Governance and **remuneration report 2016**

Standard Bank Group

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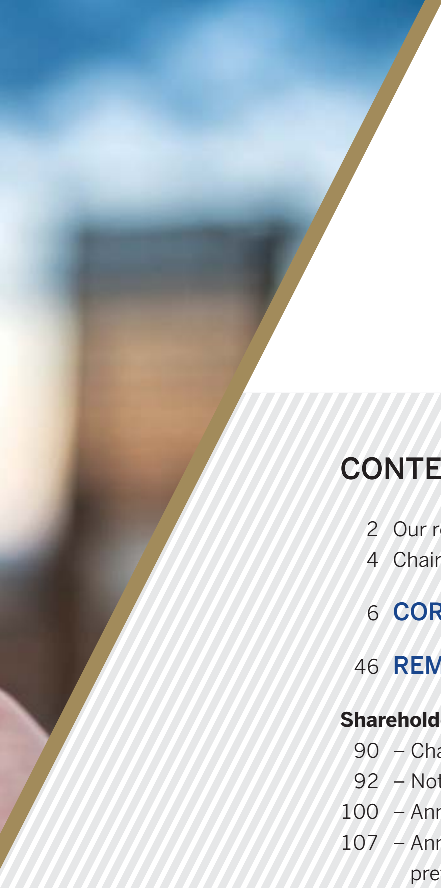

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All our reports are available online at **www.standardbank.com/reporting**. Financial and other definitions, as well as a list of acronyms and abbreviations used in this report are also available online.

For the latest financial information, including the latest financial results presentations, booklets, Stock Exchange News Service (SENS) and results announcements, refer to our investor relations page at **www.standardbank.com/reporting** or scan the QR code to be taken there directly.

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

Our reports

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

OUR REPORT SUITE

THIS REPORT

Governance and remuneration report

Provides a detailed review of the group's governance and remuneration practices, including the group's remuneration policy. The report also provides shareholders with the notice of the group's annual general meeting, together with the associated proxy forms.

Intended readers: **providers of financial capital** *and* **regulators**.

Annual integrated report

As the group's primary report, our annual integrated report provides a holistic assessment of the group's ability to create value over time. It considers the issues that are material to maintaining the commercial viability and social relevance required to achieve our strategy in the medium to long term, including the macroeconomic and socio-political conditions within which we operate. Where applicable, information has been extracted from other reports within our report suite.

Intended readers: principally **providers of financial capital** *but also considered to be of interest to our other stakeholders.*

Risk and capital management report and annual financial statements

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

Intended readers: **providers of financial capital** *and* **regulators**.

These icons refer readers to information in other reports that form part of the group's suite of reporting publications:

Frameworks applied

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

Assurance

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

GOV/REM (This report)

Frameworks applied

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

Assurance

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

AIR

Frameworks applied

- Various regulations relating to financial services, including Basel Capital Accord (Basel) III
- International Financial Reporting Standards (IFRS)
- South African Companies Act 71 of 2008 (Companies Act)
- Johannesburg Stock Exchange Limited (JSE) Listings Requirements
- King Report on Corporate Governance (King Code)
- South African Banks Act 94 of 1990 (Banks Act)

Assurance

KPMG Inc. and PricewaterhouseCoopers Inc. have audited selected information in the risk and capital management report and have audited the annual financial statements for the year ended 31 December 2016, on which they have expressed an unmodified audit opinion.

RCM/AFS

Chairman's report

Thulani Gcabashe

Dear Shareholder

I am pleased to present the group's corporate governance report on behalf of the board. Both good governance and the group's values underpin the delivery of the group's vision and strategy. Our governance framework and how we apply it in our daily dealings goes beyond the need to comply with regulatory prescripts. We believe that good governance is fundamental to the sustainable growth we seek to drive for Africa.

The 2016 Global Competitiveness Index ranked South African banks second in the world for their soundness. According to this report, some of the qualities which were considered in assessing the soundness of banking sectors included trustworthiness and transparency which ensures the overall protection of investors and wider stakeholders.

We celebrate this ranking and recognise that it comes with the responsibility to ensure that we preserve the trust, transparency and ethical leadership for our group.

This report provides us with an opportunity to account on the work of the board during 2016 and to describe how the board has applied principles of good governance in practice. The board's primary roles are to test whether the group's strategy is grounded in reality and has the best team in place to execute the strategy, to monitor business performance and to ensure effective risk management responding to the changing environment. The composition of the board is therefore critical in ensuring that it is equipped to successfully fulfil its duties.

Board and committee changes

Since 2014, the board's composition and succession planning has been a particular focus as the board continues to strengthen and build on its range of relevant skills and competencies to reflect the group's future needs. The board composition has continued to evolve in 2016. Dr Martin Oduor-Otieno, who has East Africa business experience, joined the board in January 2016. Dr Arno Daehnke joined the board in May 2016 as the group's new financial director, following the retirement of Simon Ridley. We obtained shareholder approval for their re-election at the annual general meeting (AGM) in May 2016. Subsequent to this, five new non-executive directors have joined the board. They are Geraldine Fraser-Moleketi, Gesina (Trix) Kennealy, Jacko Maree, Nomgando Matyumza and John Vice. Their appointment adds to the board's collective experience, which enhances the board's ability to provide effective leadership, strategic guidance and effective oversight. I am pleased to welcome the new directors to the board. On behalf of the board, I would like to thank Simon Ridley once again for his invaluable contribution as a director, his wise counsel as a leader in the group, and to wish him well on his retirement.

For director CVs please refer to **pages 10** to **13.**

Ted Woods, having reached the non-executive retirement age set out in the company's Memorandum of Incorporation (MOI), will be retiring from the board at the 2017 AGM. To ensure a seamless transition, Ted stepped down as group remuneration committee chairman in August 2016, and was succeeded by Peter Sullivan. Ted will remain a member of the remuneration committee until the AGM. I wish to express our gratitude to Ted for his years of service on the board and as the chairman of the group remuneration committee since 2008.

Following his appointment as the chairman of the group remuneration committee, Peter Sullivan stepped down from his role as the group information technology (IT) committee chairman as of 30 November 2016, and was succeeded by John Vice. Prior to his appointment to the board in November 2016, John Vice was an independent advisor to the group IT committee since 2014.

For information on the board committee composition, refer to **pages 26** to **41**.

Board diversity

The board recognises the importance of diversity, including racial and gender diversity. In line with the JSE Listings Requirements, the board approved the promotion of gender diversity policy in 2016. The policy aims to actively promote diversity in the board's composition. In terms of this policy, director appointments are evaluated against the existing balance of skills and experience, being mindful of diversity and inclusiveness. The board has set a target to have 33% female representation on the board by 2020.

Engaging with our subsidiary board chairmen

In a group such as ours, the importance of cohesion between the parent company and subsidiary companies cannot be emphasised enough. There is an important role to be played by the board in ensuring alignment while also adhering to corporate governance principles. In 2016, three round-table sessions were held with the chairmen of boards of our Africa Region entities. Thirteen chairmen representing fourteen legal entities attended these sessions which were held at three locations: Uganda, for the East Africa Region; Ghana, for the West Africa Region; and Mozambique, for the South and Central Region. The main themes at these sessions included the group strategy and the role of subsidiary boards, the application of the subsidiary governance framework and sharing of lessons. The chairman of the group risk and capital management committee also participated in the West Africa round table session to share insights on the group's approach to risk and capital management oversight.

Challenges

The environment continued to be challenging, characterised by both volatility and uncertainty, with elevated South Africa country risk. Both the board and executives spent a considerable amount of time considering the impact of these factors on the group and its stakeholders. The executives played an active role participating in efforts to avert the risk of a sovereign downgrade. Stagnant growth in South Africa accentuated by severe drought conditions only added to the challenges faced by the group, as well as our customers. The outcome of the United Kingdom (UK) referendum on European Union (EU) membership heightened the volatility in financial markets.

The board is satisfied that all decisions taken in the period under review were grounded in the group's values, and in the best interests of both the group and its stakeholders.

Looking ahead

The board continues to support good governance and believes that the application of sound corporate governance principles based on ethical leadership ensures the group's success and its sustainability. We welcome the release of the King IV report on corporate governance which was published in November 2016, and we will be reviewing its impact on the board and how it discharges its duties. During 2017, we will also review our board and committee mandates to ensure that they incorporate the latest corporate governance developments.

The board will continue to support and partner with management in the implementation of the group strategy as they embed the group's architecture.

Finally, I wish to thank my fellow board members for their continued commitment and the group's employees who work hard to ensure that the group delivers on its promises to our clients, shareholders and other material stakeholders.

Thulani Gcabashe
Chairman

Corporate governance report

Our board of directors

The group has a unitary board structure with:

14 independent non-executive directors | 3 non-executive directors | 3 executive directors | chairman

DAC GROUP DIRECTORS' AFFAIRS COMMITTEE | GAC GROUP AUDIT COMMITTEE | GRCMC GROUP RISK AND CAPITAL MANAGEMENT COMMITTEE

IT GROUP IT COMMITTEE | LEC SBSA LARGE EXPOSURE CREDIT COMMITTEE* | MAC GROUP MODEL APPROVAL COMMITTEE

Rem GROUP REMUNERATION COMMITTEE | SEC GROUP SOCIAL AND ETHICS COMMITTEE | Committee chairman

* A subcommittee of The Standard Bank of South Africa.

THULANI GCABASHE/59

Chairman and independent non-executive director, SBG and SBSA
Appointed: 2003
Appointed chairman: 2015
DAC | GRCMC | LEC | Rem | SEC

SHU GU/49

Deputy chairman SBG and non-executive director, SBG and SBSA
Appointed: 2014
DAC | GRCMC | IT

JACKO MAREE/61

Deputy chairman SBG and non-executive director, SBG and SBSA
Appointed: 2016
LEC | **MAC** | Rem | SEC

ARNO DAEHNKE/49

Group financial director, SBG and executive director, SBSA
Appointed: 2016
IT | LEC | MAC

RICHARD DUNNE/68

Independent non-executive director, SBG and SBSA
Appointed: 2009
IT | **GAC** | GRCMC

GERALDINE FRASER-MOLEKETI/56

Independent non-executive director, SBG and SBSA
Appointed: 2016
DAC | GRCMC | SEC

TRIX KENNEALY/58

Independent non-executive director, SBG and SBSA
Appointed: 2016
GAC | GRCMC | Rem

BEN KRUGER/57

Group chief executive, SBG and executive director, SBSA
Appointed: 2013
IT | LEC | MAC | SEC

NOMGANDO MATYUMZA/54

Independent non-executive director, SBG and SBSA
Appointed: 2016
GRCMC | MAC | Rem

KGOMOTSO MOROKA/62

Independent non-executive director, SBG and SBSA
Appointed: 2003
DAC | GRCMC | **SEC**

MARTIN ODUOR-OTIENO/60
Independent non-executive director, SBG and SBSA
Appointed: 2016
GAC MAC SEC

ANDRÉ PARKER/65
Independent non-executive director, SBG and SBSA
Appointed: 2014
DAC LEC IT Rem

ATEDO PETERSIDE CON/61
Independent non-executive director, SBG and SBSA
Appointed: 2014
GAC IT Rem

MYLES RUCK/61
Independent non-executive director, SBG and SBSA
Appointed: 2002
DAC GRCMC LEC

PETER SULLIVAN/68
Independent non-executive director, SBG and SBSA
Appointed: 2013
GAC GRCMC IT Rem

SIM TSHABALALA/49
Group chief executive, SBG and chief executive, SBSA
Appointed: 2013
IT LEC MAC SEC

SWAZI TSHABALALA/51
Independent non-executive director, SBG and SBSA
Appointed: 2014
GAC GRCMC MAC

JOHN VICE/64
Independent non-executive director, SBG and SBSA
Appointed: 2016
GAC GRCMC IT

WENBIN WANG/41
Non-executive director, SBG and SBSA
Appointed: 2014
DAC GRCMC IT

TED WOODS/70
Independent non-executive director, SBG and SBSA
Appointed: 2007
GAC GRCMC Rem

THULANI GCABASHE/59

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

Skills and experience:
Thulani Gcabashe is a seasoned leader with a breadth of experience gained from roles held in a range of industries. He was the chairman of Imperial Holdings and MTNZakhele. He was chief executive officer (CEO) of Eskom between 2000 and 2007 and a non-executive director of the National Research Foundation.

Committee membership:
- Group/SBSA directors' affairs committee (chairman)
- Group remuneration committee
- Group/SBSA risk and capital management committee
- SBSA large exposure credit committee
- Group social and ethics committee

External appointments:
Built Environmental Africa Capital (chairman) and related entities; African Olive Trading 160

SHU GU/49

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

Skills and experience:
Dr Shu Gu has served as Vice Chairman, Executive Director and President of the Industrial and Commercial Bank of China Limited (ICBC) since 2016. He joined ICBC in 1998 and has served as Deputy General Manager of Accounting and Settlement Department, Deputy General Manager of Planning and Finance Department, General Manager of Finance and Accounting Department, Board Secretary and General Manager of Corporate Strategy and Investor Relations Department, Head of Shandong Branch and Senior Executive Vice President of ICBC. He is a senior accountant.

Committee membership:
- Group/SBSA directors' affairs committee
- Group IT committee
- Group/SBSA risk and capital management committee

External appointments:
- ICBC (London) Plc (chairman); ICBC (Argentina) (chairman)

JACKO MAREE/61

Qualifications:
BCom (Stellenbosch), BA and MA (Politics and Economics) (Oxford University), PMD (Harvard)

Skills and experience:
Jacko Maree, the group's deputy chairman alongside Dr Shu Gu, has over 36 years' experience in banking. From November 1999 to March 2013, he served as chief executive of SBG. He retired from his role as a senior banker focusing on key client relationships in August 2015.

Committee membership:
- Group model approval committee (chairman)
- Group remuneration committee
- SBSA large exposure credit committee
- Group social and ethics committee

Other appointments within the group:
Liberty Holdings (chairman), Liberty Group (chairman)

External appointments:
China Investment Corporation; Nelson Mandela Children's Hospital NPC; Phembani Group

ARNO DAEHNKE/49

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

Skills and experience:
Dr Arno Daehnke is the group's financial director and an executive director of SBG and SBSA. He was previously head of SBG's treasury and capital management function and has extensive experience in key financial aspects such as financial planning under varying macroeconomic scenarios, managing a complex banking group balance sheet in volatile financial markets and a deep understanding of both local and international bank regulatory frameworks.

Committee membership:
- Group IT committee
- Group model approval committee
- SBSA large exposure credit committee

Other appointments within the group:
Stanbic Africa Holdings

RICHARD DUNNE/68

Qualifications:
CTA (Wits), CA (SA)

Skills and experience:
Richard Dunne has both financial and audit experience. He was the chief operating officer of Deloitte & Touche, Southern Africa from 1998 until his retirement in 2006. His auditing background and experience, including that of being an audit partner responsible for several blue chip listed entities, has enabled him to effectively fulfil his role as chairman of the audit committee.

Committee membership:
- Group/SBSA audit committee (chairman)
- Group IT committee
- Group/SBSA risk and capital management committee

External appointments:
Anglo American Platinum; AECI

GERALDINE FRASER-MOLEKETI/56

Qualifications:
Master's degree in public administration (Pretoria)

Skills and experience:
Geraldine Fraser-Moleketi has experience in leadership and public policy formulation and implementation. Until December 2016, she was the Special Envoy on gender at the African Development Bank based in Côte d'Ivoire. Previously, she was director of the UN Development Programme's Democratic Governance Group. Between 1994 and 2008, she was a member of the South African parliament and served as the Minister of Public Service and Administration from 1999 to 2008, and as the Minister of Welfare and Population Development from 1996 to 1999.

Committee membership:
- Group/SBSA directors' affairs committee
- Group/SBSA risk and capital management committee
- Group social and ethics committee

External appointments:
The Listen Charity; Mapungubwe Institute for Strategic Reflection; ISID Advisory Board McGill University Canada

TRIX KENNEALY/58

Qualifications:
BCom (Pretoria), BCom (Hons) (UJ), CA (SA)

Skills and experience:
Trix Kennealy has extensive business and financial services experience. From 2009 to 2013, she was the chief financial officer of the South African Revenue Service and prior to that, was the chief operating officer of ABSA Corporate and Business Bank between 2006 and 2008.

Committee membership:
- Group/SBSA audit committee
- Group/SBSA risk and capital management committee
- Group remuneration committee

External appointments:
Accounting Standards Board (chairman); Sasol Ltd

BEN KRUGER/57

Qualifications:
BCom (Hons) (Pretoria), CA (SA), AMP (Harvard)

Skills and experience:
Ben Kruger has over 31 years of experience in banking. He joined the group in 1985, taking up various roles in Standard Corporate Merchant Bank (SCMB). He was appointed chief executive of SCMB in 2001. Between 2006 and 2008, he held the position of chief executive of global Corporate & Investment Banking and assumed the position of deputy group chief executive of SBG in 2009. He has been the group chief executive since 2013.

Committee membership:
- Group IT committee
- Group model approval committee
- SBSA large exposure credit committee
- Group social and ethics committee

Other appointments within the group:
Stanbic Africa Holdings (chairman); ICBC Standard Bank Plc

External appointments:
Institute of International Finance; Leadership for Conservation in Africa

NOMGANDO MATYUMZA/54

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

Skills and experience:
Nomgando Matyumza has experience in diverse business and leadership roles. Between 2004 and 2008, she was the general manager of Eskom Distribution (Eastern Region), and prior to that, she was deputy chief executive at Transnet Pipelines. Her previous directorships include serving as a non-executive director on the boards of Cadiz Limited, Transnet state owned company (SOC) Limited and Ithala Development Finance Corporation.

Committee membership:
- Group model approval committee
- Group remuneration committee
- Group/SBSA risk and capital management committee

External appointments:
KwaZulu Natal Property Development Holdings; WBHO; Hulamin; Sasol Ltd

KGOMOTSO MOROKA/62

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

Skills and experience:
Advocate Kgomotso Moroka was a member of the Judicial Services Commission for 15 years. She has played a leadership role across different industries and has served as a non-executive director on boards of blue chip companies. She is currently a trustee of the Nelson Mandela Children's Fund and the Apartheid Museum.

Committee membership:
- Group/SBSA directors' affairs committee
- Group/SBSA risk and capital management committee
- Group social and ethics committee (chairman)

External appointments:
Grinding Power (chairman); Kalagadi Manganese; Royal Bafokeng Platinum (chairman); Temetayo (chairman); South African Breweries; Multichoice South Africa Holdings; Netcare

MARTIN ODUOR-OTIENO/60

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

Skills and experience:
A fellow of the Kenyan Institute of Bankers, Dr Martin Oduor-Otieno has experience in banking and finance. His 15 years of experience in banking includes having served as the CEO of the Kenya Commercial Bank Group between 2007 and 2012. He was previously a partner at Deloitte East Africa and is a fellow at the Institute of Certified Public Accountants of Kenya. He is an independent business advisor in Kenya.

Committee membership:
- Group/SBSA audit committee
- Group model approval committee
- Group social and ethics committee

External appointments:
GA Life Insurance Company; British American Tobacco Kenya; East African Breweries.

ANDRÉ PARKER/65

Qualifications:
BEcon (Hons), MCom (Stellenbosch)

Skills and experience:
André Parker, a businessman, spent most of his working career of 32 years, with the South African Breweries Limited. He spent the last 10 years prior to his retirement in charge of SABMiller Plc's Rest of Africa (excluding South Africa) and Asia business portfolio. Until recently, he was the chairman of Tiger Brands.

Committee membership:
- Group/SBSA directors' affairs committee
- Group IT committee
- Group remuneration committee
- SBSA large exposure credit committee

External appointments:
Distell; Empresas Carozzi (Chile)

ATEDO PETERSIDE CON/61

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

Skills and experience:
Atedo Peterside, a businessman and banker, was the founder and chief executive of the then Investment Bank and Trust Company Limited (IBTC) from 1989 until 2007, and chairman of Stanbic IBTC Bank Plc from 2007 until September 2014. He was the chairman of the committee on Corporate Governance of Public Companies which wrote the first Code of Best Practices for Public Companies operating in Nigeria (published 2003).

Committee membership:
- Group/SBSA audit committee
- Group IT committee
- Group remuneration committee

External appointments:
ANAP Holdings Ltd (chairman) and related entities; Cadbury Nigeria Plc (chairman); Flour Mills of Nigeria Plc; Unilever Nigeria Plc; Nigerian Breweries Plc

MYLES RUCK/61

Qualifications:
BBusSc (UCT), PMD (Harvard)

Skills and experience:
Myles Ruck, a banker with extensive background in risk management, spent most of his working career with the Standard Bank Group. He was chief executive of SCMB, deputy chief executive of SBG and chief executive of the Liberty Group until he retired from that position in June 2006. He was chairman of Standard Bank Argentina (now ICBC Argentina) until the group disposed of its majority shareholding.

Committee membership:
- Group/SBSA directors' affairs committee
- Group/SBSA risk and capital management committee (chairman)
- SBSA large exposure credit committee (chairman)

Other appointments within the group:
ICBC (Argentina) (vice chairman)

External appointments:
Mr Price Group

PETER SULLIVAN/68

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

Skills and experience:
Peter Sullivan, a seasoned banker with experience in banking across sub-Saharan Africa, prior to his retirement in 2008, held various executive positions, including that of CEO of Standard Chartered Bank Africa and CEO of Standard Chartered Bank (Hong Kong) Limited. Since his retirement, he has been a non-executive director on various boards and has primarily served on audit and remuneration committees.

Committee membership:
- Group/SBSA audit committee
- Group IT committee
- Group remuneration committee (chairman)
- Group/SBSA risk and capital management committee

External appointments:
AXA China Region Insurance Company; AXA Asia; Healthcare Locums Plc (chairman); Techtronic Industries; Winton Capital Group

SIM TSHABALALA/49

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

Skills and experience:
Sim Tshabalala, a banker with over 22 years' experience in the financial services industry, joined the group in 2000 in the project finance division of SCMB and was appointed to the group executive committee (exco) in 2001. Between 2001 and 2006, he was the managing director of Stanbic Africa, and from 2006 was appointed chief executive of PBB. In June 2008, he was appointed chief executive of SBSA and was appointed group chief executive in 2013.

Committee membership:
- Group IT committee
- Group model approval committee
- SBSA large exposure credit committee
- Group social and ethics committee

Other appointments within the group:
Liberty Holdings; Liberty Group; Stanbic IBTC Bank (chairman); Stanbic Africa Holdings; Tutuwa Community Holdings

External appointments:
Banking Association South Africa (BASA); Business Leadership South Africa (BLSA)

SWAZI TSHABALALA/51

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

Skills and experience:
Swazi Tshabalala has financial and general management experience. She was previously CEO of the Industrial Development Group. She spent 10 years at Transnet SOC Limited in various management roles including serving as group treasurer until March 2006. She previously served as non-executive director of Liberty Holdings and Liberty Group, as well as the Council for Scientific & Industrial Research. She is currently an executive director of Kupanua Investments.

Committee membership:
- Group/SBSA audit committee
- Group model approval committee
- Group/SBSA risk and capital management committee

External appointments:
Barbican Engineering Solutions; Barbican Advisory Group; Luxehold; Vivacite Africa Luxury Holdings; XAU Investments; Air Chefs; Contextcom; South African Airways

JOHN VICE/64

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

Skills and experience:
John Vice has extensive experience in IT and audit, gained during his 39 years at KPMG Inc., where he was a senior partner and held various IT-related roles, including heading the firm's audit practice, IT audit and IT consulting departments. Prior to joining the board, he was an independent advisor to the group IT board committee. He previously served on the board of Zurich Insurance South Africa Limited.

Committee membership:
- Group/SBSA audit committee
- Group IT committee (chairman)
- Group/SBSA risk and capital management committee

External appointments:
Anglo American Platinum

WENBIN WANG/41

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

Skills and experience:
Dr Wenbin Wang joined ICBC in 2000. He served as Senior Executive Vice president of ICBC Xi'an Branch from November 2011 to September 2013. He previously served in several positions in ICBC, including Division Head of Network Management in the Human Resource Department, Division Head of Strategic Investment and IPO in the Restructuring Office, Division Head of Mergers and Acquisitions in Corporate Strategy and Investor Relations Department and Deputy General Manager of Corporate Strategy and Investor Relations Department. He also served as CEO of ICBC Africa since December 2013.

