Absa Group Limited

Remuneration Report 2021

Contents

RemCo background statement

The RemCo is pleased to present to shareholders, on behalf of the Board, our 2021 Remuneration Report. This sets out the enhancements to our Remuneration Policy in 2021, building on our remuneration framework review in 2020. It further sets out our remuneration outcomes for the 2021 financial year, including for executive directors and prescribed officers.

Rose Keanly was appointed as RemCo Chairman from 8 February 2022. Given that this appointment is after the reporting period to which this Remuneration Report applies, the report is issued collectively by the Remuneration Committee.

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The year in review

Despite further waves of Covid-19 infections and periods of social-distancing restrictions, the global economy showed strong economic growth during 2021, as countries began recovering from 2020's sharp slowdown. Countries with the most extensive monetary and fiscal support led the rebound, as have countries with the most successful vaccination rollout. Monetary and fiscal policies across all major economies remained highly accommodative. However, growing evidence of demand- and supply-side inflation pressures saw policymakers in several large markets indicate that monetary normalisation would start in 2022.

South Africa's economy, already under pressure before the pandemic, witnessed a sharp economic contraction in the second quarter of 2020, followed by recovery through the second half of 2020 and into 2021. Economic recovery progressed somewhat more rapidly than expected, notwithstanding the additional growth and confidence challenges posed by load-shedding and July's social unrest. Real GDP is forecast to grow 4.7%. The Reserve Bank raised policy rates by 25bp in November and signalled a likely path of gradual further increases. Headline inflation increased towards the upper edge of the Reserve Bank's target in late 2021, primarily driven by fuel prices.

All our Absa Regional Operations (ARO) presence countries look to have returned to positive economic growth during 2021, with those countries hit hardest by the Covid-19-related economic slowdown the previous year generally recovering faster. We estimate GDP-weighted economic growth of 5.7% for these countries.

RemCo focus areas

The RemCo oversaw a significant review of Absa's remuneration frameworks in 2020. This, together with our 2020 remuneration outcomes, were well received by shareholders at our 2021 annual general meeting (AGM).

The RemCo has maintained its focus on remuneration's strategic role in driving organisational performance and stakeholder value creation. In 2021, the RemCo continued to evolve the Remuneration Policy to further strengthen our remuneration frameworks and improve market competitiveness. Several fundamental principles guided its decision-making:

- Strong focus on pay for performance at a short-term incentive pool level and in the distribution of the pools, and for individuals, differentiated reward outcomes based on performance and contribution. Pay for performance is a key principle in considering fixed remuneration increases, and short- and long-term incentive outcomes.
- Ensuring the market competitiveness of Absa's total remuneration offering to support the attraction, motivation and retention of critical talent and scarce skills and in support of our transformation imperatives. This in the context of significant competition for talent in all of our markets.
- Our fundamental commitment to fair and responsible remuneration across the dimensions of race, gender and differentials of pay between executives and other employees.
- An appropriate balance of stakeholder interests over time. This includes considering the needs and interests of shareholders, employees, customers and the communities we operate in when determining remuneration outcomes.

Our policy enhancements, assessed in the context of the Group's performance, were reflected in our implementation outcomes for the year. These are set out in detail in this Remuneration Report and are summarised below:

Key policy enhancements

We made two key policy enhancements in 2021:

- Our 2021 short-term incentive scorecard includes a 20% weighting on non-financial metrics (colleague, customer and sustainability, with the control environment as a potentially downward adjusting factor). Our 2021 and 2022 long-term incentive scorecards similarly include 20% non-financial metrics. This reflects the importance of Environment, Social and Governance (ESG) considerations in driving and measuring organisational performance and sustainable business outcomes.
- The RemCo approved an enhancement to the long-term incentive framework to improve market-relatedness and to support attraction, retention and motivation of those regarded as talent or holders of critical skills. Awards are subject to Group performance targets on 50% of the award, and the balance is subject to time-based vesting only. Executive directors and prescribed officers are not eligible to receive this award type. Further detail of our long-term incentives is set out on pages 11 and 12 of the Remuneration Policy.

