875	25 000		100 000		
Benefit derived						2 910 375				737 534

1 This table reflects bonus awards made in the 2014 and prior financial years. The awards will only vest in future in terms of the rules of the EGS, DBS (2012) and PRP. The deferred bonus awards for the 2014 performance year are only issued in the 2015 financial year with reference to the closing share price on 5 March 2015. Subsequent to 31 December 2014 and as set out in the table above, the group awarded PRP units to the prescribed officers. The PRP units disclosed in this table have been determined using the closing SBG share price of R148,90 on 4 March 2015. The actual number of PRP units will, in terms of the scheme's rules, be determined with reference to the closing SBG share price on 5 March 2015. The actual number of units will be updated in the group's 2015 annual financial statements.

2 DC Munro elected to have the value of his 2013 performance year award or part thereof (as applicable), invested in the EGS rather than the default DBS. Regarding the 2013 performance year DBS has accordingly been updated.

The awards were in the Liberty Holdings EGS, Liberty Holdings group restricted share scheme or the Liberty Holdings Limited DBS, as applicable.

2011			2012		2013		2014				2015
EGS									DBS (2012)[1]		
SBG	Liberty	DBS	EGS	DBS (2012)[1]	EGS	DBS (2012)[1]	EGS	PRP	Liberty	SBG	PRP
25 000	80 000	15 395[#]		88 844[#]		89 655[#]					
98,80	74,70	74,70		87,90		121,02		**126,87**	**123,39**		
A, B	A										
03/21	02/21	11/15		03/16		03/17		**03/17**	**03/18**		
(6 250)	(40 000)	(15 395)		(33 045)		(10 604)					
								78 800	**109 816**		**67 200**
18 750	40 000			55 799		79 051		**78 800**	**109 816**		**67 200**
238 625	2 280 000	1 991 004		1 343 929		1 384 670					
100 000		38 968	61 471	63 264	131 690	50 970					
98,80		98,80	108,90	108,90	115,51	115,51	**126,87**	**126,87**		**126,87**	
A, B			A		D,E		**D**				
03/21		11/15	03/22	09/15	03/23	09/16	**03/24**	**03/17**		**09/17**	
		(15 588)		(31 631)		(16 990)					
							105 797	**78 800**		**87 787**	**94 000**
100 000		23 380	61 471	31 633	131 690	33 980	**105 797**	**78 800**		**87 787**	**94 000**
		2 166 732		4 150 936		2 229 598					
100 000		19 858	36 883	35 814	56 594	53 892					
98,80		98,80	108,90	108,90	115,51	115,51		**126,87**		**126,87**	
A, B			A		E						
03/21		11/15	03/22	09/15	03/23	09/16		**03/17**		**09/17**	
		(7 944)		(17 906)		(17 964)					
								78 800		**85 521**	**67 200**
100 000		11 914	36 883	17 908	56 594	35 928		**78 800**		**85 521**	**67 200**
		1 104 216		2 349 804		2 357 416					

Remco governance

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

Remco mandate

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

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

Remco composition

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

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

Refer to **page 122** for details of Remco meeting attendance.

Access to information and advisers

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

In 2014, Remco and management used a number of external advisers to benchmark remuneration and benefits across the group. External advisers also gave opinions on remuneration regulations and compliance. Information and guidance was received from PricewaterhouseCoopers (PwC), PwC Remchannel, Global Remuneration Solutions – Mercer, Employment Conditions Abroad, McLagan and Towers Watson. In terms of market comparisons and benchmarking, reviews are made against other major South African, African and international banks and top listed companies.

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

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

Non-executive directors

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

Proposed fees, effective from 1 January 2015, are based on a carefully considered assessment of non-executive directors' responsibility, including the significant amount of work involved at committee level. The board, and particularly its committees, chairmen and committee members, spend a significant amount of time on in-depth analysis of matters relevant to the group's performance and regulatory requirements.

Fees

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

During 2014, a meeting fee totalling R21,9 million was paid to 14 non-executive directors who were required to attend and participate in the group's governance structures as part of the board discharging its responsibilities.

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

Terms for non-executive directors

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

The corporate governance report on **page 110** provides a review of the independence of those directors who have served on the board for more than nine years.