Committee membership:
- Group/SBSA directors' affairs committee
- Group IT committee
- Group/SBSA risk and capital management committee (alternate to Dr Shu Gu)

External appointments:
ICBC Standard Bank Plc

TED WOODS/70

Qualifications:
BCom (Wits), MBA (UCT), CA (SA), CFA

Skills and experience:
Ted Woods has extensive financial services experience spanning over 40 years. He was previously the chairman of Deutsche Securities and CEO of Deutsche Bank's businesses in South Africa between 1999 and 2002.

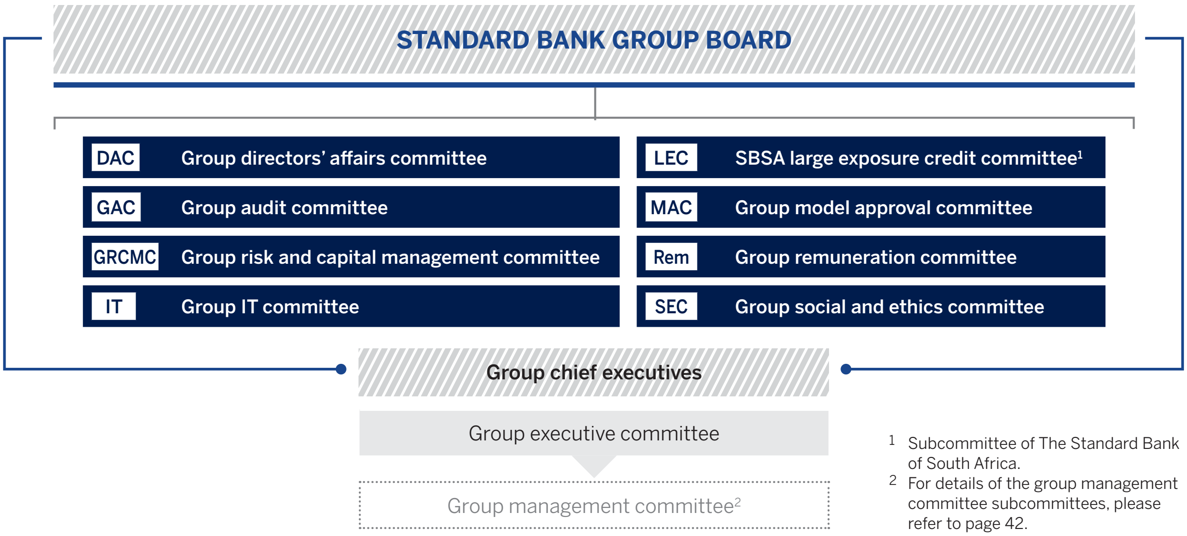
Committee membership:
- Group/SBSA audit committee
- Group/SBSA risk and capital management committee
- Group remuneration committee

External appointments:
African Parks Networks

Leadership

The board

The board is ultimately responsible for the group's corporate governance and for providing effective leadership based on an ethical foundation. It is accountable for the group's success in the interests of all its stakeholders. Its detailed roles and responsibilities are set out in the board mandate. The board mandate incorporates principles of corporate governance and complies with the provisions of the Companies Act, Banks Act and the company's MOI. The mandate, which also specifies matters reserved for board decision, is reviewed at least annually.



1 Subcommittee of The Standard Bank of South Africa.
2 For details of the group management committee subcommittees, please refer to page 42.

The group operates within a clearly defined governance framework which provides for the delegation of authority, in writing, for the day-to-day management of the group to the group chief executives without abdicating the board's responsibility. The group chief executives are held jointly and severally accountable for the management of group.

The delegation of authority framework is reviewed annually in consultation with the group finance function to ensure that the limits remain appropriate, taking into account the size of the group and its specific operational context. The group secretary monitors effective implementation of the authority delegated to the group chief executives and has confirmed that in the year under review, the group chief executives acted within the authority delegated to them by the board.

The executives engage the board on all critical decisions of the group. All such engagements take place in an environment of mutual respect and with candour. All board decisions are consistently based on ethical foundations.

Board committees

The board has delegated certain functions to its committees in line with the corporate governance framework. This enables the board to allocate sufficient time to all matters within its sphere, including execution of strategy and forward-looking agenda items. Matters reviewed for board decision include the determination of strategy for the group, any material changes in strategic direction, the approval of annual budgets, the appointment and dismissal of the group chief executives and approval of significant acquisitions or investments. Each committee comprises a majority of non-executive directors and an experienced chairman. In determining the composition of committees, the board considers the skills and experience of its members, applicable regulations, and the committee mandate. Where appropriate, and in line with regulations, committees only comprise independent non-executive directors or a majority of independent non-executive directors. The committee chairmen report to the board on the activities of the respective committee at each board meeting and chairmen submit written reports to the board which highlight matters for board attention. Each committee has its own mandate which is reviewed annually and any changes to it are recommended to the board for approval. In addition to the review, 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 on this. The committee chairmen are accountable for the effective functioning of the committees.

The roles, membership and activities of these committees are described in the report from **pages 26** to **41**.

Separation of roles of chairman and chief executives

The role of chairman is separate from that of the group chief executives, and there is a clear division of responsibilities.

CHAIRMAN'S RESPONSIBILITIES INCLUDE:

- setting the ethical tone for the board and group;
- leading the board and ensuring its effective functioning;
- setting the board's annual work plan and the agendas, in consultation with the group secretary, the group chief executives and other directors;
- building and maintaining stakeholder trust and confidence;
- ensuring the proper functioning of the group's joint chief executive structure;
- conveying feedback in a balanced and accurate manner between the board and the group chief executives;
- monitoring the effectiveness of the board and assessing individual performance of directors; and
- convening chairmen roundtable sessions with chairmen of the group's subsidiary entities.

GROUP CHIEF EXECUTIVES' RESPONSIBILITIES INCLUDE:

- appointing and ensuring proper succession planning of the executive team, and assessing their performance;
- developing the group's strategy for consideration and approval by the board;
- developing and recommending to the board budgets that support the group's long-term strategy;
- monitoring and reporting to the board on the performance of the group and its compliance with applicable laws and corporate governance principles;
- establishing an organisational structure for the group which is appropriate for the execution of strategy;
- setting the tone for ethical leadership and creating an ethical environment;
- ensuring a culture that is based on the group's values; and
- ensuring that the group operates within the approved risk appetite.

The group chief executives' current portfolio, as depicted below, demonstrates a clearly defined division of responsibilities:

SIM TSHABALALA
(GROUP CHIEF EXECUTIVE)

David Munro	Chief executive, Group Corporate & Investment Banking (CIB)
Peter Schlebusch	Chief executive, Group Personal & Business Banking (PBB) and head: digitisation
Margaret Nienaber	Chief executive, Wealth
Goolam Ballim	Chief economist and group head: research
Mike White	Group chief audit officer
Rod Poole	Group head: change and business transformation
Zola Stephen	Group secretary
Thabo Dloti	Chief executive, Liberty

BEN KRUGER
(GROUP CHIEF EXECUTIVE)

Arno Daehnke	Group financial director
Brenda Niehaus	Group chief information officer and head: data management
Sola David-Borha	Chief executive, Africa Regions
Neil Surgey	Group chief risk officer
Isabel Lawrence	Group chief compliance officer
Ian Sinton	Group general counsel
Jörg Fischer	Head: group shared services and group real estate services

Group secretary

The group secretary guides the board on discharging its duties and responsibilities, and keeps it abreast of relevant changes in legislation and corporate governance best practices. All directors have access to the services of the group secretary.

The group secretary, Zola Stephen, is not a member of the board or a prescribed officer of the group. The board is satisfied that an arm's length relationship exists between it and the group secretary.

Refer to the group secretary profile on **page 45**.

In line with the JSE Listings Requirements, on 1 March 2017 the board considered the competence, qualifications and experience of the group secretary and concluded that she is competent to carry out her duties.

2016 Board activities

During the year, the board held six meetings which included the annual two-day meeting dedicated to strategy. All board meetings allow for sufficient time for consideration of all matters and are normally scheduled for a full day. The chairman sets the board agenda, assisted by the group chief executives and the group secretary. Care is taken to ensure that the board spends sufficient time considering matters critical to the group's success, as well as compliance and administrative matters. At the close of each board meeting, non-executive directors meet without the executive directors being present in closed sessions led by the chairman. The primary objective of these sessions is to provide non-executive directors with an opportunity to test thoughts among peers and to raise any matters not deemed appropriate for discussion in the presence of executives. The chairman provides feedback to the group chief executives on closed session discussions. Continuing board education sessions are scheduled a year in advance to ensure full board participation.

The board's calendar and activities in 2016:

1st QUARTER

1 March
Board education

2 March
Board meeting

3 March
Results announcement

2nd QUARTER

24 May
Board education

25 May
Board meeting

26 May
AGM

3rd QUARTER

2 August
Board meeting with the South African Reserve Bank (SARB)

17 August
Board meeting

18 August
Results announcement

26 & 27 September
Strategy conference

4th QUARTER

29 November
Board education

30 November
Board meeting

Key areas and activities considered by the board in 2016

STRATEGY AND BUSINESS FOCUS

- held annual two-day strategy session and received feedback on the strategy work streams and strategy execution update from work stream heads
- approved management plans to achieve key metrics of the refreshed strategy in the light of the competitive environment
- considered global and Chinese economies and their implications for Africa
- considered detailed competitor analysis reports
- considered the group's IT investments
- considered the strategies of the group's key subsidiaries, including Stanbic IBTC (Nigeria) and Liberty Group
- approved the group's four-year strategy plan
- approved the 2017 group budget.

RISK AND OVERSIGHT

- reviewed quarterly financial performance reports against the agreed budget
- received quarterly feedback from the committee chairmen on its activities
- considered risk management, group capital and liquidity and group IT reports
- approved the group's annual integrated report, annual financial statements, interim and final results announcements, and financial results
- in line with the Companies Act, reviewed the group's solvency, liquidity and going concern status and agreed dividend payments
- monitored corporate activities and conducted in-depth performance reviews of key subsidiaries of the group
- considered the potential impact of a South Africa sovereign rating downgrade.

GOVERNANCE

- finalised the appointment of the group financial director, Arno Daehnke, following the retirement of Simon Ridley
- approved the appointment of five new non-executive directors in line with the board's succession plans
- considered the 2015 board evaluation report and implemented its action plans
- approved the board's promotion of gender diversity policy
- approved the 2016 corporate governance, risk and capital management process and objectives
- considered the King IV report, for which disclosure on the application will be effective for the group's 2018 financial year.

STAKEHOLDER ENGAGEMENT

- engaged with the Registrar of Banks and the supervisory team in line with the SARB's annual supervisory programme
- reviewed the quarterly stakeholder engagement reports
- through the chairman of the group, the remuneration committee chairman and executive directors engaged with various stakeholders and participated in investor roadshows. Feedback from these engagements was considered by relevant board committees
- approved the convening of the 2016 AGM and notice to shareholders
- under the leadership of the group chief executive, Sim Tshabalala, participated in the CEO Initiative in partnership with government, business and labour.

The table below sets out director's attendance at board meetings during 2016. Attendance of directors at committee meetings is shown in each committee report from page 26 to 41.

	2016 BOARD MEETING ATTENDANCE/6 MEETINGS		
BOARD MEMBER	**ELIGIBLE TO ATTEND**	**ATTENDED**	**DATE OF APPOINTMENT TO THE BOARD**
Thulani Gcabashe (chairman)	6	6	1 July 2003, appointed chairman on 28 May 2015
Shu Gu (deputy chairman)	6	5*	10 December 2014
Jacko Maree (deputy chairman)	1	1	21 November 2016
Arno Daehnke	5	5	1 May 2016
Richard Dunne	6	6	3 December 2009
Geraldine Fraser-Moleketi	1	0#	21 November 2016
Trix Kennealy	1	1	21 November 2016
Ben Kruger	6	6	7 March 2013
Nomgando Matyumza	1	1	21 November 2016
Kgomotso Moroka	6	6	1 July 2003
Martin Oduor-Otieno	6	6	1 January 2016
André Parker	6	6	14 March 2014
Atedo Peterside CON	6	6	22 August 2014
Myles Ruck	6	6	18 January 2002
Peter Sullivan	6	6	15 January 2013
Sim Tshabalala	6	6	7 March 2013
Swazi Tshabalala	6	6	14 March 2014
John Vice	1	1	21 November 2016
Wenbin Wang	6	6	16 January 2014
Ted Woods	6	6	1 February 2007

* Shu Gu could not attend the board meeting held on 25 May 2016 owing to an outside engagement which could not be rescheduled. An apology was received.
\# Geraldine Fraser-Moleketi was unable to attend the board meeting held on 30 November 2016 owing to commitments which pre-dated her appointment to the board in November 2016. An apology was received.

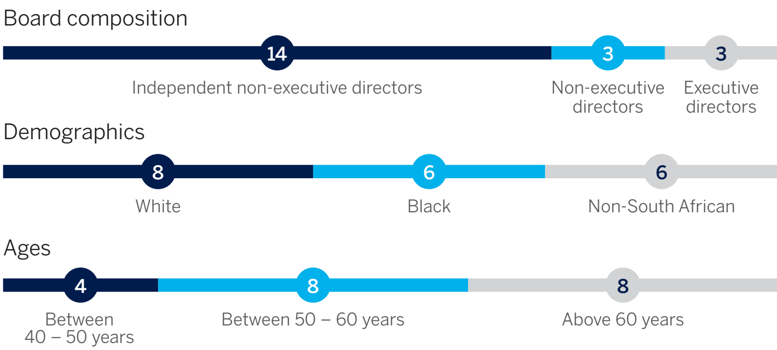
Board effectiveness

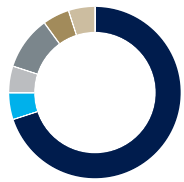
Board composition

The board is effective and of appropriate size for the group. It is a unitary board comprising 20 directors, 14 of whom are independent non-executive directors, three of whom are non-executive directors and three of whom are executive directors. The executive directors are the group chief executives and the group financial director.

Non-executive directors bring diverse perspectives to board deliberations and constructively challenge management. There is a clear division of responsibilities ensuring that no one director has unfettered powers in the decision-making process. This strengthens the group's decision making process and ensures that there is an appropriate balance of power.

Apart from the executive directors, the group's prescribed officers, as defined by the Companies Act, also attend board meetings, thereby increasing the points of contact between the board and management.



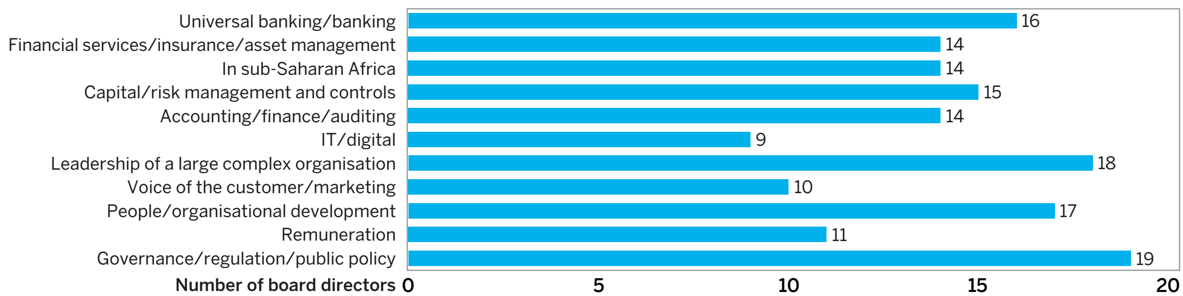


Director nationalities

	2016
South African	14
Australian	1
British	1
Chinese	2
Kenyan	1
Nigerian	1

Skills and experience

Board experience



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

Diversity policy

Emphasis is placed on ensuring that the board composition reflects diversity in the broadest sense. The board is committed to ensuring diversity, including that of backgrounds, experience, skills, geography, race, age, and gender, and ensuring that this diversity is also reflected in its composition. In line with the JSE Listings Requirements, the board has adopted a gender diversity policy and has set a target of 33% female representation on the board by 2020.

During 2016, three female non-executive directors were appointed to the board, which brings the total number of female directors to five or 25% of the total board membership. The board is confident that the set target will be attained.

Gender diversity of the board

Board appointment process and re-election of directors

The board has a formal and transparent process in place for the appointment of directors. While the appointments are a matter for the board as a whole, the responsibility to oversee the nomination process and shortlist candidates for interviews has been delegated to the directors' affairs committee. Where necessary, a human resources placement agency supports the committee in identifying a broad pool of potential candidates. The attributes and experience required are identified and agreed prior to the search process. Apart from a candidate's skills, experience, availability and likely fit, the committee also considers the candidate's demonstrated integrity, proven leadership as well as other directorships and commitments to ensure that they will have sufficient time to discharge their role properly. Candidates must satisfactorily meet the fit and proper test, as required by the Banks Act.

In terms of the company's MOI, a director appointed by the board holds office until the next AGM, where they must retire and stand for re-election by shareholders. Accordingly, Geraldine Fraser-Moleketi, Trix Kennealy, Jacko Maree, Nomgando Matyumza and John Vice who were appointed in the current period after the 2016 AGM, will retire at the 2017 AGM and stand for re-election by shareholders.

In addition, in terms of the King Code and the MOI, 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 2017 AGM, André Parker and Swazi Tshabalala will retire and being eligible, avail themselves for re-election.

Refer to the AGM notice from **page 92**.

Succession

Careful management of the board's succession planning is vital for the effective functioning of the board. Taking into account the group's strategy and future needs of the group, as non-executives retire, candidates with requisite attributes, skills and experience are identified to ensure that the board's competence and balance is maintained and enhanced. In order to support the new non-executive directors as they acquaint themselves with the business of the group and its strategy, it is preferable to appoint replacement non-executive directors before the directors being replaced retire from office.

The appointment of five non-executive directors in the current period has temporarily increased the number of directors on the board, which will reduce as directors retire having reached the end of their term, by which time, the new directors will have had sufficient time to be fully inducted into the business of the group, ensuring seamless continuation of the business of the board.

Refer to **pages 92** to **93** for CVs of newly appointed directors.

Ted Woods, having reached the mandatory retirement age set in the group's MOI, will retire from the board at the 2017 AGM. In order to allow for a seamless transition, Peter Sullivan took over chairmanship of the group remuneration committee in August 2016. Ted Woods remains a member of the committee until his retirement. The chairman and the board extend their sincere gratitude to Ted Woods for his invaluable contribution to the board and leadership of the remuneration committee over the years.

In addition to managing non-executive director succession, the board also considers the talent management, development, and succession planning of the executive leadership team. In May 2016, Arno Daehnke was appointed as executive director following the retirement of Simon Ridley, who had reached the executive retirement age. This appointment and several other key appointments within the group continue to demonstrate the depth of leadership and talent across the group. The board continues to be satisfied with the depth of talent and commitment of the group's executive leadership team.

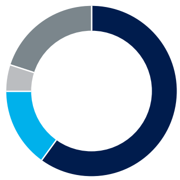
Refer to **pages 43** to **45** for CVs of the group exco.

Director independence

The directors' affairs committee oversees the assessment process for directors' independence for board approval. Independence is determined against the criteria set out in the King Code and in line with its recommendations. In addition, the board rigorously reviews non-executive directors with tenure longer than nine years. The review considers director performance and factors that may impair independence, including directors' interests, and demonstrated behaviour. The approved assessment process includes a self-assessment by each director as well as consideration of each director's circumstances by the board. The director being assessed is recused from the meeting when their performance and independence is being discussed.

Thulani Gcabashe, Advocate Kgomotso Moroka, and Myles Ruck, have all served for periods longer than nine years. Following the rigorous annual review, the board has concluded that, in each instance, these directors continue to be independent in character, demonstrated behaviour, contribution to board deliberations and judgement, notwithstanding tenure. In the assessment of independence, an individual's effective shareholding in the group's shares is taken into account to ensure that for directors considered independent, their shareholding is not material to their personal wealth. Ted Woods has served on the board for longer than nine years, and is considered independent. Having reached retirement age, he will be retiring from the board at the upcoming AGM.

For the period under review, the group's largest shareholder, ICBC's nominated directors Shu Gu and Wenbin Wang, as well as Jacko Maree who retired as group chief executive in 2013 and was appointed to the board in November 2016, are not considered independent.



Non-executive director tenure

	2016
<3 years	60%
3 – 6 years	15%
6 – 9 years	5%
>9 years	20%

Conflicts of interests and other commitments

In terms of the Companies Act, directors are required to disclose their outside business interests. Directors do not participate in, and recuse themselves from, the meeting when the board considers any matters in which they may be conflicted. The group secretary maintains a register of directors' interests, which is tabled at the board annually and any changes are submitted to the board as they occur. The group complies with the provisions of the Companies Act in this regard. The board is aware of other commitments of its directors and is satisfied that all directors allocate sufficient time to enable them to discharge their responsibilities effectively.

Board access to information and resources

Directors have unrestricted access to group management and company information, as well as the resources required to carry out their duties and responsibilities. Access to external specialist advice is available to directors at the group's expense, in terms of the board-approved policy on independent professional advice. External auditors are invited to attend GAC, GRCMC and group IT committee meetings.

Induction and ongoing director training

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

Dates for training are scheduled in advance and form part of the board-approved annual calendar. The directors are kept abreast of applicable legislation and regulations, changes to rules, standards and codes, as well as relevant sector developments that could affect the group and its operations. Director training in 2016 included the following topics:

- Risk data aggregation and risk reporting (RDARR)
- Cloud computing
- Model development and model validation requirements
- SBG mobile applications
- Cybersecurity
- IFRS 9: Financial Instruments

2016 Board evaluation

In line with the provisions of the King code, the board annually conducts an evaluation of its performance. In 2016, an evaluation of the board and its committees was undertaken by an independent facilitator, Korn Ferry. The evaluation process included the completion of online surveys, followed by one-on-one in-person interviews with board members. The analysis of the 2016 board and committee evaluation results were presented to the directors' affairs committee and the board at the group's quarter one, 2017 meetings.

THE REVIEW WAS STRUCTURED AROUND SEVEN KEY AREAS:

1. board mandate, strategy and culture
2. board composition
3. directors' contribution
4. team dynamics
5. delivery of mandate
6. secretariat support and training
7. board committees

Results of the assessment confirmed that the board is a good mix of personalities and experiences and one which board members are proud to be part of. Non-executive directors are sufficiently involved in the strategy formulation process and enjoy a relationship of mutual trust and respect with the management team, which is highly competent, open and transparent. An efficient secretariat team contributes to the board's ability to discharge its duties. Overall, the board was found to be well-functioning and delivering on the majority of its responsibilities with high marks.

The work of board committees is considered accretive to overall board effectiveness and good corporate governance. The board holds its committees to account.

The key themes identified during the board evaluation process, together with proposed action plans, are set out below.

TOPIC	FINDINGS	ACTIONS
Board mandate, strategy and culture	Board members are satisfied with the board's approach to matters relating to its mandate, group strategy and group culture. Decisions are consistently based on ethical foundations.	• board to review its mandate to take into account recent regulatory changes, including King IV and financial sector developments.
Board composition	The addition of new directors onto the board has improved the board's collective skills and experience. However, as part of its continuity programme, the board should continue to strengthen its experience in the domain of fintech and cybersecurity.	• board to explore practical options, including giving consideration to the appointment of fintech/ cybersecurity advisors. • the appointment of non-executive directors with the relevant skills and experience, to continue to support the group's strategy ambitions and fulfilment of its responsibilities.

TOPIC	FINDINGS	ACTIONS
Directors' contributions	In their contributions, non-executive directors demonstrate independence of mind when confronted with proposals from management. Management provides clear, unbiased information.	• as part of the ongoing director development, continue to update directors on developments in the financial sector and the micro and macro-environments in which the group operates. • plan board visits to SBG sites in Africa Regions.
Team dynamics	The chairman's style allows for sufficient candour. He manages meetings appropriately, interacts with management well, raises clarificatory questions while continuing to leave space for others to participate. He is open to feedback. A relationship of mutual trust and respect exists between the chief executives (CEs) and the rest of the board. Topics are thoroughly discussed at committee level and management come to meetings well-prepared, addressing potential issues from the onset.	• consideration to be given to ensuring that board agendas allow sufficient time for debating both current and future risks and opportunities.
Delivery of mandate	The board is considered to have fulfilled its mandate and does so effectively. In discharging its duties, the board should further increase the time allocated to understanding risk across the continent in the geographies where it operates.	• increase time allocated to discuss risk management outside South Africa (SA). • increase interactions between board and relevant management of subsidiaries.
Secretariat support and training	The secretariat is considered competent and understands its duties. Meetings held during the year, including the two-day strategy session, are considered sufficient, with appropriate structure and accurate minutes. Training is an integral part of board activities and is taken seriously.	• continue to reduce the size of the board packs, highlighting areas of focus.
Board committees	All board committees are considered accretive to overall board effectiveness and group governance.	• review committee mandates to remove or minimise areas of overlap. • effect changes required considering King IV.