Our Group performance

Performance is a critical lens through which remuneration outcomes are assessed.

The Group achieved record profits in 2021, performing substantially better than the 2021 Short-Term Plan (STP) and very competitively relative to market peers.

- ▲ Group headline earnings of R18.6bn was more than double the earnings generated in prior year (FY'20: R8.0bn) and considerably stronger than pre-Covid-19 levels (FY'19: R16.3bn), supported by lower impairments and strong pre-provision profit growth (+7%, +10% ex FX). This resulted in a Return on Equity of 15.8% which was materially higher than the prior year (FY'20: 7.2%) and above our Cost of Equity (14.5%).
- ▲ Impairment charges of R8.5bn were significantly lower than prior year (FY'20: R20.6bn) which included a judgemental macroeconomic overlay adjustment of R5.4bn. The 2021 charge reflects improved credit delinquencies, improved forward-looking macroeconomic assumptions and model-related enhancements in RBB. The credit loss ratio decreased to 77 bps (FY'20: 192 bps) which is at the bottom end of our through-the-cycle range. Group loan coverage ratio remains strong at 4.08% (FY'20: 4.42%), and above historical levels (FY'19: 3.27%).
- ▲ Revenue increased by 6% (+8% ex FX) mainly from net interest income which grew by 9% (+13% ex FX) mainly from a higher net interest margin which expanded to 4.46% (FY'20: 4.17%) and strong growth in deposits and RBB secured advances.
- ▲ A strong liquidity position was maintained and the Group Liquidity Coverage ratio of 117% and a Net Stable Funding Ratio of 116% are well above the regulatory minimums. Customer deposit growth of 12% (+10% ex FX) was stronger than customer advances growth (+7%, +6% ex FX).
- ▲ Performance momentum improved further in the second half with headline earnings of R10.0bn increasing by 53% (+55% ex FX) on the comparative period in the prior year and was higher than the first half earnings of R8.6bn. Loan momentum has also shown stronger growth in the second half, particularly in CIB.
- ▲ The Group has strengthened its capital position with the CET 1 ratio improving to 12.8% (FY'20: 11.2%) supported by improved profitability as well as capital precision initiatives offset by RWA growth from organic opportunities.
- ▲ Operating expenses increased by only 4% (+7% ex FX) notwithstanding materially higher variable remuneration costs whilst underlying cost growth continues to be well controlled. The cost-to-income ratio reduced to 55.2% (FY'20: 56.0%) following 1% positive operating JAWS.
- ▼ Non-interest income was largely unchanged on the prior year (although increased by 2% ex FX). The low growth was adversely impacted by the Insurance business which was a c.4% drag on Group NIR growth following higher mortality claims and Covid-19 reserving. Fee income growth was moderate (+2%, +4% ex FX) and was adversely impacted by customer centric pricing changes in RBB SA. CIB Trading revenues grew strongly (+14%, +20% ex FX).

The RemCo considered the overall operating environment and our financial results in determining our remuneration outcomes. This was in respect of both our short-term and long-term incentives. It also had regard to non-financial performance in the form of organisational health, which included customer, colleague, sustainability and control. Organisational health was assessed to be marginally behind target for the short-term incentives and in line with target for the 2019 long-term incentive vesting in 2022.

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Key implementation outcomes

Our Remuneration Policy, including enhancements implemented in 2021, together with our performance during the year, were considered in determining our 2021 implementation outcomes. Key highlights are set out below and detailed in our Implementation Report.

Short-term incentives

In our 2019 and 2020 Remuneration Reports, we communicated that a review of banking peers' public disclosures of performance short-term incentive pools indicated that the Group's short-term incentive pools were lower than those of our peers, relative to earnings. We indicated that it was contemplated that the pools would increase over time, provided that the Group's performance improved in line with our medium-term financial targets and relative to our peer group. In this regard, our 2021 short-term incentive outcomes were determined in the context of detailed benchmarking during the year and the Group's outperformance.