Remuneration report | Non-executive directors continued

Non-executive directors' emoluments

		Fixed remuneration				
		Services as directors of Standard Bank Group R'000	Standard Bank Group committee fees R'000	Services as directors of group subsidiaries R'000	Other benefits R'000	**Total compensation for the year R'000**
Non-executive directors						
MJD Ruck	**2014**	**220**	**829**	**1 805**		**2 854**
	2013	204	576	1 401		2 181
Adv KD Moroka	**2014**	**220**	**251**	**220**		**691**
	2013	204	52	204		460
TS Gcabashe	**2014**	**220**	**378**	**264**		**862**
	2013	204	318	243		765
Lord Smith of Kelvin, KT	**2014**	**811**	**258**	**811**		**1 880**
	2013	669	230	669		1 568
EM Woods	**2014**	**220**	**1 044**	**242**		**1 506**
	2013	204	775	282		1 261
TMF Phaswana	**2014**	**5 320**			**301**[1]	**5 621**
	2013	4 750			352[1]	5 102
RMW Dunne	**2014**	**220**	**1 133**	**285**		**1 638**
	2013	204	806	204		1 214
PD Sullivan	**2014**	**811**	**857**	**2 237**		**3 905**
	2013	643	378	662		1 683
W Wang	**2014**	**211**	**305**			**516**
	2013					
BS Tshabalala	**2014**	**176**	**153**	**176**		**505**
	2013					
FA du Plessis	**2014**	**176**	**213**	**176**		**565**
	2013					
AC Parker	**2014**	**176**	**165**	**307**		**648**
	2013					
ANA Peterside CON	**2014**	**291**		**291**		**582**
	2013					
S Gu	**2014**	**49**	**30**			**79**
	2013					
Total	**2014**	**9 121**	**5 616**	**6 814**	**301**	**21 852**
Total	2013	7 082	3 135	3 665	352	14 234

[1] Use of motor vehicle.

Non-executive directors' emoluments

		Fixed remuneration				
		Services as directors of Standard Bank Group R'000	Standard Bank Group committee fees R'000	Services as directors of group subsidiaries R'000	Other benefits R'000	**Total compensation for the year R'000**
Former non-executive directors						
DDB Band[1]	**2014**	**91**	**333**	**221**		**645**
	2013	204	442	379		1 025
AC Nissen[1]	**2014**	**91**	**42**	**90**		**223**
	2013	204	91	204		499
K Kalyan[2]	**2014**	**39**	**18**	**39**		**96**
	2013	204	91	204		499
Dr Y Liu[3]	**2014**	**34**				**34**
	2013	669	176			845
S Macozoma[4]	**2014**	**220**	**842**	**2 552**		**3 614**
	2013	204	626	2 462		3 292
MC Ramaphosa[5]	**2014**					
	2013	85	37	84		206
HL Zhang[3]	**2014**	**34**	**15**			**49**
	2013	669	318			987
K Yang[6]	**2014**	**731**	**396**			**1 127**
	2013					
Total	**2014**	**1 240**	**1 646**	**2 902**		**5 788**
Total	**2013**	2 239	1 781	3 333		7 353

1 Retired on 29 May 2014.
2 Resigned on 03 March 2014.
3 Resigned on 16 January 2014.
4 Resigned on 31 December 2014.
5 Retired on 30 May 2013.
6 Resigned on 10 December 2014.

Remuneration report | continued

Regulatory disclosures

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

Specific disclosures relating to aggregate 2014 (and comparative 2013) remuneration of senior managers and material risk-takers, are set out below. Variable remuneration included in the tables that follow includes cash awards, the grant date value of the award for the DBS (2012), the ZAR equivalent of the Quanto stock units and, with respect to the conditional PRP awards, an estimate based on the IFRS 2 expense as recognised in the income statement.

A total of 113 individuals, out of a population of 1 546 employees with deferred remuneration, were identified as material risk takers in 2014 (2013: 89 out of 1 348).

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 (%)
2014						
A. Senior executives and prescribed officers	**6**	**70.6**	**58.1**	**1 – 7**	**58.1**	**58.1**
B. Other senior executives	**53**	**69.7**	**55.3**	**1 – 7**	**55.3**	**55.3**
C. Other employees whose individual actions have a material impact on the risk exposure of the group	**54**	**66.2**	**50.2**	**1 – 7**	**50.2**	**50.2**
D. All other employees receiving variable remuneration that is subject to deferral	**1 453**	**49.7**	**30.5**	**1 – 7**	**30.5**	**30.5**
Total	**1 546**	**53.8**	**37.0**	**1 – 7**	**37.0**	**37.0**
2013						
A. Senior executives and prescribed officers	5	77.8	52.6	1 – 7	52.6	52.6
B. Other senior executives	38	68.9	53.4	1 – 7	53.4	53.4
C. Other employees whose individual actions have a material impact on the risk exposure of the group	46	77.1	59.3[2]	1 – 7	59.3	59.3
D. All other employees receiving variable remuneration that is subject to deferral	1 259	52.7	31.9	1 – 7	31.9	31.9
Total	1 348	57.3	38.7	1 – 7	38.7	38.7

Key:

A. The executive directors and prescribed officers of Standard Bank Group Limited, and The Standard Bank of South Africa Limited, for banking operations only.
B. Heads of major business units/lines, major geographic regions and heads of risk and control, and other enabling functions.
C. This group includes staff whose individual actions have a material impact on the risk exposure of the group as a whole, based on ability to:
- commit a significant amount of the group's risk capital,
- significantly influence the group's overall liquidity position, or
- significantly influence other material risks.