Subsidiary governance framework

In line with Basel Committee principles for corporate governance, the group board has overall responsibility for adequate corporate governance across the group and ensuring that there are governance policies and mechanisms appropriate to the structure, business and risks of the group and its entities.

To achieve this outcome, the group has a subsidiary governance framework, the aim of which is to ensure consistent application of sound governance practices and appropriate risk management, thereby creating long-term value for the group and its stakeholders. As part of the interface between the parent company and the subsidiaries, the SBG architecture ensures an effective line of oversight and alignment.

The subsidiary governance principles were approved by the group board for adoption by subsidiary boards, setting the context for the role of subsidiary boards in relation to the group.

The strategy for the group is agreed by the group board of directors who retain their responsibility for the strategic direction of the group and monitoring the strategy implementation. The subsidiary company boards are responsible for ensuring that the legal entity strategy presented by management is aligned to that of the group, and ensuring that objectives to meet the agreed strategy are set and monitored.

In the period under review, the group chief executives appointed Sola David-Borha to the role of chief executive, Standard Bank Africa Regions. Sola David-Borha is a member of the Standard Bank Group executive committee.

Corporate governance and legislative requirements are monitored on an ongoing basis in all jurisdictions to ensure that local legal and regulatory requirements are met.

Code of ethics

Our values and code of ethics ensure that we do the right business in the right way, by complying with relevant laws. This is imperative to retain the trust of our stakeholders.

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

Mechanisms are in place for employees and other stakeholders to seek advice or report concerns about unethical or unlawful behaviour anonymously. Information on accessibility, anonymity, processes and the policy relating to the whistle-blowing service is published in all business units and geographical publications during the year. Overall, the group's financial crime control unit held over 2 283 awareness sessions and 348 disclosures were made to the independently operated hotline during 2016.

To report unethical behaviour, the contact details are:

Hotline SA only
0800 113 443

Hotfax SA only
0800 200 796

Hotfax international
+27 12 543 1547

Hotmail International
fraud@kpmg.co.za

Refer to our code of ethics:
http://www.standardbank.com/pages/StandardBankGroup/web/codeofethics.html

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

Dealings in securities

The personal account trading policy, and the directors' and prescribed officers' dealing in securities policy prohibit directors and employees from trading in securities during closed periods, as well as during self-imposed embargo periods. Embargo and closed periods are in effect from 1 June until the publication of the interim results and 1 December until the publication of year-end results. Closed periods also include any period where the group is trading under a cautionary announcement.

In addition, certain nominated employees are prohibited from trading in designated securities due to the price-sensitive information they may obtain in their positions. Compliance with policies is monitored on an ongoing basis and any breaches are dealt with according to the provisions of the policy and the JSE Listings Requirements.

All directors' dealings require the prior approval of the chairman, and the group secretary retains a record of all their dealings and approvals.

During the reporting period, the group has complied with the Listings Requirements and disclosure requirements as prescribed by the JSE.

Political party contribution

As part of its efforts to contribute to the strengthening of democracy in South Africa, the group has been making annual donations since 2004 to political parties represented in the National Assembly, to help them effectively engage and represent the people of the country. The annual donation is calculated using a similar formula to that of the Independent Electoral Commission to allocate its party funding, i.e. 10% of the annual disbursement amount is divided equally between all parties represented in the National Assembly, and 90% is assigned in proportion to the number of seats held by each party. The disbursement for each party is doubled in the year of a general election, to assist with campaigning activities. Every year, each party is required to account for the use of funds. Reports indicate that the donations are used mainly for administrative costs and party campaign materials.

In 2016, the group allocated a total of R2.2 million (2015: R2.2 million) as a direct donation.

Connecting with stakeholders

The group's stakeholder engagement activities are governed by the group's stakeholder engagement policy that sets out formal areas of responsibility.

The group social and ethics committee oversees the group's approach to stakeholder engagement, especially regarding material social and ethics-related matters relevant to SBG's legitimacy and social relevance across its footprint, and provides assurance to the board that the group's conduct continues to be legitimate and socially relevant. Individual business units undertake stakeholder engagement activities appropriate to their particular areas. The board reviews material stakeholder engagements on a quarterly basis and provides guidance where necessary.

Annual general meetings

Part of our approach in governing our stakeholder relationships, involves shareholders' views being heard and fully considered. All holders of the same class of shares issued by the company as regards those shares are treated equitably. The rights and obligations attaching to each class of ordinary and preference shares are set out in the company's MOI.

AGMs provide an opportunity for the board to interact with and account to shareholders. They provide an update to shareholders on the group's performance and offer an opportunity for shareholders to ask questions and vote on resolutions.

The board and key members of management, including the group chief executives and group financial director, are present and available to answer questions. The joint external auditors attend and are also available to answer questions.

Minutes of the meeting are available from the group secretary's office. The outcome of the voting that took place is published through SENS and is posted on the group's website within 24 hours of conclusion of the AGM.

Refer to notice of AGM on **page 92**.

Going concern

The board considers and assesses the group's status as a going concern in the preparation of the annual financial statements at year end. A similar process is followed during the interim reporting period. In addition, the board considers the solvency and liquidity requirements in line with the provisions of the Companies Act.

King Code

The group continues to apply the principles of the King Code. The board is satisfied with the group's application of the principles and the instances of non-application which occurred throughout the reporting year have been considered and are explained below.

Exceptions to the application of the King Code principles

- Principle 2.19 (paragraph 88.7): The King Code requires disclosure of actual or potential political connections or exposure for directors. The group does not discourage directors from being affiliated to political parties as it believes this contributes to strengthening South Africa's democracy. While some of the group's directors may be involved with political parties in South Africa, no director is an office bearer of any political party.
- Principle 2.25 (paragraph 153): The board has considered the King Code requirement that non-executive remuneration should comprise a base fee and an attendance fee per meeting. The board has agreed that the current single comprehensive annual fee structure is more appropriate for the group and is of the view that the contribution of directors cannot only be judged by meeting attendance alone.
- Principle 2.25 (paragraph 173): The King Code requires that options or other conditional share awards should not vest or be exercisable within three years from the date of the grant. While the deferred bonus scheme (DBS), which is settled in Standard Bank equity shares, has an initial vesting period shorter than three years, the average vesting period for deferred bonuses is approximately three years.

Statement of differences to the King Code

Principle 7.1 (paragraph 5): The King Code recommends that the board approves the group internal audit (GIA) charter. The board has delegated this responsibility to the GAC.

The comprehensive King III application register can be found on our website **www.standardbank.com/reporting**

Board committees

DAC

Group directors' affairs committee

COMMITTEE MEMBER	2016 COMMITTEE MEETING ATTENDANCE/4 ELIGIBLE TO ATTEND	ATTENDED	DATE OF APPOINTMENT TO COMMITTEE
Thulani Gcabashe (chairman)	4	4	7 March 2012 (as member), 27 May 2015 (as chairman)
Geraldine Fraser-Moleketi	–	–	30 November 2016
Shu Gu	4	3	10 December 2014
Kgomotso Moroka	4	4	29 May 2013
André Parker	4	4	27 May 2015
Myles Ruck	4	4	28 May 2014
Wenbin Wang (alternate to Shu Gu)	4	4	16 January 2014

Committee purpose and responsibilities

The directors' affairs committee (DAC) is responsible for determining the appropriate group corporate governance structures and practices. It establishes and maintains the board directorship continuity programme. The committee ensures compliance with all applicable laws, regulations and codes of conduct and practices. It assists in the effectiveness review of the board and its committees.

Committee composition, skills and experience

The committee is chaired by the board chairman who is an independent non-executive director. It includes five independent non-executive directors and two non-executive directors. The group chief executives are standing invitees to the committee meetings.

The collective skills and experience profile of the committee members includes governance, and most members have leadership experience of large complex organisations.

Details of the skills and experience of each of the committee members are set out in their CVs on **pages 10** to **13**.

Key committee activities for the year:

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:

Succession planning

- approved the appointment of directors on the boards of subsidiary companies
- recommended for board approval the appointment of Arno Daehnke as the group financial director, and five new non-executive directors: Geraldine Fraser-Moleketi, Jacko Maree, Nomgando Matyumza, Trix Kennealy and John Vice
- considered talent and succession planning for the group management committee
- approved the appointment of Sola David-Borha as the new chief executive: Africa Regions
- considered board's composition as it relates to skills, experience, background, gender and racial diversity
- recommended for board approval the promotion of gender diversity policy
- considered the directors eligible for retirement by rotation in the current year and recommended them for re-election to the board and 2017 AGM
- considered and recommended to the board, changes to board committee composition, taking into account the newly appointed directors and the appointment of the new chairmen of the group remuneration and the group IT committees.

Corporate governance

- reviewed the board and committee mandates and concluded that the board and the DAC have met their terms of reference
- recommended for approval to the board the process to be followed for the assessment of director independence for purposes of disclosure in the annual integrated report (AIR) and confirmed the classification of independent non-executive directors in the annual report
- recommended for board approval the final assessment report of the 2015 corporate governance, risk and capital management process and objectives
- recommended for board approval the 2016 corporate governance, risk and capital management process and objectives
- noted the draft and the final King IV code on corporate governance
- considered and recommended to the board the 2017 board corporate calendar.

Board performance review

- considered the 2015 full board evaluation report, including that of its committees, and the recommended action plans to the board
- recommended to the board for approval the 2016 board evaluation process to be carried out by an external service provider
- considered and noted the group chief executive performance contracts for 2016.

GAC Group audit committee

COMMITTEE MEMBER	2016 COMMITTEE MEETING ATTENDANCE/8 ELIGIBLE TO ATTEND	ATTENDED	DATE OF APPOINTMENT TO COMMITTEE
Richard Dunne (chairman)	8	8	3 December 2009 (as chairman)
Trix Kennealy	–	–	30 November 2016
Martin Oduor-Otieno	4	3	25 May 2016
Atedo Peterside CON	8	8	27 May 2015
Peter Sullivan	8	8	6 March 2013
Swazi Tshabalala	8	7	27 May 2015
John Vice	–	–	30 November 2016
Ted Woods	8	8	22 May 2008

Committee purpose and responsibilities

The audit committee is responsible for monitoring and reviewing the adequacy and effectiveness of accounting policies, internal control systems and financial reporting processes. It reviews the independence and effectiveness of the group's external audit, internal audit, compliance and financial crime control functions.

The committee met eight times during the financial year, including two meetings to consider quarterly financial results for publication on SENS, and the annual meeting with the Bank Supervision Department of SARB.

The chairman routinely met with the external auditors, group chief audit officer, group chief compliance officer, head of operational risk responsible for financial crime control, group financial director and his executive management team before each quarterly meeting. The purpose of these meetings was to discuss relevant themes that would be covered during the meeting, and to offer assurance providers an opportunity to raise any matters which they wanted to discuss with the audit committee chairman in private. The audit committee also met with the external auditors in a private session at the end of the March meeting, to discuss matters pertaining to the statutory audit.

Committee composition, skills and experience

The committee is chaired by an independent non-executive director and its membership comprises eight independent non-executive directors, which includes the group IT and group remuneration committee chairmen. The group chief executives, group financial director, group chief audit officer, group chief compliance officer (GCCO), group chief risk officer (CRO), business unit chief executives, head of operational risk and the group's external auditors are standing invitees to committee meetings.

The collective skills and experience profile of members includes banking and financial services, accounting and auditing.

Details of the skills and experience of each of the committee members are set out in their CVs on **pages 10** to **13**.

Key committee activities for the year:

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:

Internal audit

- considerd and approved the annual review of the internal audit's charter as well as the internal audit plan
- reviewed a quarterly report from internal audit which covered progress with delivery of the audit plan; 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 reviews performed at the request of management; and an analysis of the status of audit findings previously reported. For unsatisfactory audit matters, management was invited to attend meetings to present an update on the status of actions implemented to address audit findings and recommendations
- reviewed internal audit's annual report which summarised the results and themes identified 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 maintain the degree of risk taken by the group at an acceptable level and that internal financial controls were adequate and effective in ensuring the integrity of material financial information. In addition, internal audit confirmed the organisational independence of the internal audit activity
- the group's external auditors conducted an annual assessment of the internal audit function against the International Standards on Auditing (ISA) 610 and confirmed that reliance could be placed on the work of internal audit for the purposes of the external audit.

Compliance

- considered and approved group compliance's annual plan and monitoring activities for the year, as well as group compliance's mandate
- reviewed a quarterly report from group compliance which covered key compliance matters across the group. The report also summarised interactions with various regulators in South Africa and other jurisdictions, as well as an update on matters identified as part of regulators' routine and non-routine inspections.

Group financial crime control

- considered and approved group financial crime control's mandate
- considered a quarterly report from the group financial crime control function, which provided an update on key activities of this unit.

Tax

- on a quarterly basis, the committee reviewed a report on key tax matters of significance across the group, including ruling and emerging tax legislation
- reviewed the results of group tax's self-assessment of compliance with the tax control framework, following which a revision to the framework was tabled and approved.

Financial accounting and external reporting issues

- group finance submitted a quarterly report which outlined financial accounting and external reporting issues of significance that affected the group or could affect the group in future. The audit committee considered the impact of these matters on the group's financial statements and disclosures. Further to current matters, the reports routinely provided an update on developments in international accounting standards
- the group's IFRS 9 *Financial Instruments* (IFRS 9) project continued to receive focus throughout 2016, as the group developed its processes towards meeting the mandatory 1 January 2018 implementation date. At the board's annual prudential meeting with the SARB, the chairman of the audit committee presented an update on progress made with IFRS 9 developments
- the committee considered the JSE's report on its process for monitoring financial statements for compliance with IFRS.

Internal financial controls

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

Non-audit services

- approved the non-audit services policy as part of the annual review of the policy to use the group's external auditors for non-audit services
- on a quarterly basis, the committee considered the nature and quantum of non-audit services that were approved during the period and, in accordance with the approval thresholds as set out in the policy, considered and where deemed appropriate, approved engagements.

Interim and annual financial results

- considered and recommended to the board for approval, the interim and annual financial results, after having considered an analysis of the results, relevant financial accounting issues, solvency, liquidity and going concern assessments, as well as the draft profit and dividend announcements.

Financial reporting

- reviewed the annual integrated report, risk and capital management report, and annual financial statements and recommended these to the board for approval, after having considered King III disclosure requirements.

External audit

- evaluated the independence assessment of the external auditors and recommended their reappointment for shareholder approval at the group's annual general meeting
- 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 2016. The external audit plan confirmed that work with internal audit continued to ensure all assurance providers were aligned to address the requirements of King III from a combined assurance perspective
- considered revisions to the independent auditors' report, with particular reference to the audit opinion, which introduced key audit matters that were, in the external auditors' judgement, deemed significant to the audit of the financial statements. It was noted that these were reviewed as part of the finalisation of the 2016 statutory audit
- at the meeting in March, the committee reviewed the external auditors' report on findings for the prior financial year; and at the meeting in November, it reviewed a progress report on findings from the preliminary audit for the year ended 31 December 2016
- reviewed the external auditors' report relating to the regulatory audit work for the year ended 31 December 2015.

Oversight

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

IT

Group IT committee

COMMITTEE MEMBER	2016 COMMITTEE MEETING ATTENDANCE/4 ELIGIBLE TO ATTEND	ATTENDED	DATE OF APPOINTMENT TO COMMITTEE
John Vice (chairman)[1]	–	–	30 November 2016 (as chairman)
Arno Daehnke	2	2	25 May 2016
Richard Dunne	4	4	12 March 2014
Shu Gu	4	3	10 December 2014
Ben Kruger	4	4	12 March 2014
André Parker	4	4	25 November 2015
Atedo Peterside CON	4	4	27 May 2015
Peter Schlebusch	–	–	30 November 2016
Peter Sullivan	4	4	12 March 2014 (former chairman of committee)
Sim Tshabalala	4	4	27 May 2014
Wenbin Wang (alternate to Shu Gu)	4	4	10 December 2014

1 Prior to joining the board, John Vice was an independent advisor to the group IT committee since its inception in 2014. He took over as committee chairman from Peter Sullivan on 30 November 2016.

Committee purpose and responsibilities

The purpose of the committee is to assist the board in fulfilling its corporate governance responsibilities with respect to IT.

Committee composition, skills and experience

The committee is chaired by an independent non-executive director and its membership comprises seven non-executive directors, all three executive directors and the group's head of digitisation. Since its establishment in 2014, the committee composition was complemented by two independent IT subject matter experts, John Vice and Leon du Rand. John Vice was appointed to the board and was made the committee chairman in November 2016, replacing Peter Sullivan who remains a member of the committee.

The group chief information officer, group CRO, group chief audit officer, business unit chief executives, head of operational risk, IT executive management members and the group's external audit IT partners are standing invitees to committee meetings.

The collective skills and experience profile of group IT committee members includes banking, information technology, programme management, risk management and governance.

Details of the skills and experience of each of the committee members are set out in their CVs on **pages 10** to **13**.

Key committee activities for the year:

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

Independent subject matter experts' report

- considered the second annual report from independent subject matter experts, which comprised an independent review of the group's IT governance domains. The report highlighted that significant progress had been made in the governance, management and improvement of IT operations across the group. A number of strategies and interventions had been implemented and group IT was reported to be progressing well on its journey to become a leading IT organisation.

IT governance domains

As part of its oversight programme for the year, the committee reviewed detailed reports on the following IT governance domains:

- IT operations in the Africa Regions: The committee considered an overview on IT across the Africa Regions and in-depth reviews of the IT operations in selected countries were presented by the respective chief information officers of these legal entities. The presentations focused on governance, quality of service, strategic IT investment and alignment, operating model and resource management
- IT strategy and investment: The committee considered a review of IT's strategic alignment and investment governance, including a detailed review of group IT's financial performance. The committee further noted the activities of the group's cybersecurity remediation steering committee, which continued to prioritise security initiatives in line with the group's focus on continuously enhancing its preventative, detection and response controls

Cybersecurity

- at the board's annual prudential meeting with the SARB, the chairman of the group IT committee presented an overview of factors that had informed the group's thinking around cybersecurity. He also outlined key initiatives as part of the group's cyber defence strategy and it was noted that cybersecurity was fully integrated into the group's risk management framework

IT architecture

- as part of the continuous board education programme, an update was presented on the group's IT architecture strategy as well as insights into global and regional IT trends and the group's relative position.

Significant IT investments

- considered routine quarterly updates on strategic programmes, with particular reference to strategic IT platform implementations.

Regulatory interaction

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

Internal audit report

- considered quarterly extracts from internal audit's report to the group audit committee which outlined audits pertaining to IT that were reported in the period

MAC

Group model approval committee

COMMITTEE MEMBER	2016 MEETING ATTENDANCE/3 ELIGIBLE TO ATTEND	ATTENDED	DATE OF APPOINTMENT TO COMMITTEE
Jacko Maree (chairman)	–	–	30 November 2016 (as member), 1 March 2017 (as chairman)
Arno Daehnke	2	2	25 May 2016
Ben Kruger	3	3	29 May 2013
Nomgando Matyumza	–	–	30 November 2016
David Munro	3	2	14 August 2013
Martin Oduor-Otieno	–	–	30 November 2016
Peter Schlebusch	3	1	14 August 2013
Neil Surgey	3	3	1 September 2015
Swazi Tshabalala	3	3	27 May 2015
Sim Tshabalala	3	2	29 May 2013

Committee purpose and responsibilities

The committee is responsible for assisting the board in discharging its obligations for model risk. Its mandate is subject to the provisions of the Banks Act and accordingly performs such functions as may be prescribed by regulation, from time to time, including the evaluation of risk evaluation models that may need to be approved by the committee before being used to calculate a regulatory capital charge.

Committee composition, skills and experience

In the year under review, the committee was chaired by the group chief executive. At the board meeting held in March 2017, Jacko Maree was appointed as chairman of the committee. Its membership comprises four non-executive directors, the group chief executives, group financial director, CEs of PBB and CIB and the group CRO.

The collective skills and experience profile of group model approval committee members includes banking, regulatory, credit and model risk.

Details of the skills and experience of directors on the committee are set in their CVs on **pages 10** to **13**, and group executive's CVs are set out from **pages 43** to **45**.

Key committee activities for the year:

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:

Model approvals

- reviewed and approved material new risk models and the ongoing use of existing risk models
- to assist in informing the committee's decision to approve material risk models, it considered detailed model development reports and the outcome of validation reviews across key model performance criteria. Where relevant, validation findings, recommendations and action plans to address these, were considered as part of the review and approval of all material risk models.

Model oversight

- reviewed the model status report, which provided an overview of all credit models
- routinely considered an update on key activities in the model development and model validation functions, including a summary of model developments that were in progress. A key focus for the model development team in 2016 was the modelling of IFRS 9 impairment values
- considered key interactions with the SARB in so far as they pertained to regulatory developments and the outcome of the SARB's review and consideration of models that were submitted for review and approval
- monitored the activities of the CIB and PBB model approval committees through review of the minutes of these committees. It also reviewed and approved the mandates of these two subcommittees in accordance with the mandate review cycle.

Continuous board education

- as part of the continuous board education programme, an update was presented to all board members on model risk and regulatory requirements.

Governance

- considered the results of a self-assessment against the requirements of the model risk governance framework; as well as the group's target model risk maturity level
- reviewed and approved the group's model risk governance framework, in accordance with the periodic review cycle.

GRCMC Group risk and capital management committee

COMMITTEE MEMBER	2016 COMMITTEE MEETING ATTENDANCE/4		DATE OF APPOINTMENT TO COMMITTEE
	ELIGIBLE TO ATTEND	ATTENDED	
Myles Ruck (chairman)	4	4	1 January 2007 (as member), 6 August 2010 (as chairman)
Richard Dunne	4	4	3 December 2009
Thulani Gcabashe	4	4	27 May 2015
Shu Gu	4	3	10 December 2014
Geraldine Fraser-Moleketi	–	–	30 November 2016
Trix Kennealy	–	–	30 November 2016
Nomgando Matyumza	–	–	30 November 2016
Kgomotso Moroka	4	4	28 May 2014
Peter Sullivan	4	4	6 March 2013
Swazi Tshabalala	4	4	28 May 2014
John Vice	–	–	30 November 2016
Wenbin Wang (alternate to Shu Gu)	4	4	16 January 2014
Ted Woods	4	4	7 March 2012

Committee purpose and responsibilities

The board has delegated authority to GRCMC to provide independent and objective oversight of risk and capital management across the group. The committee ensures that risk and capital management standards and policies are well documented and support group strategies by being fit for purpose and effective in operation. It supports a climate of discipline and control that will reduce the opportunity for fraud.

Committee composition, skills and experience

The committee is chaired by an independent non-executive director and its membership comprises eleven independent non-executive directors, including the chairmen of the board, group audit, group IT, group remuneration and group social and ethics committees, and two non-executive directors. The group chief executives, group financial director, group and business unit CROs, GCCO, group chief audit officer (GCAO), business unit chief executives, head of operational risk and external auditors are standing invitees to committee meetings.

The chairman met with the group and business unit CROs before each quarterly meeting to discuss relevant themes that would be covered in routine reports, as well as pertinent matters that would be included on the agenda. These included matters that were identified by, or proposed to the chairman by management, GRCMC members or other board members.

The collective skills and experience profile of GRCMC members includes banking and financial services, accounting and auditing; capital and risk management; governance, regulation and public policy; and information technology.

Details of the skills and experience of each of the committee members are set out in their CVs on **pages 10** to **13**.

Key committee activities for the year:

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:

Risk appetite and risk profile

- considered and approved the 2016 risk appetite statement for the group's banking operations
- on a quarterly basis, reviewed a detailed risk management report which covered key risk types, including credit, operational, country and market risk across the group and at a business unit level
- considered risk overviews on events and risks that occurred or were emerging, which were expected to have a direct or indirect impact on the group's risk profile
- in view of the effect of the commodity downturn on certain geographies and markets in which the group operates, considered management updates on risk appetite across sectors and countries to ensure that concentration to specific sectors was appropriately managed and risk appetite adjusted, where appropriate
- considered the impact of persistent drought conditions on the group's agriculture portfolio
- considered the effect of the macroeconomic and operating environment, as well as consumer strain on the group's Personal & Business Banking portfolios
- with reference to its oversight of the operational risk profile, the committee reviewed and considered management reports which covered an overview of key contributors to operational risk losses, industry trends and management's response to operational risk and financial crime. The committee also considered the results of the SARB's interaction with management as part of its regulatory oversight of operational risk
- reviewed an annual update on significant insurance programmes across the group, as well as their current and renewed terms and conditions
- reviewed quarterly reports on compliance and legal risk, which included key matters that were significant to the group
- considered key risks to the group in the event of a South African sovereign rating downgrade to sub-investment grade, an overview of the anticipated implications from a revenue, capital and liquidity perspective, as well as the group's mitigation strategies
- considered the impact on the group of increased de-risking by global banks of their correspondent banking portfolios in Africa.