Benchmarking our pool

- We benchmarked our short-term incentive pools against competitors, using detailed market analysis conducted by external advisors. We reviewed our remuneration ratios with reference to headline earnings, revenue, pre-provision profit and profit before tax. The analysis showed that our on-target short-term incentive pool was materially lower on a relative basis than in our peers.
- We increased our on-target performance short-term incentive pool by R450m to make this more competitive and market-aligned. We adopted a cautious approach to ensure that this increase was sustainable into the future based on ongoing performance. This will be subject to further review in 2022. Details are set out on pages 18 to 21 of the Implementation Report. Executive directors and prescribed officers were eligible to participate in the enhanced pool, with actual 2021 short-term incentives being off a low base relative to 2020 given the material impact of Covid-19 on business performance and variable remuneration in 2020. Individual disclosures are set out on pages 23 to 42 of the Implementation Report.

2021 Performance short-term incentive outcome

In approving the final pool outcome, the RemCo took account of:

- The 2021 short-term incentive scorecard which sets out a range of financial (80% weighting) and non-financial (20% weighting) measures and metrics aligned to the Board-approved Group Balanced Scorecard and performance of the Group relative to each of these measures;
- The Group's performance against the Board-approved 2021 short-term plan and relative to the market (based on latest publicly available information);
- The quality of the Group's earnings (with inputs from the Group Audit and Compliance Committee) and whether any downward adjustment was required based on the control environment. The quality of earnings was determined to be high. No adjustments regarding the control environment were deemed necessary; and
- The shareholder experience acknowledges that the Group has not yet returned to full dividend payments to shareholders. However, the Group's total shareholder return has been at the top end of the market over one and two years, and ahead of the major banks.

Capping the performance outcome and RemCo discretion

The RemCo approved a **Group performance short-term incentive pool of R2,828m** (in constant currency), which included awards for our senior executives (including executive directors and prescribed officers), reflecting very strong performance as outlined above. The RemCo applied a cap on the pool calculation to determine this pool outcome, where only performance up to 120% of the relevant target was considered. This resulted in a calculated pool outcome between on-target and stretch level. This is set out on pages 18 to 21 of the Implementation Report.

In addition, the RemCo approved a discretionary short-term incentive allocation of R100m to be directed toward those in frontline, key operational, enablement support and technical roles and those with scarce and critical skills, in recognition of their ongoing role in supporting the Group's response to Covid-19 and during the unrest in South Africa in July. Executives (including executive directors and prescribed officers) were not eligible to participate in this discretionary allocation. Please see page 20 of the Implementation Report for further details.

A separate Investment Cluster incentive pool of R22m was approved. This plan has been operational for several years for a ringfenced group of employees within the Investment Cluster. No material changes were made to this plan in 2021.

The 2021 short-term incentives allocated to our executive directors and prescribed officers was R52m. This reflects the strong performance of the Group, the growth in the Group pool, and the executives' individual contribution during the year. Individual disclosures are included on pages 23 to 42 of the Implementation Report.

Long-term incentives

Our 2019 long-term incentive will vest in 2022 at 20.7% of the stretch outcome, based on the outcomes relative to the Group performance targets. The detail is set out on page 22 of the Implementation Report.

Fair and responsible remuneration

Fair and responsible remuneration was a core focus in 2021. Specific implementation actions reflect a conscious decision to strengthen fair pay by investing in the lower levels in the organisation.

Targeted fair and responsible remuneration actions

- Implementation of out-of-cycle remuneration increases at an annualised value of R290m on 1 November 2021 in South Africa to bring those individuals low in the relevant remuneration ranges to the minimum of the preferred range relative to the market median. The RemCo applied a strong transformation and diversity lens in assessing outcomes. Approximately 4,400 employees up to middle management received this increase.
- Fixed remuneration increases in our annual pay review are generally set at higher levels for more junior employees than those for more senior employees. This has been consistently applied over several years.
- Our minimum annual cost to company in South Africa will increase to R200,000 with effect from 1 April 2022.
- Implementation of targeted fixed remuneration increases in several of our ARO operations to increase competitiveness of fixed remuneration for those holding scarce and critical skills. Much work is still required to obtain more robust pay and benefits benchmark data in the ARO markets to ensure pay is both fair and competitive in all our markets.