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

Notes:

1 Includes long-term incentive award.
2 Percentage is higher due to the inclusion of Code Staff outside Africa.

Analysis of total amount of remuneration of material risk takers for the financial year

	2014		2013	
	Number of employees	**Total remuneration Rm**	Number of employees	Total remuneration Rm
Fixed remuneration	**113**	**417**	89	296
Senior management[1]	**59**	**241**	43	159
Other material risk takers	**54**	**176**	46	137
Variable remuneration	**106**	**936**	87	882
Senior management	**58**	**575**	41	392
Cash-based	**57**	**255**	41	184
Shares or share-linked instruments	**57**	**320**	41	208
Deferred remuneration[2]	**57**	**269**	41	208
Other – performance reward plan[3]	**48**	**51**		
Other material risk takers	**48**	**361**	46	490
Cash-based	**46**	**181**	46	199
Shares or share-linked instruments	**46**	**180**	45	291
Deferred remuneration[2]	**46**	**166**	45	291
Other – performance reward plan[3]	**16**	**14**		

1 Senior executives and prescribed officers of the group's banking operations as defined under category A and B in the table on the previous page.
2 The value of units in the DBS (2012) and Quanto as at award date. More information on the schemes are available in annexure D of the annual financial statements, and on page 140. The Black-Scholes value at award date for participation rights awarded in the EGS.
3 For PRP, estimate based on the IFRS 2 expense recognised in the income statement.

Notes:
- PRP commenced in 2014 and is included for the first time.
- Many of the material risk takers are denominated in GBP and ZAR values reported take into account adverse foreign exchange movements.
- Material risk taker numbers will decrease in 2015 due to the sale of a majority interest in Standard Bank Plc.

Remuneration report | Non-executive directors continued

Analysis of total amount of deferred remuneration of material risk takers for the financial year

	2014		2013	
	Number of employees	Deferred remuneration Rm	Number of employees	Deferred remuneration Rm
Awarded during the year[1]	**103**	**435**	86	499
Senior management	**57**	**269**	41	208
Other material risk takers	**46**	**166**	45	291
Paid during the year[2]	**110**	**567**	80	412
Senior management	**58**	**238**	36	136
Other material risk takers	**52**	**329**	44	276
Outstanding at the end of the year[3]	**113**	**1 548**	89	1 304
Senior management	**59**	**845**	43	491
Other material risk takers	**54**	**703**	46	813

1 Award value of amounts deferred in the deferral schemes (all share-linked).
2 Gross value of DBS and DBS (2012). Awards exercised by participants during the financial year, as well as additional incremental payments made in terms of the rules of the DBS and DBS (2012). ZAR equivalent value of Quanto Stock units sold during 2014.
3 Value of the balance of vested and unvested units in the DBS and DBS (2012), and ZAR equivalent value balance of Quanto Stock units held from prior year award.

Notes:
– Many of the material risk takers are denominated in GBP and ZAR values reported take into account adverse foreign exchange movements.
– Material risk taker numbers will decrease in 2015 due to the sale of a majority interest in Standard Bank Plc.

All deferred remuneration and EGS awards are, where applicable, adjusted retrospectively in consideration of actual performance and events. During 2014 one material risk-taker forfeited an unvested deferred award as a result of ex-post adjustment.

Annual grant share prices

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

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

Remuneration review foreign exchange rates

	USD1/ZAR
2014 financial year[1]	**10,83**

1 Exchange rates as applied in the group's November 2014 Remco remuneration review.

Quantitative disclosures on material risk takers with respect to employment awards made

	2014		2013	
	Number of employees	**Value of awards Rm**	Number of employees	Value of awards Rm
Guaranteed bonuses	**3**	**29**	1	3
Senior management	**1**	**7**		
Other material risk takers	**2**	**22**	1	3
Sign-on awards/buy-out awards	**2**	**3**	2	10
Senior management	**1**	**1**	1	9
Other material risk takers	**1**	**2**	1	1
Severance payments	**2**	**14**	7	21
Senior management	**2**	**14**	2	1
Other material risk takers			5	20

The severance payments in the table above comprise:

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

The severance amounts exclude:

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

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

Guaranteed bonuses

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

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

Refer to **page 140** for details on deferral of annual incentive awards.

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

To attract key employees it is sometimes necessary to compensate for the loss of unvested awards in their previous company. This would normally be through the appropriate group scheme subject to normal vesting terms. In certain situations, cash buy-out awards may be made on joining, subject to repayment if the employee leaves the group within a certain period. Sign-on awards without reference to losses at a previous company are discouraged.

Severance payments

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