Regulatory matters

- on a quarterly basis, considered an update on progress to achieve Basel Committee on Banking Supervision (BCBS) 239 RDARR compliance by the December 2016 deadline for the defined and agreed Standard Bank Group scope. Two board education sessions were presented on BCBS 239 principles, metrics and risk reporting. At the November 2016 meeting, the committee approved the annual update to the group's RDARR governance framework
- on a quarterly basis, considered updates on regulatory developments. Areas of focus included the Financial Sector Regulation Bill (Twin Peaks), market conduct, and consumer credit regulations. At the November 2016 meeting, the committee considered the implications of emerging local, global and prudential regulations on the group including Basel IV; amendments to Pillar 3 disclosures; liquidity coverage ratio (LCR) and net stable funding ratio (NSFR)
- considered and approved the annual update to the group's integrated recovery plan
- considered the annual and interim risk disclosures made to shareholders to ensure timely, relevant, complete, accurate and accessible risk disclosure.

Internal Capital Adequacy Assessment Process (ICAAP)

- reviewed and approved the macroeconomic scenarios for the running of the ICAAP 2015 financial year end stress testing process. The scenarios were primarily chosen to target the group's key markets and included macroeconomic considerations at both a global and a South African-specific level
- reviewed and recommended to the board for approval the group's 2015 ICAAP, prior to it being submitted to the SARB.

Capital and liquidity risk management

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

Governance

- continued to review and approve the group's risk governance standards, frameworks and relevant policies in accordance with a scheduled review programme.

Oversight

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

Rem — Group remuneration committee

COMMITTEE MEMBER	2016 COMMITTEE MEETING ATTENDANCE/4		DATE OF APPOINTMENT TO COMMITTEE
	ELIGIBLE TO ATTEND	ATTENDED	
Peter Sullivan (chairman)	4	4	27 May 2015 (as member), 17 August 2016 (as chairman)
Thulani Gcabashe	4	4	27 May 2015
Trix Kennealy	–	–	30 November 2016
Jacko Maree	–	–	30 November 2016
Nomgando Matyumza	–	–	30 November 2016
André Parker	4	4	28 May 2014
Atedo Peterside CON	–	–	30 November 2016
Ted Woods	4	4	7 February 2008

Committee purpose and responsibilities

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

Committee composition, skills and experience

The committee is chaired by an independent non-executive director, Peter Sullivan, who took over from Ted Woods as chairman of the committee in August 2016. Ted Woods remains a member of the committee until his retirement from the board at the 2017 AGM. The committee membership comprises only non-executive directors, seven being classified as independent non-executive directors. The group chief executives are standing invitees to committee meetings.

The collective skills and experience profile of the group remuneration committee members includes banking, doing business in sub-Saharan Africa, remuneration and risk management.

Details of the skills and experience of each of the committee members are set out in their CVs on **pages 10** to **13**.

Key committee activities for the year:

Remuneration

- considered the group chief executives' performance review for the purpose of setting their remuneration
- considered other senior executives' performance reviews and the implications on pay. This included the approval of the total compensation for the chief executives of CIB, PBB, the Africa Regions and Wealth, the group financial director and the top 100 personnel per business unit
- considered and recommended for approval to the board for onward submission to shareholders at the 2016 AGM, the 2016 non-executive directors' fees
- considered and noted the non-executive directors' fees paid by subsidiary entities in the group
- noted the financial outlook presented by the group financial director for the year and considered the risk report which provided guidance on deliberations for approval of bonus pools recommended by management.

Incentive schemes, share-based payments and other benefits

- reviewed the group's share incentive schemes and approved the:
  - performance reward plan (PRP) vesting metrics
  - conditions set on the equity growth scheme (EGS) and group share incentive scheme (GSIS)
  - deferral rates that would apply for the DBS for the 2015 performance year incentive awards for South Africa, the Africa Regions and Standard Bank International
- noted management's talent growth plan presentation
- considered feedback from shareholders and investors, and agreed action plans.

Subsidiary remuneration committees

- considered and noted changes to mandates of subsidiary remuneration committees and minutes from their meetings.

Refer to the remuneration report on **page 46** for further information.

SEC

Group social and ethics committee

COMMITTEE MEMBER	2016 COMMITTEE MEETING ATTENDANCE/4		DATE OF APPOINTMENT TO COMMITTEE
	ELIGIBLE TO ATTEND	ATTENDED	
Kgomotso Moroka (chairman)	4	4	29 May 2013 (as member), 4 March 2015 (as chairman)
Geraldine Fraser-Moleketi	–	–	30 November 2016
Thulani Gcabashe	4	4	27 May 2015
Ben Kruger	4	3	29 May 2013
Jacko Maree	–	–	30 November 2016
Martin Oduor-Otieno	2	2	25 May 2016
Sim Tshabalala	4	4	9 November 2010

Committee purpose and responsibilities

The social and ethics committee ensures the development of appropriate policies and acts as the group's social conscience and recognises that stakeholder perceptions affect the group's reputation.

The committee guides and monitors the group's social, ethical, economic, environmental, transformation and consumer relationship initiatives in line with relevant legislation, codes and regulation.

Committee composition, skills and experience

The committee is chaired by an independent non-executive director. It comprises four independent non-executive directors, one non-executive director, and the group chief executives. The members possess a combination of skills and expertise covering the main themes in the mandate, including but not limited to public policy, organisational development and ethical leadership.

Key committee activities for the year:

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:

Socioeconomic development

- reviewed the corporate social investment spend, project spread and activity across the bank's operations, specifically giving consideration to refining the focus of programmes and differentiating corporate social initiative (CSI) activities from sponsorships and donations
- monitored the *Fees must Fall* movement and the bank's activities in support of education, particularly higher education, in South Africa
- considered the social impact of a potential sovereign downgrade as it related to the labour market, equity markets and monetary policy
- considered reports on socioeconomic development risks, in areas in which the group operates
- considered reports on political stability in areas in which the group operates, with focus given to the implications of the South African local government elections, as well as the elections in the Democratic Republic of Congo, Kenya and Zambia.

Diversity and inclusion

- monitored progress of the political economy work stream, the purpose of which was to develop interventions, identify opportunities and encourage leadership in the spheres of empowerment, engagement, and diversity and transformation
- considered the Employment Equity Plan for 2017 – 2019 as well as the initiatives facilitating the achievement of targets in terms of the Financial Sector Charter and Broad-based Black Economic Empowerment (BBBEE) Act 53 of 2003. The committee also monitored achievements against targets set out in the Employment Equity Plan for 2014 – 2016.

People and culture

- approved the Statement on Human Rights which outlines the group's respect for the human rights of people involved and impacted by the business, including consumers of the bank's products and services
- monitored the group's approach to conduct through a culture-led strategy, to embed culture and conduct, and manage conduct risk.

Consumer relationships

- monitored the group's consumer relationships, including reputation management which relates to internal and external engagements with stakeholders across geographies.

Ethics

- reviewed the group's assertions in relation to the provisions of the group's code of ethics, with particular focus given to information ethics
- considered the introduction of King IV with specific reference to the social and ethics committee, as well as the implementation of the principles.

Our executive committee

The board has delegated the management of the day-to-day business and affairs of the group to the group chief executives, with full power on behalf of and in the name of the group. The group chief executives, who are held jointly and severally accountable for the performance of the group, have in turn established a group executive committee (group exco). The committee provides counsel to the group chief executives, acting as a sounding board and ensures overall coordination across the universal financial services group, legal entities, and other key stakeholders. Ultimate decision-making powers remain vested with the group chief executives and all members of the committee exercise powers in accordance with their delegated authority.

In the reporting period, the committee was reconstituted with a view to ensuring consistency and greater alignment with the group architecture. Details of the members of the committee are included on the following page.

RCM/AFS

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

ARNO DAEHNKE/49
Group financial director

SOLA DAVID-BORHA/56
Chief executive, Africa Regions
BSc Economics (University of Ibadan), MBA (University of Manchester), AMP (Harvard), GCP (IESE, Wharton, CEIBS)
Appointed 2016

Sola David-Borha was appointed chief executive, Africa Regions with effect 1 January 2017. Prior to her appointment, she was the chief executive of Stanbic IBTC Holdings Plc and served as chief executive of Stanbic IBTC Bank from May 2011 to November 2012. She previously held various executive roles which included acting managing director of IBTC Chartered Bank Plc and executive director of Corporate & Investment Banking (excluding South Africa).

BEN KRUGER/57
Chief executive, SBG

SIM TSHABALALA/49
Chief executive, SBG and SBSA

KENNY FIHLA/49
Deputy chief executive, CIB and head of CIB SA
MSc (University of London), MBA (Wits)
Appointed 2016

Kenny Fihla joined SBSA in 2006 as head of investor services. In 2007, he was appointed to the CIB executive committee and in 2008, was appointed CIB head of transactional products and services South Africa. In November 2016, he was appointed deputy chief executive of CIB. In addition to heading up CIB South Africa, he is responsible for corporate client relationship management across 20 African countries and major financial centres outside Africa.

CV details of the group chief executives and the group financial director are included on **pages 10** to **12**.

ISABEL LAWRENCE/48
Group chief compliance officer
BA (Hons), LLM (RAU)
Appointed 2016

Isabel Lawrence joined the group's legal division in 1998 where she was responsible for legal risk and transacting for PBB. She was appointed head of group legal in 2003 and was appointed group chief compliance officer in January 2012.

DAVID MUNRO/45
Chief executive, CIB
BCom, PGDip Accounting (UCT), CA (SA), AMP (Harvard)
Appointed 2013

David Munro joined the group in 1996. In 2003, he was appointed deputy chief executive, CIB South Africa and in 2006, was appointed chief executive, CIB South Africa. He was appointed global head, investment banking in 2009 and chief executive, CIB in 2011.

MARGARET NIENABER/43
Chief executive, Wealth
BCompt (Hons) (UFS), CA (SA)
Appointed 2016

Margaret Nienaber joined the group in 2010 as head of private clients, South Africa. In 2013, she was appointed global head of Wealth and Investment (previously known as private clients). She was acting chief executive of wealth from May 2016 and was confirmed as chief executive of Wealth in November 2016. She became a prescribed officer of the group with effect 1 January 2017.

FUNEKA MONTJANE/38
Chief executive, PBB South Africa (SA)
BCom (Hons) (Wits), MCom (UJ), CA (SA)
Appointed 2016

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

BRENDA NIEHAUS/56
Group chief information officer and head of data management
AMP (Harvard)
Appointed 2016

Brenda Niehaus joined the group in 2007 as a director in IT. In 2008, she was appointed as chief information officer for Africa Regions and PBB International. In 2011, she was appointed chief information officer of PBB South Africa and in June 2013 appointed chief technology officer for group IT shared services. She was appointed chief information officer for the Standard Bank Group in June 2014.

ROD POOLE/55
Group head of change and business transformation
BCom (Unisa)
Appointed 2016

Rod Poole joined the group in 1984 and has held various senior executive roles within the bank including head of marketing and communications, head of human capital SB Plc based in London, head of human capital and chief of staff, CIB focusing on the CIB and Standard Bank Group strategies.

PETER SCHLEBUSCH/50
Chief executive, PBB and head of digitisation
BCom (Hons) (Wits), HDip Tax (RAU), Dip Banking Law (RAU), CA (SA), SEP (Stanford)
Appointed 2013

Peter Schlebusch joined the group in 2002 as a director in retail products. In January 2006, he was appointed deputy chief operations officer and later that year was appointed deputy chief executive of PBB South Africa. In 2008, he was appointed chief executive of PBB South Africa and in 2012, he was appointed chief executive of PBB group. In 2016, his mandate was extended to include heading up digitisation across the group.

NEIL SURGEY/57
Group chief risk officer
BCom (UCT), AMP (Insead)
Appointed 2016

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

ZOLA STEPHEN/42
Group secretary, SBG and SBSA
BProc, LLB (UKZN)
Appointed 2016

Zola Stephen is the group secretary of SBG and group head of governance, having joined the group in August 2012 and being appointed as group secretary on 1 November 2012. She has extensive experience in governance having spent 13 years at Transnet where in her last role she was a member of the group executive committee responsible for legal, corporate and public affairs, company secretariat and corporate governance and group compliance.

Remuneration report

Our people ultimately underpin the successful execution of our strategy.

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

Review of focus areas – 2016 and 2017

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

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

We set practices that take into account local conditions within a group governance framework. Specific focus areas and achievements for 2016 and focus areas for 2017 are detailed alongside.

Focus areas and achievements in **2016**

- We received input on our remuneration policy from several significant shareholders.
- The remuneration policy was approved at the AGM held in May 2016 with 84.5% of shareholders voting in favour of the policy.
- We engaged with shareholders who did not vote in favour of our policy to understand their concern.
- We completed an extensive benefits project across all our African countries to establish core benefits and remove outdated benefits, and were awarded the South Africa Reward Association Project of the Year 2016 for the work undertaken.
- We assessed the extent of share awards of middle and senior managers and established future guidelines for these awards. These guidelines focused on key issues, transformation and retention.
- We considered the duration of all our deferrals for the most senior executives but decided to keep our current deferral periods, as together with the minimum shareholding requirement and forfeiture clauses, they focus our executives to act in the best interests of shareholders.
- We changed our minimum shareholding for the chief executives, group financial director and prescribed officers to a multiple of fixed remuneration.

Focus areas for **2017**

- The first delivery of our PRP will take place at the end of March 2017 in respect of awards made in March 2014.

See **page 57**.

- We will evaluate our benefits and reward elements to determine what additional choices we can include in these offerings for the benefit of our employees.
- We will focus on ensuring that our reward supports our endeavours in client centricity.

"I am pleased to present my first Standard Bank Group remuneration report for 2016 but firstly I would like to acknowledge my predecessor, Ted Woods, for the great work he has done in raising the quality of the group's remuneration principles, structures and practices over the past nine years."

Message from the chairman of the remuneration committee

Dear Shareholder

The Standard Bank remuneration framework is designed to create value for shareholders, clients, our employees and communities while retaining and motivating our most senior leaders.

This is achieved through the following three remuneration programmes for senior executives:

- Fixed remuneration.
- Short-term incentive (STI) annual cash incentive with an annual deferred award over 1.5, 2.5 and 3.5 years.
- Long-term incentive, the PRP, is subject to performance conditions and vests in three years if conditions are met. The three-year vesting period remains under consideration by the committee.

This report reflects the board's assessment of the group's performance for the year 2016 and includes consideration of the very difficult trading environment during the past year, as well as any material risk incidents and conduct.

Peter Sullivan

There is no doubt that 2016 was a very challenging year for the group. The threat of a sovereign rating downgrade in South Africa created a high level of uncertainty. Unexpected political outcomes in the United Kingdom (UK), United States of America (US) and Europe, plunging commodity prices especially for the oil producing countries and a fierce drought across sub-Saharan Africa created difficult economic conditions in many countries and exceptional currency volatility. All of this negatively impacted the group's operating environment and made the achievement of targets more difficult.

Senior management took proactive and decisive action to mitigate these risks and minimise the impact on the group's performance. As a result, the group delivered a strong performance in the core banking businesses of CIB and PBB, delivering 9% headline earnings growth and an improved ROE up to 16.8% from 16.3% in the prior year.

Conversely, earnings from Liberty, the group's subsidiary insurance business, fell by 61%. The impact of this was significant on the group's results. Consequently, headline earnings for the group grew by only 4% and return on equity (ROE) fell slightly below expectations, but remained within the lower end of our target range.

While Standard Bank is the majority shareholder in Liberty, the company is separately listed, and has its own board and remuneration committee. The performance of Liberty was disappointing and the committee took this into consideration when assessing executive performance and remuneration.

Remuneration outcomes

Despite the difficult trading conditions in 2016, the chief executives (CEs) met or exceeded most expectations in the areas where they have direct responsibility and accountability. The board approved 11 strategy work streams driven by the CEs which crystalised the group strategy to deliver sustained performance for the next five years. Furthermore, it was the opinion of your committee that the CEs had provided strong and inspirational leadership in demanding times. The CEs set a strong positive tone from the top of the organisation that directly contributed to a rise in employee engagement for the year. Recognising the volatile political and economic uncertainty across our markets, the committee considered this positive tone and the cascading of a strong set of values to be a significant contributing factor to the results achieved.

Taking into account the challenging trading conditions experienced across our markets in 2016, as well as the impact of Liberty's performance on the group's results, the committee debated the remuneration of the CEs at length. Consequently, the committee agreed a 4% increase in total short-term incentive, in line with the growth in headline earnings. Of this total incentive, 56% will be deferred for up to 3.5 years. Total reward for the CEs, including fixed remuneration, short-term incentive and long-term incentive is therefore up 3.33% on the previous year.

Arno Daehnke was appointed as group financial director on 1 May 2016 having previously headed up treasury and capital management for the group. His remuneration is being reported for the first time and the committee considered his achievements and the complexity of his role in comparison to the market in arriving at his total remuneration, which is detailed in this report.

In relation to the business heads, CIB under the astute leadership of David Munro delivered a very strong set of results. Headline earnings grew by 16% year-on-year. The credit loss ratio was 0.30%, an excellent result in a very challenging credit environment. The cost-to-income ratio fell further to 53.2% despite continued investment in strategic IT projects and ROE rose to 20%, up from 18% in the prior period. Based on these results, the committee awarded David a 9.6% increase in short-term incentive of which 55% is deferred for up to 3.5 years. His total remuneration grew by 6.9%.

In PBB, Peter Schlebusch continued to grow the business by expansion into the Africa Regions, where headline earnings grew at 66%, and Standard Bank International, where headline earnings increased by 21%. The credit loss ratio for PBB fell to 1.25%, an excellent result in a difficult credit environment. The cost-to-income ratio fell further to 60.2% despite continued high levels of investment in the Africa Regions and IT. ROE increased to 18.7%, up from 18.2% in 2015. PBB headline earnings grew by 12%.

The IT investment to change the face of the PBB business is progressing well under Peter's leadership. This transformation is strategically critical and will position PBB at the forefront of banks in Africa as a digital leader. The committee awarded Peter an 8.7% increase in short-term incentive of which 55% is deferred for up to 3.5 years. His total remuneration grew by 6.1%.

The committee judged both these performances to be excellent.

Remuneration changes

During 2016, the committee sought feedback from key shareholders on the remuneration arrangements for the CEs and group executives. The committee also sought independent external benchmarking for the top 100 executives. This feedback was used to ensure our executive remuneration was appropriate to drive superior long-term performance for the group's key stakeholders, being shareholders, clients, our employees and the communities in which we work, and to reinforce our strategic vision and values.

On the basis of the feedback received the board has approved the following changes for 2017:

The minimum shareholding requirement has been adjusted to a multiple of fixed remuneration in order to simplify the calculation and reduce volatility in line with market practice.

The committee has agreed to cash settlement of mandatory deferrals for a discreet group of executives to fall in line with market practice. The deferral will remain linked to the group's share price during the deferral period.

Your committee believes a rigorous and challenging process has been established to judge appropriate rewards for our most senior executives. The environment in which your group operates is extremely challenging and volatile and it takes superior, hardworking, intelligent leaders to deliver results that shareholders will value.

More detail on the senior executive remuneration is contained in the remuneration report which I invite you to review.

Yours sincerely,

Peter Sullivan
Chairman, Remco

Remuneration policy

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

AIR

Our human capital report, in the 2016 annual integrated report, describes how we develop and retain our people.

Four key objectives guide our remuneration policy

1 We measure and reward for value delivered and adjust for risk assumed.

2 We aim to be competitive in remuneration in the global marketplace for skills.

3 We reward our people fairly while avoiding a bonus-centric culture that distorts motivations and may encourage excessive and irresponsible risk taking.

4 We promote and reward teamwork.

Principles that underpin our remuneration policy

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

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

Remuneration structure

TOTAL REWARD

Fixed remuneration

Base salary and benefits

Salary level based on function experience and market pay levels.

Variable remuneration

Annual cash reward

Annual deferred reward

Long-term incentive award

Variable remuneration awards are discretionary based on group, business unit and individual performance.

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

Fixed remuneration

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

ELEMENTS OF FIXED REMUNERATION

ELEMENT	PURPOSE	DETAIL
Base salary	To attract and retain employees.	We seek to remain competitive relative to our peers in the remuneration we offer. Our annual base salary review takes into account available market data, as well as individual and business unit performance. Increases take effect on 1 March each year.
Compulsory benefits	To encourage retirement savings[1] and to cater for unforeseen life events.	Pension and disability plans, death cover[2] and medical insurance take into account in-country practices and requirements[3].
Optional benefits	To enhance the package available to employees.	These benefits (for example, car allowances) vary and take into account local 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 incentive awards, annual deferred awards and long-term incentive awards. All variable remuneration awards are discretionary. Incentive pools are made available for major business units and corporate functions.

ELEMENT	PURPOSE	DETAIL
Annual incentive award comprising: • Annual cash award • Annual deferred award.	To incentivise the delivery of our objectives, balancing short-term performance and risk taking with sustainable value creation for shareholders.	Individual awards are based on a combination of group, business unit and individual performance (utilising both financial and non-financial metrics over a multi-year period) and include effective risk management and compliance criteria. Awards above R1 million (or local equivalent) are subject to deferral. See **page 54** for details.
Long-term incentive award	To incentivise key senior executives and critical mid-level management to base their decision making on the group's long-term interests.	Awards for senior executives take into account the importance of long-term performance and are fully conditional. See **page 73** for details on 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 predetermined 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 corporate functions are reviewed by the CEs and discussed by a formal internal review committee. Remco then considers, adjusts and approves these pools.

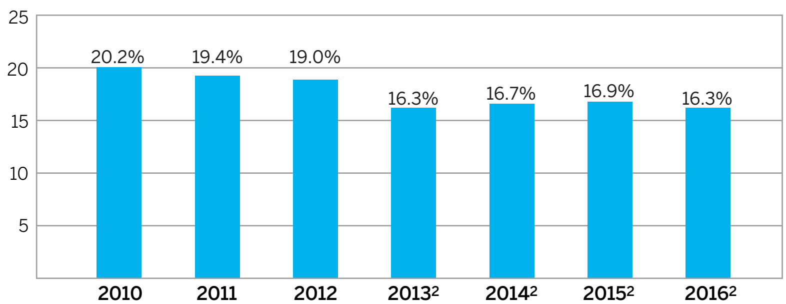
Individual performance and the individual variable pay outcome is determined by:

- 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 2016 financial and risk-adjusted performance and delivery against board-approved strategy, Remco approved an increase to the total group incentive pool for the group's banking operations of 11.9%. The profits, before minorities, tax and incentives in banking operations (relevant profit metric to compare changes in incentive pools) increased by 12.6%. The ratio of the variable pool to profits before tax and incentives over time is set out below.

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

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



1 Profit before tax excludes headline adjustable items.
2 2013 to 2016 represent continuing operations' bonus pool only.
* 2010 to 2014 presented on a normalised basis. Refer to **www.standardbank.com/reporting** for further details.

Deferral schemes

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

Refer to forfeiture, as detailed on **page 59**.

The deferral rates in March 2017 have been maintained at the same level as 2016.

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 International and Africa Regions. Remco reviews the deferral threshold, rates and vesting periods annually.

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

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

The deferral levels were increased in March 2012 for the 2011 performance year and have been maintained for the 2016 performance year at a maximum marginal rate of 50%.

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

The release of deferred incentive awards made from March 2017 under the DBS for employees in South Africa, the Africa Regions and now Standard Bank International is illustrated below.

Performance period	Deferral period			
2016	2017	2018	2019	2020
	March award	September first vesting date: 33.3% and notional dividends	September second vesting date: 33.3% and notional dividends	September third vesting date: 33.3% and notional dividends

HOW DBS IS DEFERRED

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 • Over R1 million deferred at 30%	• Cash to R1 million • R1 million to R3 million deferred at 30% • Over R3 million deferred at 40%	• 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%

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

Equity growth scheme

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

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

Long-term incentive plans

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

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.

Going forward, a new share appreciation rights scheme plan (SARP) will be introduced to replace EGS in South Africa and the group share incentive scheme (GSIS) outside South Africa.

The plan will operate on a share purchase basis to remove the complexity of share issue and share buyback requirements under EGS. The new plan will also be able to operate across all the geographies within which the bank operates. Executives with DBS awarded over R1 million will be able to choose to defer their awards in the new plan with effect from March 2017.

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 GSIS for non-South African operations.

Participants in the PRP were not granted awards under any of the other existing conditional plans in March 2016. The first awards with respect to future performance years under the PRP were made in March 2014. The PRP pool and individual recommendations are determined annually by Remco.

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

Details of the PRP are provided in the table below:

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

Performance conditions for long-term incentive awards

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

If achievement of the metrics results in vesting, the PRP award is settled in shares to the employee on the applicable vesting dates together with notional dividends that are settled in cash. The shares that vest (if any) and that are delivered to the employee are fully conditional on the performance metrics. The metrics for the March 2017 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 2017 award but the vesting thresholds have been altered by Remco in response to shareholder feedback and taking into account group strategy and targets.

AIR

For an explanation of how the group measures its strategic progress both in terms of headline earnings and ROE, refer to the 2016 annual integrated report.

Metrics and vesting thresholds for March 2017 awards measured over the three years ended 31 December 2019

AVERAGE GROWTH IN HEPS[1]

Vesting percentage

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

ROE IMPROVEMENTS

For each 0.1% increase in average ROE over the performance period above 15.5% up to 16% average ROE, 7.5% of the ROE-related conditional units awarded vest.

For each 0.1% increase in average ROE over the performance period above 16% average ROE, up to 16.5% average ROE, 10% of the ROE-related conditional units awarded vest.

For each 0.1% increase in average ROE above 16.5%, 15% of the ROE-related conditional units awarded vest.

Maximum vesting at 200% of initial ROE-related conditional units awarded.

Performance reward plan targets currently open

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

- In terms of average growth in HEPS[2] for each 1% above zero to average CPI, 8% of the conditionally allocated units will vest.
- For each 1% above average CPI up to average CPI plus 5%, 10% of conditionally allocated units will vest. For each 1% above average CPI plus 5%, 15% of conditionally allocated units will vest. Maximum vesting at 200% of initial HEPS-related conditional units awarded.
- In terms of the ROE metric, for each 0.1% increase in average ROE over the performance period above a threshold (14.1% for the March 2014 awards), 8% of the ROE-related conditional units awarded vest. Maximum vesting at 200% of initial ROE-related conditional units awarded.
- Out of a possible 200%, 68.37% of the units met the performance condition and will vest on 31 March 2017. Further disclosure is provided in the group's risk and capital management report and annual financial statements.

1 The average HEPS growth is relative to a HEPS base of 1 440,1 cents. All references to average growth refer to the simple average of the growth rates in HEPS for each of the years within the three-year period.

2 The average HEPS growth is relative to a HEPS base of 1 084,2 cents (restated to be on an IFRS basis). All references to average growth refer to the simple average of the growth rates in HEPS for each of the years within the three-year period.

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

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

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

- In terms of average growth in HEPS[4], below 8% average growth in HEPS, no conditionally allocated units will vest. Once 8% average growth in HEPS is achieved, 20% of conditionally allocated units will vest. For each 1% of average growth in HEPS in excess of 8% up to 11% average growth, 20% of conditionally allocated units will vest. For each 1% average growth in HEPS in excess of 11%, 30% of conditionally allocated units will vest. Maximum vesting at 200% of the initial HEPS-related conditional units awarded.
- In terms of the ROE metric, for each 0.1% increase in average ROE over the performance period above 15% up to 15.5% average ROE, 7.5% of the ROE-related conditional units awarded vest. For each 0.1% increase in average ROE over the performance period above 15.5% up to 16% average ROE, 16% of the ROE-related conditional units awarded vest. For each 0.1% increase in average ROE over the performance period above 16%, 15% of the ROE-related conditional units awarded will vest. Maximum vesting at 200% of the initial ROE-related conditional units awarded.

[3] The average HEPS growth is relative to a *pro forma* continuing operations HEPS base of 1 223,2 cents (restated to be on an IFRS basis). All references to average growth refer to the simple average of the growth rates in HEPS for each of the years within the three-year period.

[4] The average HEPS growth is relative to a HEPS base of 1 388,9 cents (restated to be on an IFRS basis). All references to average growth refer to the simple average of the growth rates in HEPS for each of the years within the three-year period.

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

Awards issued from March 2008 to 2013 in the EGS require that rights will not vest in the year in which they were to have vested unless real growth in group normalised HEPS over the vesting period of these rights is achieved on a compound annual growth basis. The table below provides the vesting outcome of each conditional EGS tranche.

AWARD YEAR	CATEGORY A	CATEGORY B
March 2010	Tranches vested for vesting years 2012, 2013 and 2014.	Tranches vested for 2014, 2015 and 2016.
March 2011	Tranches vested for vesting years 2013, 2014 and 2015.	Tranches vested for 2015 and 2016. Last tranche still unvested and subject to performance conditions 2017.
March 2012	Tranches vested for vesting years 2014, 2015 and 2016.	None awarded.
March 2013 (category E)	Tranches vested for vesting years 2015 and 2016. Last tranches still unvested and subject to performance conditions 2017.	None awarded.

Minimum shareholding requirement

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

The chief executives are subject to a multiple of three times fixed remuneration and other executive directors and prescribed officers are subject to a multiple of two times fixed remuneration. Remco changed the minimum shareholding requirement as multiple of fixed remuneration in November 2016 in order to remove the volatility of averaging total reward over a three-year period and to give the executives certainty as to the target required. This change is in line with market requirements for South Africa.

The CEs, group financial director and CE CIB have all met the minimum shareholding requirement. The CE PBB will meet the minimum shareholding in future, as and when unvested awards vest. Where the required shareholding falls short, the full after tax value of senior executives' deferral under all share schemes that vest is applied in acquiring additional shares until the required shareholding is in place. This provision applies to incentive awards granted from March 2012, or from when the senior executive becomes a prescribed officer or executive director. Remco monitors these shareholdings annually.

Refer to **pages 68** to **70** for the director remuneration tables.

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 risk compliance and capital management (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 the group's risk appetite, and provide a qualitative and quantitative measure that informs Remco's determination of the overall incentive pools for business units. The individual incentive awards of senior managers and executives are reviewed against these breaches and adjusted where required.

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

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

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

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

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

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

A forfeiture provision on all deferral schemes was introduced with effect from 2009 and amended in 2011. In terms of the revised forfeiture conditions, individual unvested awards of DBS, Quanto, EGS or PRP may be subject to risk adjustments after the occurrence of an actual risk event through reduction or forfeiture, in full or in part if in Remco's judgement:
- There is reasonable evidence of material error or culpability for a breach of group policy by the participant.
- The group or relevant business unit suffers a material downturn in its financial performance, for which the participant can be seen to have some responsibility.
- The group or relevant business unit suffers a material failure of risk management, for which the participant can be seen to have some responsibility.
- In Remco's discretion, any other circumstances.

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

During 2016, Remco did not implement any forfeitures.

RCM/AFS

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

Disclosure of executive directors' and prescribed officers' remuneration

Summary: our executive remuneration process

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. We drive sustained shareholder value.

1 How did we perform?

- **Business results:** significant progress in banking activities' results tempered by Liberty's financial results.
- **Risk and control:**
  - Common equity tier I capital adequacy ratio 13.9% with prudent management in current economic conditions.
  - Regulatory and economic capital within risk appetite. Credit loss ratios improved.
- **Client focus:** strengthened our franchises across the group and improved market share in several key areas and renewed focus on the client experience.
- **Leadership and people management:** filled key executive positions internally through succession planning. Significant improvement in employee engagement scores. Active participation and leadership displayed in representing South Africa at many key forums such as the World Economic Forum (WEF), International Monetary Fund (IMF) and in the CEO Initiative working with the South African government in mitigation of a potential South African sovereign rating downgrade.

2 How do we assess performance and determine pay?

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

3 How did we pay our CEs and other prescribed officers

- **CE pay level:** the board and the CEs agreed to below inflation increases of 5.6% to the CEs' fixed remuneration given the social and economic pressures in South Africa in 2016. Union increases for the lowest levels in the bank in South Africa were 8.7% while the minimum wage increased to R145 090 per annum.
- **CE annual incentives and deferred awards:**
  - The board awarded Ben Kruger R22 880 000 of which R12 790 000 (56%) is deferred for up to 3.5 years. The reasons for this are set out on page 63.
  - The board awarded Sim Tshabalala R22 880 000 of which R12 790 000 (56%) is deferred for up to 3.5 years. The reasons for this are set out on page 63.
- **CE long-term incentives:** the board awarded Ben Kruger and Sim Tshabalala a conditional PRP award with a face value at award of R12 500 000 each.
- **Prescribed officer and executive director pay levels:** set based on the overall group performance, individual business unit performance and individual performance. The reasons for each are set out on page 63.
- **CE pay mix, in total over 57% of the total remuneration is deferred in shares for up to 3.5 years as illustrated on page 63**.
- **Prescribed officer pay mix:** over 55 % of the total remuneration is deferred in shares for up to 3.5 years as illustrated below.

4 What are our pay practices?	✔ **Three remuneration elements for senior executives:** • Fixed remuneration. • Short-term incentive (STI). Annual cash incentive with an annual deferred award over 1.5, 2.5 and 3.5 years. This element is at risk.[1] • Long-term incentive (PRP) annual awards are subject to performance conditions and vests in three years if conditions are met. This element is at risk.[2] ✔ **Shareholder aligned remuneration philosophy:** drives remuneration decision making across the group. ✔ **No special executive benefits:** in terms of severance, golden parachutes or guaranteed bonus. ✔ **Strong focus on share ownership and minimum shareholding requirements.**
5 How do we address risk and control?	✔ **Strong corporate governance from the remuneration committee on executive remuneration with board oversight.** ✔ **Rigorous process to review risk and control issues:** can and has led to incentive pool and individual risk adjustments for risk breaches and risk events. ✔ **Forfeiture clauses in all our share plans/deferred awards:** can and have led to forfeiture in the past.

Why should shareholders approve our remuneration policy?

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

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

Evaluation of executive directors, and prescribed officers

A comprehensive evaluation of the CEs and prescribed officers was undertaken within the following categories:

- Financial performance
- Balance sheet structure, liquidity and funding
- Shareholder interaction
- Strategy design and execution
- Tactical effectiveness
- People, leadership, development and retention
- Clients and market share
- Technology and platform efficiency and effectiveness
- Innovation, invention and success in banking competitive advantage
- Brand strength and reputation
- Governance and risk management
- Interactions with regulators
- Relevance in the societies within which the group operates
- Unanticipated successes and failures
- Leadership behaviours as assessed against the group's values and guiding principles.

These evaluations have been summarised on the pages that follow. All data included in the evaluations are presented on an IFRS basis.

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

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

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

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

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

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. Disclosure under King IV will take place once King IV has been adopted.

Terms of employment for executive directors and prescribed officers

The notice period for the group CEs, 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 clients. No other restraints are included in contracts.

Retention agreements and payments

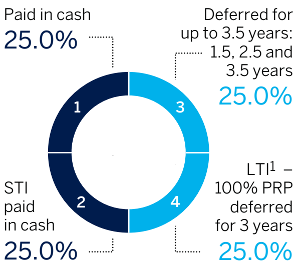
Retention agreements are only entered into in exceptional circumstances. Retention payments have to be repaid should the individual concerned leave within a stipulated period. None of the executive directors or prescribed officers are subject to a retention agreement.

GROUP CHIEF EXECUTIVE, STANDARD BANK GROUP

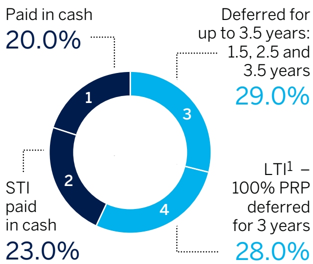
Ben Kruger and Sim Tshabalala are the group CEs, Standard Bank Group and their key achievements in 2016 and related remuneration are provided below.

BEN KRUGER AND SIM TSHABALALA PAY-FOR-PERFORMANCE

2016 target pay mix for chief executives



2016 remuneration[2]



	2016[2]
1 Fixed remuneration	R9 105 000
2 Annual cash award	R10 090 000
3 Annual deferred award	R12 790 000
4 PRP award	R12 500 000

Cash award   Deferred award

Total reward: R44 485 000

1 The PRP amount is the face value at award date and is subject to conditions.
2 For purposes of this illustration, only Ben Kruger's remuneration has been shown. Sim Tshabalala's remuneration is the same as shown above if minor differences in "other allowances" are ignored.

2016 Performance

- Ben and Sim have led the group since March 2013. During this period:
  - Africa Regions have shown strong and diversified growth with headline earnings growing at a five-year compound annual growth rate of 24%
  - Off-strategy international operations have been disposed of and good progress is being made in assisting our strategic partner ICBC to return ICBCS to profitability
  - The South African operations maintained strong market positions and momentum in earnings growth
  - The group has fully absorbed the additional capital and liquidity requirements under Basel Capital Accord (Basel) III.
- The CEs led the group strategy work streams, focusing on reinforcing our commitment to consistently deliver excellent client service, to building a universal financial services group and to ensuring that the group's resources are allocated efficiently and with agility.
- Both CEs continue to play a central role in deepening the relationship with our strategic partner ICBC and in promoting and supporting China-Africa trade and investment with ICBC.
- During 2016, they continued to manage high rates of change in industry operating models, accelerated our core banking transformation (which will be completed in 2017) and managed the ever-growing risk of external cyber fraud with success except for the Japan fraud incident.
- Ben and Sim became increasingly engaged with Liberty's board and management to ensure a speedy return to improved financial performance and strategic positioning.
- They were closely involved in the successful efforts to prevent a South African sovereign rating downgrade debt and in the broader Government-Business-Labour initiative to achieve necessary structural reforms to the South African economy and to assist in strengthening South Africa's institutions.
- Both CEs continued to place a very high priority on transformation, and ensured that the group played a key role in economic transformation in South Africa. The group was also ranked fifth in the 2016 Empowerdex transformation rankings.

SUMMARY OF 2016 KEY ACHIEVEMENTS

Business results

- The CEs oversaw the allocation of the group's capital, liquidity, skills and other scarce resources.
- The group's robust financial results reflect good revenue growth and cost discipline, efficient capital and risk appetite allocation across multiple jurisdictions and sectors despite difficult trading conditions.
- There were strong performances from the CIB and PBB business units in South Africa and the Africa Regions. In addition, good progress was made in the previously underperforming vehicle and asset finance division and the PBB Africa Regions.
- Liberty earnings fell by 61%.
- Headline earnings from banking operations were up by 9% to R22 062 million, and banking operations ROE increased to 16.8% from 16.3%.
- Group headline earnings of R23 009 million were up 4%, reflecting the impact of the performance of Liberty.
- Group ROE decreased to the lower end of the target range at 15.3%.
- Dividends per share were up by 16%.

Risk and control

During the year, the CEs resolved complex regulatory matters in several jurisdictions, including South Africa, Nigeria and Zambia. This included:

- Ensuring that all group and business unit liquidity and risk measures were rated as green with credit loss ratios at the lower end of through-the-cycle appetite ranges.
- Ensuring that the group complied with regulatory requirements and maintained sound relationships with all regulatory authorities in multiple jurisdictions.
- Spending a great deal of time and effort to further embed a culture of compliance and good conduct by advocating and measuring progress towards doing the right business the right way.

Client focus

During the year, the CEs undertook the following initiatives to achieve a client-focused strategy:

- Substantially responsible for the good progress made towards building the digital bank of the future as measured by systems improvement and digital application delivery.
- Led the streamlining of internal processes in order to improve service to our clients.
- Met regularly with clients in South Africa and across the continent, leading our commitment to excellent client service by example.

Leadership and people management

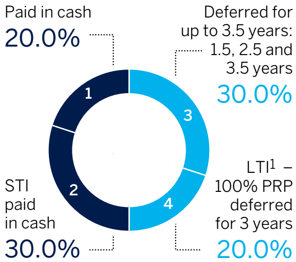
- Ben and Sim aim to live and promote the group's employee brand, traveling across Africa and meeting with leadership teams, speaking at leadership courses and conferences and launching graduate recruitment and training and development programmes. This included improved employee engagement as evidenced through internal surveys.
- They represented the bank internationally by participating in forums such as WEF, IMF/World Bank, Africa Investment Conference and US Africa Summit.
- Both CEs continued to facilitate leadership and talent development as a key differentiator and seamlessly dealt with succession in several senior roles while also improving our bench strength for the future.

CHIEF EXECUTIVE, CORPORATE & INVESTMENT BANKING

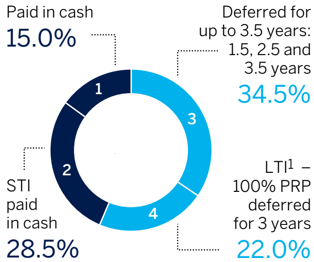
David Munro is CE, CIB and his key achievements in 2016 and related remuneration are provided below.

DAVID MUNRO PAY-FOR-PERFORMANCE

2016 target pay mix for David Munro



2016 remuneration



	2016
1 Fixed remuneration	R6 792 000
2 Annual cash award	R12 900 000
3 Annual deferred award	R15 600 000
4 PRP award	R10 000 000

Cash award   Deferred award

Total reward: R45 292 000

[1] The PRP amount is the face value at award date and is subject to conditions.

2016 Performance

- Having commenced his role in July 2011, David Munro has led CIB through a five-year strategic plan designed to return CIB to financial health, with 2016 being the fifth year of that plan.
- This plan accommodated an anticipated 50% increase in capital (Basel II and Basel III) over that timeframe.
- 2016, and the last five years generally, have been characterised by severe macroeconomic headwinds and challenging special and specific situations.
- In 2016, an ROE of 20% was delivered in excess of the effective 19% targeted in the plan.
- David is a board member of ICBCS in London which has continued to show progress in 2016 towards breakeven.
- David plays a key role in our strategic cooperation agreement with ICBC.

SUMMARY OF 2016 KEY ACHIEVEMENTS

Business results

- A strong set of financial results in 2016 characterised by:
  - ROE of 20%
  - Headline earnings growth of 16%
  - Revenues up by 12%
  - Cost growth of 7% and JAWs ratio of 5.2%
  - Cost-to-income ratio 53.2%
  - Credit loss ratio of 0.3%, at the lower end of the appetite range
  - Disciplined capital utilisation.
- Balanced performance across all business units.
- Excellent performance evident in home market, South Africa.
- Diversification across sectors and regions compensated for headwinds.
- Completion of the wind down of the real estate and principal investment management business.

Risk and control

- Continuous involvement in and monitoring of complex credit and deal decisions.
- Credit portfolio flexed to take into account continuously changing outlook for several sectors and countries.
- Leadership provided to the group on several special situations involving more complex issues.
- Improved risk and compliance reporting within CIB in the year
- Continued focus and commitment on "Doing the right business the right way".
- Time dedicated to understanding and following up all internal and external audit findings.

Client focus

- Strength of client franchise and disciplined approach to client relationships evident in client revenue growth and hallmark deals completed.
- Involved in many deals for high-profile clients in South Africa, as well as across the continent.
- Executive sponsor to several key clients, including various global multinational relationships.
- Brought to completion the ITAPS and eCommerce investment programmes focused on building digital solutions in a wholesale world.
- Continued to invest in business online as a core offering to the group's client base.
- Good progress towards opening a bank in Côte d'Ivoire.

Leadership and people management

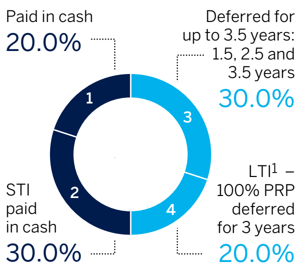
- Played a key role in the execution of the group strategy, with specific involvement in several work streams.
- Leading CIB to play its role in collaborating across the group for the benefit of clients.
- Focused efforts on continued build of the strategic dialogue and cooperation with ICBC.
- Specific focus on diversity and transformation.
- Improved employee engagement scores across CIB.
- Built brand through attendance and participation in several international events, including Africa Investment Conference, US Africa Summit, SA Tomorrow Conference and IMF/World Bank meetings.

CHIEF EXECUTIVE, PERSONAL & BUSINESS BANKING

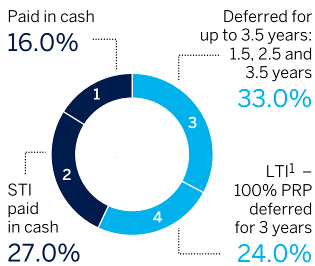
Peter Schlebusch is CE, PBB and his key achievements in 2016 and related remuneration are provided below.

PETER SCHLEBUSCH PAY-FOR-PERFORMANCE

2016 target pay mix for Peter Schlebusch



2016 remuneration



	2016
1 Fixed remuneration	R6 852 000
2 Annual cash award	R11 150 000
3 Annual deferred award	R13 850 000
4 PRP award	R10 000 000

Cash award   Deferred award

Total reward: R41 852 000

[1] The PRP amount is the face value at award date and is subject to conditions.

2016 Performance

- Peter achieved a strong set of results providing growth in headline earnings of 12% to R12.6 billion, revenue growth of 11.2% slightly outstripping cost growth of 11% and a flat cost-to-income ratio of 60.2%.
- Positive endowment impact and a solid credit performance contributed to the headline earnings growth off a high base against poor macroeconomic backdrops across the continent. Improved ROE to 18.7% from 18.2%.
- Good performance across the continent.
- Launched a number of new digital solutions and apps for customers.
- The Japan fraud incident, a uniquely sophisticated fraud. Although revenues were generated to cover losses incurred, this has been taken into account in Peter's remuneration determination and the PBB incentive pool determination.

SUMMARY OF 2016 KEY ACHIEVEMENTS

Business results

A strong set of results characterised by:
- Headline earnings growth of 12%.
- ROE of 18.7%.
- Cost-to-income ratio 60.2%.
- JAWs ratio of 0.2%.
- Cost growth of 11%.
- Revenues are up by 11.2% to R67.5 billion.
- Profit before taxation up 19% to R18.6 billion.
- PBB RoA revenues up 18% to R15.26 billion.
- Deposit growth of 9% in constant currency.

Risk and control

- Credit impairments were down slightly in South Africa to a credit loss ratio of 1.29%.
- The Japan fraud incident, a uniquely sophisticated fraud, has resulted in significant investment in fraud and cybercrime protection.
- Reinforcing a strong risk management culture and internal control disciplines.
- Ensuring adherence to risk appetite.
- Strengthened turnaround of vehicle and asset finance South Africa despite weak market.

Client focus

- New enhancements to the digital offerings, including launch of the foreign exchange mobile wallet.
- Roll out of Smart App to eight countries across the continent.
- Delivering new ways of working to simplify banking for customers.
- Focused on improving client experience in South Africa and across the continent.
- Good delivery on core banking programmes across Africa.

Leadership and people management

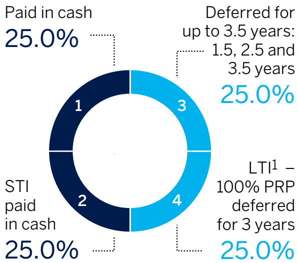
- Driving cultural change focusing on innovation, digital, ownership and execution excellence.
- Strong succession planning for all executive teams.
- Good progress on staff and leadership diversity, across racial, gender and geographies.
- Driving learning and development initiatives to build competence at all levels across all geographies.
- Collaborating across business lines to support customers and the universal bank.
- Significantly improved employee engagement scores across PBB.

GROUP FINANCIAL DIRECTOR, ARNO DAEHNKE

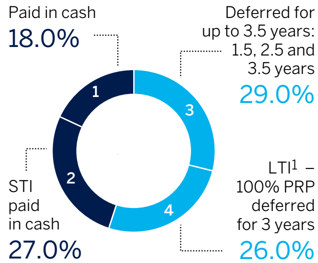
Arno Daehnke is the group financial director and his key achievements in 2016 and related remuneration are provided below.

ARNO DAEHNKE PAY-FOR-PERFORMANCE

2016 target pay mix for Arno Daehnke



2016 remuneration



	2016
1 Fixed remuneration	R5 000 000[2]
2 Annual cash award	R7 400 000
3 Annual deferred award	R8 100 000
4 PRP award	R7 000 000

Cash award   Deferred award

Total reward: R27 500 000

1 The PRP amount is the face value at award date and is subject to conditions.
2 Includes full fixed remuneration for 2016 for purposes of illustration.

2016 Performance

Arno Daehnke was appointed as group financial director on 1 May 2016 having previously headed up treasury and capital management for the group.

- He has transitioned smoothly into the role providing new thought leadership.
- He led a process to set group aspirations to 2020 and has already enhanced the planning, budgeting and metrics frameworks.
- He initiated and completed a process to de-risk the impacts of a potential South African sovereign rating downgrade.
- His input and reporting on cost management has had a positive impact on the group's results.
- He has been intricately involved in key corporate activity during 2016.

SUMMARY OF 2016 KEY ACHIEVEMENTS

Business results

- As group financial director, Arno's performance is linked to the group results.
- A robust set of results, particularly banking activities, despite the tough economic environment.
- Group headline earnings of R23 009 million up 4%.
- Banking activities headline earnings of R22 062 million up 9%.
- Revenue growth of 10% with a positive JAWs of 0.3%.
- Disciplined cost control resulted in operating expenses, excluding staff costs, growth of 8%.
- Group ROE of 15.3% (2015: 15.6%).
- Banking activities ROE of 16.8% (2015: 16.3%).
- Tempered by below budget performance of Liberty.

Risk and control

- Maintained sound balance sheets across the group's banking entities.
- Maintained appropriate levels of capital and liquidity.
- Active participation at risk and credit committees.
- Management of group tax risk.
- Achieved material compliance with and embedding of the BCBS 239 principles for effective risk data aggregation and risk reporting.

Client focus

- Designed and implemented a new financial planning process focused on the long-term.
- Set and cascaded group aspirations to 2020.
- Maintained high quality of internal and external reporting.
- Maintained group financial controls at the required standards.
- Enhanced planning, budgeting and metrics frameworks.
- Improved cost focus and reporting.
- Finalised several corporate deals.
- Delivered finance strategy map focused on external client.
- Appropriate capital and liquidity raising for clients.

Leadership and people management

- Appointed people into key executive roles in finance.
- Improved the finance operating model for the group.
- Senior finance talent pipeline and succession plans developed.
- Dealing with shareholders, analysts and regulators.
- Improved employee engagement scores in finance.

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

R'000 Executive directors	2011	2012	2013	2014	2015	**2016**
BJ Kruger*						
Cash package paid during the year	5 268	6 014	6 559	7 352	7 538	**7 809**
Retirement contributions paid during the year	858	963	1 088	1 209	1 076	**1 106**
Other allowances	143	132	315	199	171	**190**
Subtotal	6 269	7 109	7 962	8 760	8 785	**9 105**
Performance-related incentive in respect of the year[1]	9 506	5 900	9 400	5 275	10 150	**10 090**
Portion of performance-related incentive deferred in share awards[2]	9 763	5 100	11 100	4 975	11 850	**12 790**
Subtotal	19 269	11 000	20 500	10 250	22 000	**22 880**
Total reward (excluding EGS/PRP)	25 538	18 109	28 462	19 010	30 785	**31 985**
Face value of conditional EGS/PRP awarded	2 500	2 000	12 500	10 000	12 500	**12 500**
Total reward including EGS/PRP	28 038	20 109	40 962	29 010	43 285	**44 485**
SK Tshabalala*						
Cash package paid during the year	4 713	5 098	6 384	7 378	7 583	**7 850**
Retirement contributions paid during the year	454	482	990	1 248	1 129	**1 106**
Other allowances	227	270	274	277	277	**242**
Subtotal	5 394	5 850	7 648	8 903	8 989	**9 198**
Performance-related incentive in respect of the year[1]	8 200	8 250	9 400	7 337	10 150	**10 090**
Portion of performance-related incentive deferred in share awards[2]	7 900	7 450	11 100	8 038	11 850	**12 790**
Subtotal	16 100	15 700	20 500	15 375	22 000	**22 880**
Total reward (excluding EGS/PRP)	21 494	21 550	28 148	24 278	30 989	**32 078**
Face value of conditional EGS/PRP awarded	2 500	2 500	12 500	10 000	12 500	**12 500**
Total reward including EGS/PRP	23 994	24 050	40 648	34 278	43 489	**44 578**

Refer to footnotes on page 70.

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS continued

R'000 Executive directors	2011	2012	2013	2014	2015	2016
A Daehnke*						
Cash package paid during the year						**2 986**
Retirement contributions paid during the year						**375**
Other allowances						**2**
Subtotal						**3 363**[3]
Performance-related incentive in respect of the year[1]						**7 400**
Portion of performance-related incentive deferred in share awards[2]						**8 100**
Subtotal						**15 500**
Total reward (excluding PRP)						**18 863**
Face value of PRP awarded						**7 000**
Total reward including PRP						**25 863**
DC Munro*						
Cash package paid during the year			4 596	5 355	5 609	**5 802**
Retirement contributions paid during the year			641	710	774	**847**
Other allowances			200	254	202	**143**
Subtotal			5 437	6 319	6 585	**6 792**
Performance-related incentive in respect of the year[1]			15 150	5 650	12 150	**12 900**
Portion of performance-related incentive deferred in share awards[2]			14 850	5 850	13 850	**15 600**
Subtotal			30 000	11 500	26 000	**28 500**
Total reward (excluding PRP)			35 437	17 819	32 585	**35 292**
Face value of PRP awarded			10 000	14 000	10 000	**10 000**
Total reward including PRP			45 437	31 819	42 585	**45 292**
PL Schlebusch*						
Cash package paid during the year			4 476	5 342	5 594	**5 834**
Retirement contributions paid during the year			595	709	755	**812**
Other allowances			199	206	230	**206**
Subtotal			5 270	6 257	6 579	**6 852**
Performance-related incentive in respect of the year[1]			10 150	8 650	10 650	**11 150**
Portion of performance-related incentive deferred in share awards[2]			10 850	8 650	12 350	**13 850**
Subtotal			21 000	17 300	23 000	**25 000**
Total reward (excluding PRP)			26 270	23 557	29 579	**31 852**
Face value of PRP awarded			10 000	10 000	10 000	**10 000**
Total reward including PRP			36 270	33 557	39 579	**41 852**

Refer to footnotes on page 70.

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

R'000 Former executive director	2011	2012	2013	2014	2015	**2016**
SP Ridley**						
Cash package paid during the year	4 087	4 617	4 900	5 328	5 532	**1 963**
Retirement contributions paid during the year	514	572	624	692	677	**154**
Other allowances	212	246	286	289	271	**99**
Subtotal	4 813	5 435	5 810	6 309	6 480	**2 216**
Performance-related incentive in respect of the year[1]	5 881	5 500	6 150	5 150	6 650	**5 000**
Portion of performance-related incentive deferred in share awards[2]	5 600	4 700	7 850	6 850	8 350	
Subtotal	11 481	10 200	14 000	12 000	15 000	**5 000**
Total reward (excluding EGS/PRP)	16 294	15 635	19 810	18 309	21 480	**7 216**
Face value of conditional EGS/PRP awarded	1 500	1 500	8 000	8 000		
Total reward including EGS/PRP	17 794	17 135	27 810	26 309	21 480	**7 216**
Totals for all executive directors and prescribed officers						
Fixed remuneration			32 127	36 548	37 418	**37 526**
Annual incentive award including portion deferred in share awards			106 000	66 425	108 000	**119 760**
Face value of PRP award			53 000	52 000	45 000	**52 000**
			191 127	154 973	190 418	**209 286**

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 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 SARP (previously EGS), rather than the default DBS. To the extent that SARP is selected, a 10% premium of the value of the award is added. Deferred bonus amounts not invested in SARP will be unitised with respect to the group's closing share price on the date on which the group's year end financial results are communicated publicly. The elections and the number of units have, for the 2012 to 2015 performance years, been included in the table commencing on page 72, with the elections relating to the 2016 performance year to be disclosed in the group's 2017 annual integrated report and governance and remuneration report.

3 A Daehnke was appointed as the group financial director on 1 May 2016. His fixed remuneration is shown from that date.

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

** SP Ridley retired on 30 April 2016 and was a prescribed officer of the group until that date.

Executive directors' and prescribed officers' long-term incentives

Share incentives and share-based deferred awards not yet delivered

Standard Bank equity growth scheme (EGS)	EGS allocates participation rights to participate in the future growth of the Standard Bank Group 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.
Deferred bonus scheme (DBS)	Employees are awarded a deferred bonus, as a mandatory deferral of their short-term incentive or as discretionary award, into DBS. The deferred bonus is unitised into a number of units with respect to the group's share price on the date of award. The shares are delivered to the employee on the vesting date. Notional dividends on the units are paid to the employees on the vesting date.
Performance reward plan (PRP)	The group's PRP is an equity-settled share scheme with a three-year vesting period which is in effect from March 2014, designed to incentivise the group's senior executives, whose roles enable them to contribute to and influence the group's long-term decision making and performance results. The PRP seeks to promote the achievement of the group's strategic long-term objectives and to align the interests of those executives with overall group performance in both headline earnings growth and ROE. These are the most important financial metrics to create shareholder value and, therefore aligns the interests of management and shareholders. The awards are subject to the achievement of performance conditions set at award date and that determine the number of shares that ultimately vest. The awards will only vest in future in terms of the rules of the PRP. The shares, subject to meeting the pre-specified conditions, are delivered to the employee on vesting date. Notional dividends accrue during the vesting period and will be payable on vesting date.

SHARE INCENTIVES AND SHARE-BASED DEFERRED AWARDS NOT YET DELIVERED

	Performance year	Awards 1 January 2016	Issue date	Award price (R)	Vesting category	Expiry date/final vesting date	Awards made
SK Tshabalala[2]	**Equity growth scheme**						
	2005	22 500	2006/03/10	79.50	A	2016/03/10	
	2005	22 500	2006/03/10	79.50	B	2016/03/10	
	2006	25 000	2007/03/07	98.00	A	2017/03/07	
	2006	25 000	2007/03/07	98.00	B	2017/03/07	
	2007	100 000	2008/03/06	92.00	B	2018/03/06	
	2008	37 500[1]	2009/03/06	62.39	B	2019/03/06	
	2009	62 500[1]	2010/03/05	111.94	A	2020/03/05	
	2009	62 500[1]	2010/03/05	111.94	B	2020/03/05	
	2010	100 000[1]	2011/03/04	98.80	A	2021/03/04	
	2010	100 000[1]	2011/03/04	98.80	B	2021/03/04	
	2011	61 471[1]	2012/03/08	108.90	A	2022/03/08	
	2011	212 834	2012/03/08	108.90	D	2022/03/08	
	2012	70 742[1]	2013/03/07	115.51	E	2023/03/07	
	2012	231 367	2013/03/07	115.51	D	2023/03/07	
	Performance reward plan						
	2013	98 500	2014/03/06	126.87		2017/03/31	
	2014	63 700	2015/03/05	156.96		2018/03/31	
	2015	102 300	2016/03/03	122.24		2019/03/31	
	2016						85 400[3]
	Deferred bonus schemes						
	2013	58 328	2014/03/06[7]	126.87		2017/09/30	
	2014	51 208	2015/03/05[7]	156.96		2018/09/30	
	2015						96 941
	2016						82 014[8]
BJ Kruger	**Equity growth scheme**						
	2008	50 000[1]	2009/03/06	62.39	B	2019/03/06	
	2009	100 000[1]	2010/03/05	111.94	A	2020/03/05	
	2009	100 000[1]	2010/03/05	111.94	B	2020/03/05	
	2010	100 000[1]	2011/03/04	98.80	A	2021/03/04	
	2010	100 000[1]	2011/03/04	98.80	B	2021/03/04	
	2011	61 471[1]	2012/03/08	108.90	A	2022/03/08	
	2012	56 594[1]	2013/03/07	115.51	E	2023/03/07	
	2013	316 322	2014/03/06	126.87	D	2024/03/06	
	Performance reward plan						
	2013	98 500	2014/03/06	126.87		2017/03/31	
	2014	63 700	2015/03/05	156.96		2018/03/31	
	2015	102 300	2016/03/03	122.24		2019/03/31	
	2016						85 400[3]
	Deferred bonus schemes						
	2012	14 719	2013/03/07[7]	115.51		2016/09/30	
	2014	31 696	2015/03/05[7]	156.96		2018/09/30	
	2015						96 941
	2016						82 014[8]

Refer to footnotes on page 78.

Issue date	Award price (R)	Expiry date/final vesting date	Number of awards exercised during the year	Number of awards forfeited during the year	Share price (R)	Value of awards exercised or forfeited (R)	Balance of awards 31 December 2016[5]
			22 500		115.00	798 750	
			22 500		115.00	798 750	
			25 000		145.00	1 175 000	
			25 000		145.00	1 175 000	
							100 000
							37 500
							62 500
							62 500
							100 000
							100 000
							61 471
							212 834
							70 742
							231 367
				(31 156)	126.87	(3 952 762)[4]	67 344[6]
							63 700
							102 300
2017/03/02							
			29 164		146.08	4 260 277	29 164
			17 069		146.08	2 493 440	34 139
2016/03/03[7]	122.24	2019/09/30					96 941
2017/03/02							
			50 000		145.00	4 130 500	
			100 000		154.10	4 216 000	
							100 000
			100 000		154.10	5 530 000	
			50 000		154.10	2 765 000	50 000
							61 471
							56 594
							316 322
				(31 156)	126.87	(3 952 762)[4]	67 344[6]
							63 700
							102 300
2017/03/02							
			14 719		146.08	2 150 152	
			10 565		146.08	1 543 335	21 131
2016/03/03[7]	122.24	2019/09/30					96 941
2017/03/02							

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

	Performance year	Awards 1 January 2016	Issue date	Award price (R)	Vesting category	Expiry date/final vesting date	Awards made
A Daehnke	**Equity growth scheme**						
	2005	3 750	2006/03/10	79.50	A	2016/03/10	
	2005	3 750	2006/03/10	79.50	B	2016/03/10	
	2006	4 100	2007/03/07	98.00	A	2017/03/07	
	2006	4 100	2007/03/07	98.00	B	2017/03/07	
	2007	7 500	2008/03/06	92.00	A	2018/03/06	
	2007	27 500	2008/03/06	92.00	B	2018/03/06	
	2008	12 500[1]	2009/03/06	62.39	A	2019/03/06	
	2008	12 500	2009/03/06	62.39	B	2019/03/06	
	2009	12 500	2010/03/05	111.94	A	2020/03/05	
	2009	12 500[1]	2010/03/05	111.94	B	2020/03/05	
	2010	12 500[1]	2011/03/04	98.80	A	2021/03/04	
	2010	12 500[1]	2011/03/04	98.80	B	2021/03/04	
	2013	68 750	2014/03/06	126.87	D	2024/03/06	
	Performance reward plan						
	2013	47 300	2014/03/06	126.87		2017/03/31	
	2014	38 200	2015/03/05	156.96		2018/03/31	
	2015	57 300	2016/03/03	122.24		2019/03/31	
	2016						47 800[3]
	Deferred bonus schemes						
	2012	11 544	2013/03/07[7]	115.51		2016/09/30	
	2013	12 678	2014/03/06[7]	126.87		2017/09/30	
	2014	34 404	2015/03/05[7]	156.96		2018/09/30	
	2015						50 864
	2016						51 940[8]
DC Munro	**Equity growth scheme**						
	2005	175 000	2006/03/10	79.50	B	2016/03/10	
	2006	23 750	2007/03/07	98.00	A	2017/03/07	
	2006	23 750	2007/03/07	98.00	B	2017/03/07	
	2007	50 000	2008/03/06	92.00	B	2018/03/06	
	2008	25 000[1]	2009/03/06	62.39	B	2019/03/06	
	2009	50 000	2010/03/05	111.94	A	2020/03/05	
	2009	50 000	2010/03/05	111.94	B	2020/03/05	
	2010	50 000[1]	2011/03/04	98.80	A	2021/03/04	
	2010	50 000[1]	2011/03/04	98.80	B	2021/03/04	
	2011	61 471[1]	2012/03/08	108.90	A	2022/03/08	
	2012	60 948	2013/03/07	115.51	D	2023/03/07	
	2012	70 742[1]	2013/03/07	115.51	E	2023/03/07	
	2013	105 797	2014/03/06	126.87	D	2024/03/06	
	Performance reward plan						
	2013	78 800	2014/03/06	126.87		2017/03/31	
	2014	89 200	2015/03/05	156.96		2018/03/31	
	2015	81 800	2016/03/03	122.24		2019/03/31	
	2016						68 300[3]
	Deferred bonus schemes						
	2012	16 990	2013/03/07[7]	115.51		2016/09/30	
	2013	58 525	2014/03/06[7]	126.87		2017/09/30	
	2014	37 271	2015/03/05[7]	156.96		2018/09/30	
	2015						113 302
	2016						100 033

Refer to footnotes on page 78.

Issue date	Award price (R)	Expiry date/final vesting date	Number of awards exercised during the year	Number of awards forfeited during the year	Share price (R)	Value of awards exercised or forfeited (R)	Balance of awards 31 December 2016[5]
			3 750		125.16	171 225	
			3 750		125.16	171 225	
							4 100
							4 100
							7 500
							27 500
							12 500
							12 500
							12 500
							12 500
							12 500
							12 500
							68 750
				(14 961)	126.87	(1 898 102)[4]	32 339[6]
							38 200
							57 300
2017/03/02							
			11 544		146.08	1 686 348	
			6 338		146.08	925 855	6 340
			11 468		146.08	1 675 245	22 936
2016/03/03[7]	122.24	2019/09/30					50 864
2017/03/02							
			175 000		122.24	7 479 500	
			23 750		153.00	1 306 250	
			23 750		147.60	1 178 000	
							50 000
							25 000
							50 000
							50 000
							50 000
							50 000
							61 471
							60 948
							70 742
							105 797
				(24 924)	126.87	(3 162 108)[4]	53 876[6]
							89 200
							81 800
2017/03/02							
			16 990		146.08	2 481 899	
			29 262		146.08	4 274 593	29 263
			12 423		146.08	1 814 752	24 848
2016/03/03[7]	122.24	2019/09/30					113 302
2017/03/02							

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

	Performance year	Awards 1 January 2016	Issue date	Award price (R)	Vesting category	Expiry date/final vesting date	Awards made
PL Schlebusch	**Equity growth scheme**						
	2008	12 500	2009/03/06	62.39	B	2019/03/06	
	2009	25 000	2010/03/05	111.94	B	2020/03/05	
	2010	12 500[1]	2011/03/04	98.80	A	2021/03/04	
	2010	50 000[1]	2011/03/04	98.80	B	2021/03/04	
	2011	18 442[1]	2012/03/08	108.90	A	2022/03/08	
	2012	56 594[1]	2013/03/07	115.51	E	2023/03/07	
	Performance reward plan						
	2013	78 800	2014/03/06	126.87		2017/03/31	
	2014	63 700	2015/03/05	156.96		2018/03/31	
	2015	81 800	2016/03/03	122.24		2019/03/31	
	2016						68 300[3]
	Deferred bonus schemes						
	2012	17 964	2013/03/07[7]	115.51		2016/09/30	
	2013	57 014	2014/03/06[7]	126.87		2017/09/30	
	2014	55 110	2015/03/05[7]	156.96		2018/09/30	
	2015						101 031
	2016						88 811[8]

Non-executive director

	Performance year	Issue date	Award price	Vesting category	Expiry date/final vesting date	Awards made
JH Maree	**Equity growth scheme**					
	2008	2009/03/06	62.39	B	2019/03/06	
	2009	2010/03/05	111.94	A	2020/03/05	
	2011	2012/03/08	108.90	A	2022/03/08	
	2012	2013/03/07	115.51	E	2023/03/07	
	2014	2015/03/05	156.96	D	2025/03/05	
	Deferred bonus schemes					
	2013	2014/03/06	126.87		2017/09/30	

Refer to footnotes on page 78.

Issue date	Award price (R)	Expiry date/final vesting date	Number of awards exercised during the year	Number of awards forfeited during the year	Share price (R)	Value of awards exercised or forfeited (R)	Balance of awards 31 December 2016[5]
			12 500		153.00	1 132 625	
			12 500		153.00	513 250	12 500
			12 500		153.00	677 500	
			25 000		153.00	1 355 000	25 000
							18 442
							56 594
				(24 924)	126.87	(3 162 108)[4]	53 876[6]
							63 700
							81 800
2017/03/02							
			17 964		146.08	2 624 181	
			28 507		146.08	4 164 303	28 507
			18 370		146.08	2 683 490	36 740
2016/03/03[7]	122.24	2019/09/30					101 031
2017/03/02							

Issue date	Award price (R)	Expiry date/final vesting date	Number of awards exercised during the year	Number of awards forfeited during the year	Share price (R)	Value of awards exercised or forfeited (R)	Balance of awards 31 December 2016[5]
							62 500[1]
							500 000[1]
							61 471[1]
							56 594[1]
							78 445
							10 354

Former prescribed officer and executive director

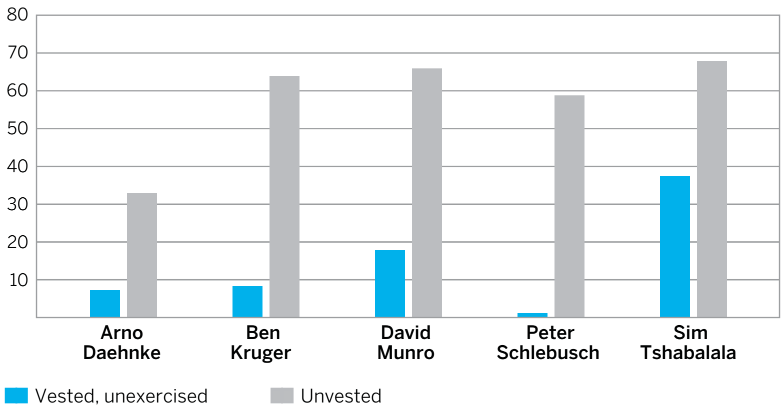
	Performance year	Awards 1 January 2016	Issue date	Award price (R)	Vesting category	Expiry date/final vesting date	Awards made
SP Ridley	**Equity growth scheme**						
	2006	15 000	2007/03/07	98.00	A	2017/03/07	
	2006	15 000	2007/03/07	98.00	B	2017/03/07	
	2008	30 000[1]	2009/03/06	62.39	B	2019/03/06	
	2009	100 000[1]	2010/03/05	111.94	A	2020/03/05	
	2010	100 000[1]	2011/03/04	98.80	A	2021/03/04	
	2010	100 000[1]	2011/03/04	98.80	B	2021/03/04	
	2011	36 883[1]	2012/03/08	108.90	A	2022/03/08	
	2012	42 445[1]	2013/03/07	115.51	E	2023/03/07	
	Performance reward plan						
	2013	63 100	2014/03/06	126.87		2017/03/31	
	2014	51 000	2015/03/05	156.96		2018/03/31	
	Deferred bonus schemes						
	2012	13 564	2013/03/07[7]	115.51		2016/09/30	
	2013	41 250	2014/03/06[7]	126.87		2017/09/30	
	2014	43 642	2015/03/05[7]	156.96		2018/09/30	
	2015						68 309

1 Conditional awards.
2 As at 31 December 2016, SK Tshabalala has a right to 418 814 (2015: 418 814) shares as a beneficiary of the Tutuwa Managers' Trusts. At 31 December 2016, the debt per share was R58.26 (2015: R56.82).
3 PRP units allocated in 2017 have been determined using the closing SBG price of R146.38 on 1 March 2017. 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 2 March 2017. The actual number of units will be updated with the group's 2017 annual financial statements.
4 PRP units have met a 68.37% conditional requirement (subject to change), and these will be delivered to participants in the 2017 financial year. As a result, 31.63% of the award is forfeited.
5 Represents the number of share incentives held as at 31 December 2016, which have been adjusted for conditional requirements.
6 The remaining PRP units that have not been forfeited will vest on 31 March 2017. The value of the award will be determined with reference to the share price at the vesting date.
7 Units are granted in DBS and vest in three equal tranches at 18, 30 and 42 months from date of award.
8 Deferred bonus amounts awarded in March 2017 are still subject to choice. Participants can elect to have the value of the deferred award, or a part thereof, invested in the SARP rather than the default DBS. To the extent that SARP is selected, a 10% premium of the value of the award is added. Deferred bonus amounts not invested in SARP will be unitised with respect to the group's closing share price on 2 March 2017. This award will be updated in the group's 2017 annual financial statements to reflect the choices made and units/rights awarded.
9 Awards disclosed are in relation to those received while participant was in the company's employment. Retired participants would in the normal course retain their holdings post retirement.

Issue date	Award price (R)	Expiry date/final vesting date	Number of awards exercised during the year	Number of awards forfeited during the year	Share price (R)	Value of awards exercised or forfeited (R)	Balance of awards 30 April 2016[5]
			15 000		131.88	508 200	
			15 000		131.88	508 200	
			30 000		131.88	2 084 700	
							100 000
							100 000
							100 000
							36 883
							42 445
							63 100
							51 000
							13 564
							41 250
							43 642
2016/03/03	122.24	2019/09/30					68 309

Executive directors' and prescribed officers' unvested and unexercised shares

Awards by employee (current rand value) (Rm)

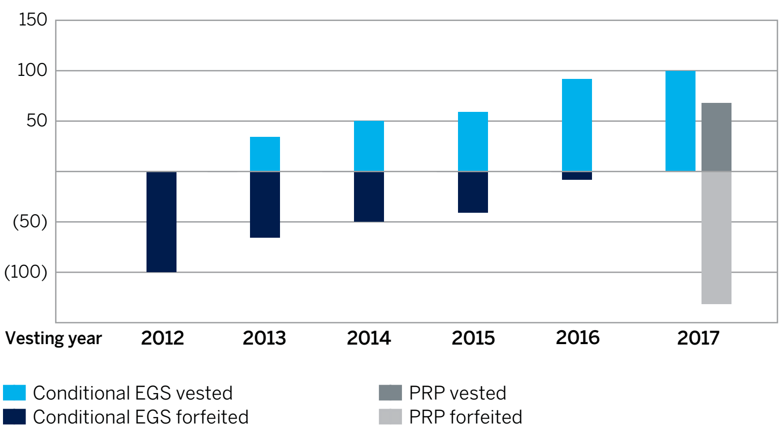


Note:
Values have been calculated on a share price of R151.75 and are based on status of awards at 31 December 2016.
Conditional unvested awards for 2015 and 2016 have been based on 100% of potential value.
Conditional unvested award for 2014 has been based on 68.37% of potential value.
Excludes awards made in March 2017.

Executive directors' and prescribed officers' actual and potential percentage vesting of conditional EGS and PRP awards from March 2012 to March 2017

Executive directors and prescribed officers have conditional EGS awards and conditional PRP awards vesting in March 2017. These awards vest through meeting certain performance conditions. The EGS awards vesting in 2017 relate to the third tranche of the March 2010 awards, the second tranche of the March 2011 awards, the third tranche of the March 2012 awards and the second tranche of the March 2013 awards where conditions were met. All the EGS awards due to vest in 2012 were forfeited due to not meeting performance conditions.

% Vesting vs. forfeiture by vesting year (%)



The first PRP awards were made in March 2014 and there were no conditional EGS awards made from that date. The vesting percentage in March 2017 is 68.3% out of a possible 200% of units allocated. Vesting will take place in March 2017 as set out in the chart alongside.

Vesting for the years 2012 to 2016 are also included for comparison.

RCM/AFS

Full details on the number and value of awards granted during the year in terms of our share-based plans are included in the Standard Bank Group 2016 Annual Financial Statements, available online.

Remco governance

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

Remco mandate

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

- Review and approve the remuneration policy and strategy in the group's long-term interests.
- Approve general principles relating to terms and conditions of employment contracts.
- Approve terms of employment contracts with the group's key employees.
- Determine remuneration for key executives and propose remuneration for non-executive directors for shareholder approval.
- Review the group chairman's assessment of the performance of the CEs as a function of setting their remuneration.
- Review the CEs' 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 CEs 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 38** for details of Remco meeting attendance.

Access to information and advisors

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

In 2016, Remco and management used a number of external advisors to benchmark remuneration and benefits across the group. External advisors also provided opinions on remuneration regulations and compliance.

Information and guidance was received from PricewaterhouseCoopers Inc. (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 2017, 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 2016, a meeting fee totalling R30.2 million was paid to 17 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 the light of the contribution of members. It remains the group's view that the contribution of directors cannot only be judged by attendance at board and committee meetings. Fees are paid quarterly in arrears, with any increased fee amount only being paid following approval by shareholders at the AGM.

Terms for non-executive directors

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

The corporate governance report on **page 21** provides a review of the independence of those directors who have served on the board for more than nine years.

Non-executive directors 2016

		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
MJD Ruck	**2016**	**248**	**870**	**2 298**		**3 416**
	2015	233	810	2 145		3 188
Adv KD Moroka	**2016**	**248**	**772**	**248**		**1 268**
	2015	233	689	233		1 155
TS Gcabashe[2]	**2016**	**5 978**			**538[1]**	**6 516**
	2015	3 446	155	119	251[1]	3 971
EM Woods	**2016**	**248**	**973**	**273**		**1 494**
	2015	233	1 043	326		1 602
RMW Dunne	**2016**	**248**	**1 208**	**248**		**1 704**
	2015	233	1 128	256		1 617
PD Sullivan	**2016**	**991**	**1 405**	**1 146**		**3 542**
	2015	939	1 131	1 171		3 241
W Wang	**2016**	**248**	**296**	**28**		**572**
	2015	233	325			558
BS Tshabalala	**2016**	**248**	**681**	**356**		**1 285**
	2015	233	438	728		1 399
AC Parker	**2016**	**248**	**401**	**372**		**1 021**
	2015	233	271	441		945
ANA Peterside CON	**2016**	**991**	**450**	**991**		**2 432**
	2015	939	252	939		2 130
S Gu	**2016**	**991**	**562**	**28**		**1 581**
	2015	939	528			1 467
JH Maree[3]	**2016**	**28**		**2 627[7]**		**2 655**
	2015					
NNA Matyumza[3]	**2016**	**28**		**28**		**56**
	2015					
Dr ML Oduor-Otieno[4]	**2016**	**991**	**293**	**991**		**2 275**
	2015					
GJ Fraser-Moleketi[3]	**2016**	**28**		**28**		**56**
	2015					
JM Vice[3]	**2016**	**28**	**237**	**28**		**293**
	2015					
GMB Kennealy[3]	**2016**	**28**		**28**		**56**
	2015					
Total	**2016**	**11 818**	**8 148**	**9 718**	**538**	**30 222**
Total	2015	7 894	6 770	6 358	251	21 273

Refer to footnotes on the next page.

Non-executive directors' emoluments – former non-executive directors 2015

		Fixed remuneration				
		Services as directors of Standard Bank Group R'000	Standard Bank Group committee R'000 fees	Services as directors of group subsidiaries R'000	Other benefits R'000	Total compensation for the year R'000
TMF Phaswana[5]	2015	2 315			151[1]	2 466
Lord Smith of Kelvin, KT[5]	2015	385	112	382		879
FA du Plessis[6]	2015	95	155	165		415
Total	2015	2 795	267	547	151	3 760

1 Use of motor vehicle and/or club subscriptions.
2 Appointed as group chairman on 28 May 2015.
3 Appointed on 21 November 2016.
4 Appointed on 1 January 2016.
5 Retired on 28 May 2015.
6 Resigned on 28 May 2015.
7 Paid from Liberty Holdings.

Regulatory disclosures

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

Specific disclosures relating to aggregate 2016 and 2015 remuneration of senior managers and material risk-takers, are set out in the tables that follow. Variable remuneration included in the tables that follow includes cash awards, the grant date value of the award for the DBS, the rand equivalent of the Quanto stock units and, with respect to the conditional PRP awards, an estimate based on the IFRS 2 *Share-Based Payments* expense as recognised in the income statement.

A total of 105 individuals, out of a population of 1 787 employees with deferred remuneration, were identified as material risk-takers in 2016 (2016: 99 out of 1 680).

MATERIAL RISK-TAKERS AND ALL EMPLOYEES WITH DEFERRED VARIABLE REMUNERATION

	Number of employees	Variable remuneration as a % of total remuneration (%)	% of variable[1] remuneration subject to deferral (%)	Deferral period (years)	% of variable remuneration in shares or share-linked instruments (%)	% of variable remuneration subject to risk adjustment (%)
2016						
A Senior executives and prescribed officers	**5**	**81.0%**	**66.7%**	**1 – 7**	**66.7%**	**66.7%**
B Other senior executives	**54**	**74.9%**	**59.7%**	**1 – 7**	**59.7%**	**59.7%**
C Other employees whose individual actions have a material impact on the risk exposure of the firm	**46**	**76.0%**	**51.5%**	**1 – 7**	**51.5%**	**51.5%**
D All other employees receiving variable remuneration that is subject to deferral	**1 682**	**50.7%**	**31.8%**	**1 – 7**	**31.8%**	**31.8%**
Total	**1 787**	**56.7%**	**40.0%**	**1 – 7**	**40.0%**	**40.0%**
2015						
A Senior executives and prescribed officers	5	79.0%	63.1%	1 – 7	63.1%	63.1%
B Other senior executives	52	73.5%	54.5%	1 – 7	54.5%	54.5%
C Other employees whose individual actions have a material impact on the risk exposure of the firm	42	74.1%	48.0%	1 – 7	48.0%	48.0%
D All other employees receiving variable remuneration that is subject to deferral	1 581	49.8%	31.3%	1 – 7	31.3%	31.3%
Total	1 680	55.4%	38.1%	1 – 7	38.1%	38.1%

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 corporate functions.
C. This group includes staff whose individual actions have a material impact on the risk exposure of the group as a whole, based on the ability to:
– commit a significant amount of the group's risk capital,
– significantly influence the group's overall liquidity position, or
– significantly influence other material risks.
D. All other employees receiving any deferred variable pay and for whom the variable pay award is linked to personal or business unit performance.
[1] Includes long-term incentive award.

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

	2016		2015	
	Number of employees	**Remuneration (Rm)**	Number of employees	Remuneration (Rm)
Fixed remuneration	**105**	**429**	99	392
Senior management[1]	**59**	**275**	57	253
Other material risk-takers	**46**	**154**	42	139
Variable remuneration	**105**	**1 357**	99	1 137
Senior management	**59**	**868**	57	740
Cash-based	**58**	**339**	57	325
Shares or share-linked instruments	**59**	**529**	57	415
Deferred remuneration[2]	**59**	**343**	57	308
Other – performance reward plan[3]	**53**	**186**	44	107
Other material risk-takers[3]	**46**	**489**	42	397
Cash-based	**45**	**237**	42	207
Shares or share-linked instruments	**46**	**252**	42	190
Deferred remuneration[2]	**46**	**214**	42	167
Other – performance reward plan[3]	**18**	**38**	13	23

1 Senior executives and prescribed officers of the group's banking operations as defined under categories A and B in the table on the previous page.
2 The value of units in the DBS and the Africa Regions DBS as at award date (in 2014 Quanto was awarded). More information on the schemes are available in annexure D of the annual financial statements, and on page 54. The Black-Scholes value at award date has been used for participation rights awarded in the EGS.
3 For PRP, estimate based on the IFRS 2 expense recognised in the income statement.

Notes:
– PRP commenced in 2014.
– Some of the material risk-takers are denominated in pound sterling and rand values reported take into account adverse foreign exchange movements.
– Deferred awards have increased in value from 2015 to 2016 due to the increase in the group's share price.

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

	2016		2015	
	Number of employees	**Remuneration (Rm)**	Number of employees	Remuneration (Rm)
Awarded during the year[1]	**105**	**557**	99	475
Senior management	**59**	**343**	57	308
Other material risk-takers	**46**	**214**	42	167
Paid during the year[2]	**103**	**517**	96	567
Senior management	**58**	**311**	55	344
Other material risk-takers	**45**	**206**	41	223
Outstanding at the end of the year[3]	**105**	**1 751**	99	1 207
Senior management	**59**	**1 091**	57	760
Other material risk-takers	**46**	**660**	42	447

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

Notes:
– Some of the material risk-takers are denominated in pound sterling and rand values reported take into account adverse foreign exchange movements.
– Deferred awards have increased in value from 2015 to 2016 due to the increase in the share price.

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

ANNUAL GRANT DATE SHARE PRICES

	Price (R)
March 2017	**155.95**
March 2016	122.24
March 2015	156.96
March 2014	126.87

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

	GBP[1]/ZAR
2016 financial year	**19.61**
2015 financial year	19.37
2014 financial year	17.91

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

EMPLOYMENT AWARDS MADE TO MATERIAL RISK-TAKERS – QUANTITATIVE ANALYSIS

	2016		2015	
	Number of employees	**Value of awards (Rm)**	Number of employees	Value of awards (Rm)
Guaranteed bonuses	**0**	**0**	2	8
Senior management	**0**	**0**	2	8
Other material risk-takers	**0**	**0**	0	0
Sign-on awards/Buy-out awards	**0**	**0**	0	0
Senior management	**0**	**0**	0	0
Other material risk-takers	**0**	**0**	0	0
Severance payments	**2**	**15**	8	76
Senior management	**1**	**12**	2	34
Other material risk-takers	**1**	**4**	6	42

The severance payments in the table above comprise:

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

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 rands. 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 54** for details of deferral of annual incentive awards.

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

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

Severance payments

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

Pro forma financial information

The following *pro forma* financial information is the responsibility of the group's directors. Due to its nature, the *pro forma* information may not be a fair reflection of the group's results. The *pro forma* financial information contained in this report has been reviewed by the group's external auditors and their unmodified review report is available for inspection at the company's registered office.

IFRS *pro forma* continuing operations' headline earnings

In the group's 2014 results, the net loss incurred by SB Plc was included in the group's income statement as a discontinued operation. On 1 February 2015 the group completed the disposal of 60% of SB Plc and has thereafter reported its retained 40% interest in SB Plc (now ICBCS) within the group's continuing operations' results. For purposes of the group's PRP, the 2014 HEPS base for the March 2015 award has now been disclosed on an IFRS *pro forma* continuing operations' basis which includes 40% of the discontinued operation's headline earnings loss as if the disposal had taken place on 1 January 2014.

Since the group retained a 40% interest in the discontinued operation following the date of disposal, and in order to illustrate the group's future continuing operations' base, the group has disclosed a *pro forma* continuing operations' result to include 40% of the discontinued operation's headline earnings result as follows:

	IFRS headline earnings – continuing operations Rm	IFRS headline earnings loss – discontinued operation Rm	IFRS *pro forma* headline earnings – continuing operations[1] Rm	IFRS *pro forma* headline earnings per share[2] cents
2014	20 882	(3 745)	19 384	1 223,2

1 IFRS *pro forma* headline earnings from continuing operations includes the group's loss resulting from its 40% shareholding of ICBCS which is computed as follows: R20 882 million - (40% x R3 745 million) = R19 384 million.

2 Based on IFRS weighted average number of shares of 1 584 719 941 shares.

Chairman's invitation to shareholders

Thulani Gcabashe

Dear Shareholder

"I extend an invitation to you to attend the 48th AGM of Standard Bank Group Limited (the company) to be held in the HP de Villiers Auditorium, Ground Floor, Standard Bank Centre, 6 Simmonds Street, Johannesburg on Friday, 26 May 2017 at 09h00."

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

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

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

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

Explanatory note on resolutions to be tabled at the AGM

The AGM will deal with the following ordinary business:

- The group's consolidated audited financial statements for the year ended 31 December 2016 (including the directors' report and the audit committee report) will be presented to shareholders. The condensed consolidated financial results are set out within annexure A on page 100 to 106 and the complete annual financial statements are available on the group's website at **www.standardbank.com/reporting** (resolution number 1)
- the company's memorandum of incorporation makes provision for the annual retirement of a certain proportion of the board of directors. The directors who retire in terms of this provision and who offer themselves for re-election have their abridged curriculum vitae included in the notice (resolution number 2)
- the reappointment of the company's joint auditors, KPMG Inc. and PricewaterhouseCoopers Inc. (resolution numbers 3.1 and 3.2)
- resolution 4 provides the directors with the ability to allot and issue ordinary shares up to a maximum of 2.5% of the ordinary shares in issue at 31 December 2016
- the directors' ability to allot and issue non-redeemable, non-cumulative, non-participating preference shares is contained in the provisions of ordinary resolution 5
- to consider and endorse, by way of a non-binding advisory vote, the company's remuneration policy (resolution number 6).

The following special resolutions will be tabled for consideration at the AGM:

- to approve the non-executive directors' fees in respect of 2017, which have been considered by the group remuneration committee and recommended by the board (resolution number 7)
- a renewal of the authority given by shareholders at the previous AGM that will allow the repurchase of the company's securities by the company or any subsidiary during the course of the year should the directors feel that the circumstances are appropriate. Any repurchases made will be in accordance with the Companies Act 71 of 2008 and the Listings Requirements of the JSE Limited (resolution number 8)
- a general authority by shareholders to permit the repurchase of the company's non-redeemable preference securities by the company or any subsidiary during the course of the year should the directors feel that the circumstances are appropriate. Any repurchases made will be in accordance with the Companies Act 71 of 2008, and the Listings Requirements of the JSE Limited (resolution number 9)
- to give the directors of the company authority to provide financial assistance to any company or corporation that is related or inter-related to the company (resolution number 10).

I look forward to welcoming you at the AGM.

Thulani Gcabashe
Chairman

1 March 2017

Notice to members

Notice is hereby given that the 48th annual general meeting (the meeting) of Standard Bank Group Limited (Standard Bank Group or SBG or the company) will be held in the HP de Villiers Auditorium, Ground Floor, Standard Bank Centre, 6 Simmonds Street, Johannesburg on Friday, 26 May 2017 at 09h00.

The record date on which members must be recorded as such in the register maintained by the transfer secretaries of the company for the purposes of being entitled to attend and vote at the meeting is Friday, 19 May 2017.

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

1. Presentation of annual financial statements

To present the annual financial statements for the year ended 31 December 2016, including the reports of the directors and the audit committee.

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

The condensed consolidated financial results are set out within Annexure A on **page 100**.

The complete annual financial statements are available on the group's website at **www.standardbank.com/reporting**

2. Re-election of directors

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

André Parker and Swazi Tshabalala have held office for three years and are, in line with the company's memorandum of incorporation, retiring by rotation. Being eligible, they offer themselves for re-election.

Geraldine Fraser-Moleketi, Gesina (Trix) Kennealy, Jacko Maree, Nomgando Matyumza and John Vice, who were appointed to the board since the previous annual general meeting, are required to retire at the annual general meeting following their appointments and are also eligible for re-election.

Having attained retirement age, Ted Woods will retire at the end of the meeting.

Geraldine Fraser-Moleketi, Gesina (Trix) Kennealy, Nomgando Matyumza, André Parker, Swazi Tshabalala and John Vice are independent non-executive directors. Jacko Maree is a non-executive director and deputy chairman. Details of the directors offering themselves for re-election are as follows:

	QUALIFICATIONS	DATE OF APPOINTMENT	DIRECTORSHIPS	COMMITTEE MEMBERSHIP
2.1 Geraldine Fraser-Moleketi (56)	Master's degree in public administration (Pretoria)	November 2016	Standard Bank Group, The Standard Bank of South Africa, The Listen Charity, Mapungubwe Institute for Strategic Reflection, ISID Advisory Board McGill University of Canada.	Group/SBSA directors' affairs, group/SBSA risk and capital management and group social and ethics committees.
2.2 Gesina (Trix) Kennealy (58)	BCom (Pretoria), BCom (Hons) (UJ), CA (SA)	November 2016	Standard Bank Group, The Standard Bank of South Africa, Accounting Standards Board (chairman), Sasol Ltd.	Group/SBSA audit, group/SBSA risk and capital management and group remuneration committees.

	QUALIFICATIONS	DATE OF APPOINTMENT	DIRECTORSHIPS	COMMITTEE MEMBERSHIP
2.3 Jacko Maree (61)	BCom (Stellenbosch), BA and MA (Politics and Economics) (Oxford University) PMD (Harvard)	November 2016	Standard Bank Group, The Standard Bank of South Africa, China Investment Corporation, Liberty Holdings (chairman), Liberty Group (chairman), Nelson Mandela Children's Hospital NPC, Phembani Group (Pty) Ltd.	SBSA large exposure credit, group model approval (chairman), group remuneration and group social and ethics committees.
2.4 Nomgando Matyumza (54)	BCompt (Hons) (Transkei), LLB (Natal), CA (SA)	November 2016	Standard Bank Group, The Standard Bank of South Africa, KwaZulu-Natal Property Development Holdings, WBHO Limited, Hulamin Limited, Sasol Ltd.	Group model approval, group remuneration and group/SBSA risk and capital management committees.
2.5 André Parker (65)	BEcon (Hons), MCom (Stellenbosch)	March 2014	Standard Bank Group, The Standard Bank of South Africa, Distell, Empresas Carozzi (Chile)	Group/SBSA directors' affairs, group remuneration, SBSA large exposure credit and group IT committees.
2.6 Swazi Tshabalala (51)	BA (Economics) (Lawrence University, USA), MBA (Babcock School of Management, Wake Forest University)	March 2014	Standard Bank Group, The Standard Bank of South Africa, Barbican Engineering Solutions, Barbican Advisory Group, Luxehold, Vivacite Africa Luxury Holdings, XAU Investments, Air Chefs, Contextcom, South African Airways.	Group/SBSA audit, group model approval and group/SBSA risk and capital management committees.
2.7 John Vice (64)	BCom (Natal), CTA (Natal), CA (SA)	November 2016	Standard Bank Group, The Standard Bank of South Africa, Anglo American Platinum.	Group IT (chairman), group/SBSA audit and group/SBSA risk and capital management committees.

In order for resolution numbers 2.1 to 2.7 to be approved, each resolution must be supported by more than 50% of the voting rights exercised on the resolution.

3. Reappointment of auditors

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

3.1 Resolved to reappoint KPMG Inc. as auditors of Standard Bank Group for the year ending 31 December 2017.

3.2 Resolved to reappoint PricewaterhouseCoopers Inc. as auditors of Standard Bank Group for the year ending 31 December 2017.

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

4. Placing the authorised but unissued ordinary shares under the control of the directors

"Resolved that the unissued ordinary shares of the company be and are hereby placed under the control of the directors of the company who are authorised to issue the ordinary shares at their discretion until the next annual general meeting of the company, subject to the provisions of the Companies Act 71 of 2008, as amended or replaced from time to time, the Banks Act, No. 94 of 1990, as amended and the Listings Requirements of the JSE Limited as amended and subject to the aggregate number of ordinary shares able to be issued in terms of this resolution being limited to two and a half percent (2.5%) of the number of ordinary shares in issue at 31 December 2016."

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

5. Placing the authorised but unissued non-redeemable preference shares under the control of the directors

"Resolved that the unissued non-redeemable, non-cumulative, non-participating preference shares (non-redeemable preference shares) of the company be and are hereby placed under the control of the directors of the company who are authorised to issue the non-redeemable preference shares at their discretion until the next annual general meeting of the company, subject to the provisions of the Companies Act 71 of 2008, as amended or replaced from time to time and the Listings Requirements of the JSE Limited as amended."

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

6. Non-binding advisory vote on remuneration policy

To endorse, by way of a non-binding advisory vote, the company's remuneration policy as set out in the governance and remuneration report on page 51.

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

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

The group remuneration committee (Remco), as an integral part of its wider mandate, regularly examines the group's remuneration structures and practices to ensure that they are aligned with these policies. The group's remuneration structures and practices are described in Remco's formal report to shareholders, starting on page 46 of the governance and remuneration report.

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

7. Approval of non-executive directors' fees

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

7.1	**Chairman of Standard Bank Group**	R6 306 250 per annum[2]
7.2	**Director of Standard Bank Group**	R263 250 per annum
7.3	**International director of Standard Bank Group**	£51 150 per annum
7.4	**Group directors' affairs committee:**	
7.4.1	Member	R118 500 per annum
7.5	**Group risk and capital management committee:**	
7.5.1	Chairman	R803 375 per annum
7.5.2	Member	R309 900 per annum
7.6	**Group remuneration committee:**	
7.6.1	Chairman	R557 350 per annum
7.6.2	Member	R167 000 per annum
7.7	**Group social and ethics committee:**	
7.7.1	Chairman	R390 000 per annum
7.7.2	Member	R118 500 per annum
7.8	**Group audit committee:**	
7.8.1	Chairman	R803 375 per annum
7.8.2	Member	R309 900 per annum
7.9	**Group IT committee:**	
7.9.1	Chairman	R557 350 per annum
7.9.2	Member	R167 000 per annum
7.10	**Group model approval committee:**	
7.10.1	Chairman	R390 000 per annum
7.10.2	Member	R118 500 per annum
7.11	**Ad hoc meeting attendance[3]**	R26 200 per meeting

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

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

1 Fee increase effective from 1 January 2017 and excludes Value Added Tax (VAT).
2 The chairman's fees include the board, subsidiary board and all committee memberships. The chairman is also the chairman of the group directors' affairs committee. A company motor vehicle, against which fringe benefit tax is levied, is made available for use by the chairman.
3 Fee per meeting for attendance by non-executive director or persons acting in an alternate capacity (not a member of the committee) or non-executive director attendance at management/subsidiary board or committee meeting where no other fee is specifically approved. This same fee is applicable to all committees where attendance is in an ad hoc or alternate capacity.

8. General authority to acquire the company's ordinary shares

The directors of the company intend, if the circumstances are appropriate, to implement a repurchase of the company's ordinary shares as permitted in terms of the Companies Act 71 of 2008, ("the Companies Act"), the Banks Act, No. 94 of 1990, as amended from time to time and the Listings Requirements of the JSE Limited, as amended from time to time (the Listings Requirements) either by the company or one of its subsidiaries.

The purpose of this special resolution is to generally approve, in terms of the provisions of the Companies Act 71 of 2008, the acquisition by the company and/or a subsidiary of the company, of ordinary shares issued by it subject to the Listings Requirements.

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

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

"Resolved as a special resolution that the company approves, with effect from the date of this annual general meeting, as a general approval in terms of the provisions of the Companies Act 71 of 2008 ("the Companies Act"), as amended or replaced the acquisition by the company and, in terms of the Companies Act, the acquisition by any subsidiary of the company from time to time, of such number of ordinary shares issued by the company and at such price and on such other terms and conditions as the directors may from time to time determine, subject to the requirements of the Banks Act, No. 94 of 1990, as amended and the Listings Requirements, which at the date of this notice include, amongst others, the following:

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

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

9. General authority to acquire the company's non-redeemable preference shares

The directors of the company intend, if the circumstances are appropriate, to implement repurchases of the company's non-redeemable, non-cumulative, non-participating, variable rate par value preference shares (the preference shares) as permitted in terms of the Companies Act 71 of 2008, (the Companies Act), the Banks Act, No. 94 of 1990, as amended and the Listings Requirements of the JSE Limited as amended from time to time (the Listings Requirements) by the company by means of general repurchases as defined in the Listings Requirements.

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

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

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

"Resolved as a special resolution that the company approves, with effect from the date of this annual general meeting, as a general approval in terms of the provisions of the Companies Act 71 of 2008, as amended or replaced, the acquisition by the company from time to time, of such number of non-redeemable, non-cumulative, non-participating, variable rate par value preference shares (the preference shares) issued by the company and at such price and on such other terms and conditions as the directors may from time to time determine, subject to the requirements of the Banks Act, No. 94 of 1990, as amended and the Listings Requirements, which at the date of this notice include, amongst others, the following:

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

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

10. Loans or other financial assistance to related or inter-related companies

"Resolved as a special resolution that the provision of any financial assistance by the company, subject to the provisions of the Companies Act 71 of 2008, to any company or corporation which is related or inter-related to the company (as defined in the Companies Act 71 of 2008), on the terms and conditions which the directors of the company may determine, be and is hereby approved."

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

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

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

1. Directors' responsibility statement

The directors, whose names are given on pages 8 to 9 of the governance and remuneration report, collectively and individually accept full responsibility for the accuracy of the information given in these notes 1 to 5 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement in these notes 1 to 5 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the notice contains all information required by law and the Listings Requirements.

2. Major shareholders

Details of major shareholders of the company are set out on page 176 of the annual financial statements.

3. Share capital of the company

Details of the share capital of the group's are set out on pages 228 to 232 of the annual financial statements.

4. Material change

There has been no material change in the financial or trading position of the company and its subsidiaries since the date of publication of the company's annual results on 2 March 2017.

5. Litigation

The company is not aware of any legal or arbitral proceedings that may have or had (in at least the preceding 12 months) a material effect on the group's financial position other than the referral to the South African Competition Tribunal of a complaint of alleged collusion by The Standard Bank of South Africa Limited in the foreign exchange market (where at the time of this notice insufficient facts are available to make an assessment of the likely effect).

Certificated shares

Standard Bank Group shareholders holding certificated shares and shareholders of the company who have dematerialised their shares and have elected own name registration in the sub-register maintained by the CSDP, may attend, speak and vote at the annual general meeting or may appoint one or more proxies (who need not be shareholders of the company) to attend, participate and vote at the annual general meeting on behalf of the such shareholder. A proxy form is attached to this notice of annual general meeting. Duly completed proxy forms must be returned to the transfer secretaries of Standard Bank Group or the registered office of the company to the addresses set out below, to be received by no later than 09h00 on Wednesday, 24 May 2017.

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

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

Identification

In terms of section 63(1) of the Companies Act 71 of 2008, any person attending or participating in the annual general meeting must present reasonably satisfactory identification and the person presiding at annual general meeting must be reasonably satisfied that the right of any person to participate in and vote whether as a shareholder or as a proxy for a shareholder has been reasonably verified. Acceptable forms of identification include identity documents, driver's licences and passports.

On behalf of the board

Zola Stephen
Group secretary

1 March 2017

Registered office

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

Transfer secretaries in South Africa

Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)
Fax: +27 11 688 5238
Email: Proxy@computershare.co.za

Transfer secretaries in Namibia

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

Annexure A: condensed consolidated financial results

for the year ended 31 December 2016

Condensed consolidated statement of financial position

as at 31 December 2016

	2016 Rm	2015[1] Rm	2014[1] Rm
Assets			
Cash and balances with central banks	**77 474**	75 112	64 302
Derivative assets	**68 620**	111 089	61 633
Trading assets	**129 845**	86 219	72 040
Pledged assets	**18 777**	34 429	14 185
Financial investments	**483 774**	486 704	450 921
Current tax assets	**479**	534	498
Loans and advances	**1 065 405**	1 076 917	928 241
Non-current assets held for sale[2]			219 958
Policyholders' assets	**7 314**	7 579	6 507
Other assets	**21 547**	24 552	20 691
Interest in associates and joint ventures	**8 196**	9 703	3 727
Investment property	**31 155**	30 508	27 022
Property and equipment	**16 041**	17 670	16 737
Goodwill and other intangible assets	**23 675**	24 031	21 175
Deferred tax assets	**1 988**	1 881	1 715
Total assets	**1 954 290**	1 986 928	1 909 352
Equity and liabilities			
Equity	**179 359**	178 908	161 634
Equity attributable to ordinary shareholders	**150 757**	151 069	136 985
Preference share capital and premium	**5 503**	5 503	5 503
Non-controlling interests	**23 099**	22 336	19 146
Liabilities	**1 774 931**	1 808 020	1 747 718
Derivative liabilities	**75 083**	133 958	72 281
Trading liabilities	**47 867**	43 304	43 761
Current tax liabilities	**5 522**	4 304	4 505
Deposits and debt funding	**1 213 621**	1 186 514	1 047 212
Non-current liabilities held for sale[2]			182 069
Policyholders' liabilities	**307 230**	305 194	293 617
Subordinated debt	**25 997**	27 141	25 521
Provisions and other liabilities	**96 816**	102 511	74 277
Deferred tax liabilities	**2 795**	5 094	4 475
Total equity and liabilities	**1 954 290**	1 986 928	1 909 352

1 Restated for a change in presentation policy relating to policyholders' assets and liabilities.
2 The group's controlling interests in Standard Bank Plc (SB Plc) (now ICBCS) and Standard de Investimentos S.A.'s (now ICBCS Argentina) total assets and liabilities are presented as non-current assets and liabilities held for sale in 2014. Both were disposed of during 2015.

Condensed consolidated income statement

for the year ended 31 December 2016

	2016 Rm	2015 Rm
Continuing operations		
Income from banking activities	**99 857**	91 113
Net interest income	**56 892**	49 310
Non-interest revenue	**42 965**	41 803
Income from investment management and life insurance activities	**21 365**	23 997
Total income	**121 222**	115 110
Credit impairment charges	**(9 533)**	(9 371)
Net income after credit impairment charges	**111 689**	105 739
Operating expenses in banking activities	**(56 235)**	(51 434)
Operating expenses in insurance activities	**(17 374)**	(16 184)
Net income before non-trading and capital related items	**38 080**	38 121
Non-trading and capital related items	**(1 123)**	(1 512)
Share of post tax profit/(loss) from associates and joint ventures	**187**	(323)
Net income before indirect taxation	**37 144**	36 286
Indirect taxation	**(2 418)**	(2 739)
Net income before direct taxation	**34 726**	33 547
Direct taxation	**(8 932)**	(8 187)
Profit for the year from continuing operations	**25 794**	25 360
Profit from discontinued operation[1]		2 741
Profit for the year	**25 794**	28 101
Attributable to ordinary shareholders	**22 206**	23 754
Attributable to preference shareholders	**406**	377
Attributable to non-controlling interests	**3 182**	3 970
Earnings per share from continuing operations and discontinued operation		
Basic earnings per ordinary share (cents)	**1 389,8**	1 487,0
Diluted earnings per ordinary share (cents)	**1 371,2**	1 474,0
Earnings per share from continuing operations		
Basic earnings per ordinary share (cents)	**1 389,8**	1 315,5
Diluted earnings per ordinary share (cents)	**1 371,2**	1 303,9

1 Gains and losses relating to SB Plc have been presented as a single amount relating to its post tax profit.

Condensed consolidated statement of other comprehensive income

for the year ended 31 December 2016

	2016 Rm	2015 Rm
Profit for the year	**25 794**	28 101
Other comprehensive (loss)/income after tax for the year	**(14 647)**	3 009
Items that may be reclassified subsequently to profit and loss	**(14 773)**	3 109
Movements in the cash flow hedging reserve	**227**	(903)
Net change in fair value of cash flow hedges	**(1 122)**	1 551
Realised fair value adjustments of cash flow hedges transferred to profit or loss	**1 349**	(2 454)
Movements in the available-for-sale revaluation reserve	**(123)**	234
Exchange differences on translating foreign operations	**(14 680)**	4 103
Net change on hedges of net investments in foreign operations	**(197)**	(325)
Items that may not be reclassified to profit and loss	**126**	(100)
Defined benefit fund remeasurements	**128**	(121)
Other (losses)/gains	**(2)**	21
Total comprehensive income for the year	**11 147**	31 110
Attributable to ordinary shareholders	**10 882**	25 506
Attributable to preference shareholders	**406**	377
Attributable to non-controlling interests	**(141)**	5 227

Condensed consolidated statement of cash flows

for the year ended 31 December 2016

	2016 Rm	2015 Rm
Net cash flows from operating activities	**40 255**	35 504
Direct taxation paid	**(9 232)**	(8 012)
Other operating cash flows	**49 487**	43 516
Net cash flows used in investing activities	**(13 377)**	(31 828)
Capital expenditure	**(7 537)**	(9 527)
Other investing cash flows	**(5 840)**	(22 301)
Net cash flows used in financing activities	**(12 030)**	(11 509)
Cash outflow from share buybacks net of issue of share capital	**(252)**	(641)
Net cash flow from equity transactions with non-controlling interests[1]	**1 575**	(1 118)
Release of empowerment reserve	**95**	1 317
Subordinated debt issued	**2 694**	4 005
Subordinated debt redeemed	**(3 175)**	(3 127)
Dividends paid	**(12 967)**	(11 945)
Effect of exchange rate changes on cash and cash equivalents	**(12 486)**	2 066
Net increase/(decrease) in cash and cash equivalents	**2 362**	(5 767)
Cash and cash equivalents at beginning of the year	**75 112**	80 879
Cash and cash equivalents at the end of the year	**77 474**	75 112
Comprising:		
Cash and balances with central banks	**77 474**	75 112

[1] Materially comprises of the following:
- Proceeds from the sale of units in Liberty Two Degrees to external third-party investors.
- The purchase of an additional interest of 17.65% by Stanbic IBTC Holdings Plc in its subsidiary Stanbic IBTC Pensions Managers Limited during December 2016.

Condensed consolidated statement of changes in equity

for the year ended 31 December 2016

	Ordinary shareholders' equity Rm	Preference share capital and premium Rm	Non-controlling interest Rm	Total equity Rm
Balance at 1 January 2015	136 985	5 503	19 146	161 634
Total comprehensive income for the year	25 506	377	5 227	31 110
Transactions with owners, recorded directly in equity	(11 422)	(377)	(1 893)	(13 692)
Equity-settled share-based payment transactions	(1 392)		73	(1 319)
Deferred tax on share-based payment transactions	(72)			(72)
Transactions with non-controlling shareholders	(369)		(778)	(1 147)
Net decrease in treasury shares	66		49	115
Net repurchase of share capital and share premium and capitalisation of reserves	(641)			(641)
Redemption of preference shares	1 317			1 317
Net dividends paid	(10 331)	(377)	(1 237)	(11 945)
Unincorporated property partnerships' capital reductions and distributions			(144)	(144)
Balance at 31 December 2015	151 069	5 503	22 336	178 908
Balance at 1 January 2016	**151 069**	**5 503**	**22 336**	**178 908**
Total comprehensive income for the year	**10 882**	**406**	**(141)**	**11 147**
Transactions with owners, recorded directly in equity	**(11 194)**	**(406)**	**1 123**	**(10 477)**
Equity-settled share-based payment transactions	**126**		**48**	**174**
Deferred tax on share-based payment transactions	**207**			**207**
Transactions with non-controlling shareholders	**(648)**		**2 105**	**1 457**
Net decrease in treasury shares	**741**		**68**	**809**
Net repurchase of share capital and share premium and capitalisation of reserves	**(252)**			**(252)**
Redemption of preference shares	**95**			**95**
Net dividends paid	**(11 463)**	**(406)**	**(1 098)**	**(12 967)**
Unincorporated property partnerships' capital reductions and distributions			**(219)**	**(219)**
Balance at 31 December 2016	**150 757**	**5 503**	**23 099**	**179 359**

Headline earnings

for the year ended 31 December 2016

	2016 Rm	2015 Rm
Profit for the year from continuing operations	**22 206**	21 013
Headline adjustable items added	**989**	1 687
Goodwill impairment – IAS 27/IAS 28	**482**	333
Gains on a disposal of a business – IFRS 10	**(11)**	(195)
Loss on sale of property and equipment – IAS 16	**50**	48
Realised foreign currency translation profit on foreign operations – IAS 21	**(62)**	(5)
Impairment of associate – IAS 28/IAS 36	**10**	112
Impairment of intangible assets – IAS 36	**654**	1330
Realised (gains)/losses on available-for-sale assets – IAS 39	**(134)**	64
Taxation on headline earnings adjustable items	**(178)**	(381)
Non-controlling interests' share of headline earnings adjustable items	**(8)**	(42)
Standard Bank Group headline earnings from continuing operations	**23 009**	22 277
Profit for the year from discontinued operation		2 741
Headline adjustable items reversed		(2 831)
Loss on disposal of subsidiary – IFRS 10		1 303
Realised foreign currency translation profit on foreign operation – IAS 21		(4 054)
Net investment hedge gain – IAS 39		(68)
Realised gains on available-for-sale assets – IAS 39		(12)
Standard Bank Group headline earnings from discontinued operation		(90)
Standard Bank Group headline earnings	**23 009**	22 187

Condensed segment report

For the year ended 31 December 2016

	2016 Rm	2015[1] Rm
Revenue contribution by business unit		
Personal & Business Banking	**67 480**	60 637
Corporate & Investment Banking	**35 249**	31 388
Central and other	**(2 872)**	(912)
Banking activities	**99 857**	91 113
Liberty	**21 365**	23 997
Standard Bank Group	**121 222**	115 110
Profit or loss attributable to ordinary shareholders		
Personal & Business Banking	**12 519**	10 681
Corporate & Investment Banking	**10 466**	8 660
Central and other	**(1 726)**	2 600
Banking activities	**21 259**	21 941
Other banking interests[2]	**(8)**	(569)
Liberty	**955**	2 382
Standard Bank Group	**22 206**	23 754
Total assets by business unit		
Personal & Business Banking	**689 183**	682 080
Corporate & Investment Banking	**897 565**	930 644
Central and other	**(42 990)**	(42 114)
Banking activities	**1 543 758**	1 570 610
Other banking interests[2]	**6 445**	7 933
Liberty	**404 087**	408 385
Standard Bank Group	**1 954 290**	1 986 928
Total liabilities by business unit		
Personal & Business Banking	**618 113**	614 614
Corporate & Investment Banking	**842 751**	871 597
Central and other	**(62 425)**	(61 748)
Banking activities	**1 398 439**	1 424 463
Liberty	**376 492**	383 557
Standard Bank Group	**1 774 931**	1 808 020

1 Where responsibility for individual cost centres and divisions within business units change, the comparative figures have been reclassified accordingly.

2 For the group's 2016 financial reporting period the group's primary segments comprise the group's banking activities, which consist of PBB, CIB and central and other. The group's banking activities, together with the group's other banking interests and Liberty, represent the group's total activities and operations. The group's interest in ICBC Argentina, previously included in central and other, and ICBCS (previously SB Plc) previously included in CIB's results, are now included as part of the group's other banking interests and represent the group's associate interests in previously consolidated entities that are held in terms of strategic partnerships with ICBC. Comparative financial results have been restated to align with the current year's presentation.

Shareholders are referred to **www.standardbank.com/reporting** where a complete risk and capital management report and annual financial statements can be obtained. Scan the image to be taken there directly.

Annexure B: Proxy forms

Proxy form – ordinary shareholders

Standard Bank Group Limited

(Registration number 1969/017128/06) (the company)
JSE share code: SBK NSX share code: SNB ISIN: ZAE000109815

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

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

I/We (Name in block letters)

of (Address in block letters)

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

1 or, failing him/her

2 or, failing him/her

the Chairman of the annual general meeting,

as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of shareholders to be held at 09h00 on Friday, 26 May 2017, in the HP de Villiers Auditorium, Standard Bank Centre, 6 Simmonds Street, Johannesburg, and at any adjournment thereof as follows:

		Number of votes		
Ordinary resolution to:		For*	Against*	Abstain*
1	Adopt annual financial statements			
2	To elect directors:			
2.1	Geraldine Fraser-Moleketi			
2.2	Gesina Kennealy			
2.3	Jacko Maree			
2.4	Nomgando Matyumza			
2.5	André Parker			
2.6	Swazi Tshabalala			
2.7	John Vice			
3	Reappointment of Auditors			
3.1	KPMG Inc.			
3.2	PricewaterhouseCoopers Inc			
4	Place unissued ordinary shares under control of directors			
5	Place unissued preference shares under control of directors			
6	Non-binding advisory vote on remuneration policy			
Special resolutions to:				
7	Remuneration: Approve non-executive directors' fees (2017):			
7.1	Standard Bank Group chairman			
7.2	Standard Bank Group director			
7.3	Standard Bank Group international director			
7.4	Group directors' affairs committee			
7.4.1	Member			
7.5	Group risk and capital management committee			
7.5.1	Chairman			
7.5.2	Member			
7.6	Group remuneration committee			
7.6.1	Chairman			
7.6.2	Member			
7.7	Group social and ethics committee			
7.7.1	Chairman			
7.7.2	Member			
7.8	Group audit committee			
7.8.1	Chairman			
7.8.2	Member			
7.9	Group IT committee			
7.9.1	Chairman			
7.9.2	Member			
7.10	Group model approval committee			
7.10.1	Chairman			
7.10.2	Member			
7.11	Ad hoc meeting attendance			
8	Grant: General authority to acquire the company's ordinary shares			
9	Grant: General authority to acquire the company's non-redeemable preference shares			
10	Approve: Loans or other financial assistance to related or inter-related companies			

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

Signed at on 2017

Signature

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

Please provide contact details Tel ( ) Fax: ( ) E-mail:

Notes to the proxy form: ordinary shares

Please read the notes below:

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

2 To be effective, completed proxy forms must be lodged by not later than 09h00 on Wednesday, 24 May 2017 with either the transfer secretaries or the registered office:

South Africa:
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
PO Box 61051, Marshalltown, 2107
Fax number +27 11 688 5238

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

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

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

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

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

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

8 All beneficial shareholders of ordinary shares who have dematerialised their shares through a CSDP or broker, other than those shareholders who have elected to dematerialise their shares in "own-name" registrations, must provide their CSDP or broker with their voting instructions. Voting instructions must reach the CSDP or broker in sufficient time to allow the CSDP or broker to advise the company or its transfer secretaries of this instruction by no later than 09h00 on Wednesday, 24 May 2017. We recommend that you contact your CSDP or broker to ascertain their deadline for submission.

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

Letters of representation must be lodged with the company's transfer secretaries or at the registered office of the Company by no later than 09h00 on Wednesday, 24 May 2017. We recommend that you contact your CSDP or broker to ascertain their deadline for submission.

Shareholders who hold certificated shares and shareholders who have dematerialised their shares in "own-name" registrations, must lodge their completed proxy forms with the company's transfer secretaries or at the registered office of the company by no later than 09h00 on Wednesday, 24 May 2017.

9 Summary in terms of section 58(8)(b)(i) of the Companies Act 71 of 2008: Section 58(8)(b)(i) provides that if a company supplies a form of instrument for appointing a proxy, the form of proxy supplied by the company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act 71 of 2008, which summary is set out below:
- A shareholder of a company may, at any time, appoint any individual, including an individual who is not a shareholder of that company, as a proxy, among other things, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
- A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person.
- A proxy appointment must be in writing, dated and signed by the shareholder; and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation.
- A shareholder may revoke a proxy appointment in writing. A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
- A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.

Proxy form – preference shareholders

Standard Bank Group Limited

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

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

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

I/We (Name in block letters)

of (Address in block letters)

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

1 or, failing him/her

2 or, failing him/her

the chairman of the annual general meeting,

as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of shareholders to be held at 09h00 on Friday, 26 May 2017, in the HP de Villiers Auditorium, Standard Bank Centre, 6 Simmonds Street, Johannesburg, and at any adjournment thereof as follows:

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

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

Signed at on 2017

Signature

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

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

E-mail:

Notes to the proxy form: preference shares

Please read the notes below:

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

2 To be effective, completed proxy forms must be lodged by not later than 09h00 on Wednesday, 24 May 2017 with either the transfer secretaries or the registered office:

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

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

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

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

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

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

8 All beneficial shareholders of non-redeemable preference shares who have dematerialised their shares through a CSDP or broker, other than those shareholders who have elected to dematerialise their shares in "own-name" registrations, must provide their CSDP or broker with their voting instructions. Voting instructions must reach the CSDP or broker in sufficient time to allow the CSDP or broker to advise the company or its transfer secretaries of this instruction by no later than 09h00 on Wednesday, 24 May 2017. We recommend that you contact your CSDP or broker to ascertain their deadline for submission.

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

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9 Summary in terms of section 58(8)(b)(i) of the Companies Act 71 of 2008: Section 58(8)(b)(i) provides that if a company supplies a form of instrument for appointing a proxy, the form of proxy supplied by the company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act 71 of 2008, which summary is set out below:
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- A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
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- A proxy appointment must be in writing, dated and signed by the shareholder; and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation.
- A shareholder may revoke a proxy appointment in writing. A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
- A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.

Shareholders' diary

2016 FINANCIAL YEAR	
Annual general meeting	26 May 2017

2017 FINANCIAL YEAR	
Financial year end	31 December 2017
Annual general meeting	May 2018
Reports	
Interim report and declaration of interim dividend	August 2017
Summarised annual financial statements and declaration of final dividend	March 2018
Publication of annual report	April 2018

DIVIDEND PAYMENT	
Ordinary shares:	
Interim	September 2017
Final	April 2018
6,5% first cumulative preference shares:	
Six months ending 30 June 2017	September 2017
Six months ending 31 December 2017	April 2018
Non-redeemable, non-cumulative, non-participating preference shares:	
Six months ending 30 June 2017	September 2017
Six months ending 31 December 2017	April 2018

Contact and other details

Standard Bank Group Limited

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

Head: Investor relations

Sarah Rivett-Carnac
Tel: +27 11 631 6897

Group financial director

Arno Daehnke
Tel: +27 11 636 3756

Group secretary

Zola Stephen
Tel: +27 11 631 9106

Registered address

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

Website: **www.standardbank.com**

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

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

Refer to **www.standardbank.com/reporting** for a list of definitions, acronyms and abbreviations

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