Improved data analytics and insights

- We made increased use of detailed analytics and insights to assist us to make progress on fair and responsible remuneration.

Further detail is on page 21 and 22 of our Implementation Report.

Assessing non-financial outcomes in our variable remuneration outcomes

Our 2021 short-term incentive scorecard includes 20% non-financial metrics. The non-financial element of our 2021 long-term incentives is 20% of the on-target outcome, up from 10% in 2019 and 2020.

There is considerable rigour applied in the assessment of the non-financial outcomes:

- The Social, Sustainability and Ethics Committee reviews outcomes related to colleague, customer and sustainability and makes a recommendation in this regard to the RemCo.
- The Group Audit and Compliance Committee reviews the control environment, which is a potentially downward adjusting factor. This was informed by an assessment by Group Risk, Group Compliance and Group Internal Audit and similarly makes a recommendation to RemCo. This includes consideration of any downward adjustment to the pool that may be required.
- The RemCo deliberates on these recommendations and determines the final non-financial outcome.

The approach to assessing non-financial performance in the short-term and long-term incentives ensures that the appropriate Board committees are fully engaged in the assessment process and consider all relevant factors.

Stakeholder considerations

All remuneration decisions were taken through the lens of ensuring the long-term sustainability of our business and a balance of stakeholder interests over time. In approving the enhancements to the remuneration frameworks, and the remuneration outcomes for 2021, the RemCo considered the following:

- The very strong overall performance delivered by the Group in 2021 is very competitive in the market and underpinned by a high quality of earnings.
- Ensuring that our remuneration frameworks remain fit-for-purpose and competitive to support the attraction, retention and motivation of key talent and critical skills against the backdrop of significant competition for talent in all our markets.
- Our ongoing efforts to support colleagues, customers, and communities in the context of Covid-19 continued to focus on our broader duty of care in this regard.
- The RemCo was mindful that the Group has not yet returned to a full dividend payment to shareholders. However, it is noted that the improving Group performance trends were reflected in our Total Shareholder Return, which was toward the top end of the market over one and two years and ahead of the major banks.

Executive leadership changes

Group Chief Executive transition

The Board announced in April 2021 that it had reached a mutual agreement with **Daniel Mminele**, our previous Group Chief Executive, that he would step down as Group Chief Executive and would exit from the Group. The separation was a consequence of the non-alignment between the Board and Daniel on strategy and culture transformation matters. Daniel stepped down as Group Chief Executive on 20 April 2021, with his last date of service as an employee being 30 April 2021. The termination of employment was on a "no-fault" basis. Further detail is available in the Integrated Annual Report.

For a speedy resolution and in the best interests of the organisation, the Board agreed that Daniel would receive a termination payment that would include good leaver treatment on unvested short-term incentive deferrals and unvested long-term incentives, in respect of which Daniel received cash-equivalent payments. All outstanding awards lapsed on termination. A summary of the separation terms (including details of all separation payments) is set out on page 34 of the Implementation Report. Separation payments are included in the combined remuneration tables on pages 35 and 36 of the Implementation Report.

Jason Quinn was appointed as Interim Group Chief Executive with effect from 20 April 2021. His remuneration outcomes are set out in the Implementation Report. Jason resumed his role as Group Finance Director with effect from 29 March 2022.

Arrie Rautenbach was appointed as Group Chief Executive, and as an executive director of the Group, with effect from 29 March 2022. His remuneration outcomes (including those pursuant to his appointment as Group Chief Executive) are set out in the Implementation Report.

Group Finance Director transition

Punki Modise was appointed as Interim Group Finance Director (and Executive Director of the Group) with effect from 23 April 2021, taking over from Jason Quinn pursuant to his appointment as Interim Group Chief Executive. Her remuneration outcomes are set out in the Implementation Report.

Punki was appointed as Interim Chief Executive, Retail and Business Banking with effect from 29 March 2022. She will remain a member of the ExCo, and stepped down as an executive director.

Shareholder engagement

We are committed to ongoing engagement with shareholders regarding remuneration. The Group Chairman and previous RemCo Chairman engaged with shareholders ahead of the 2021 AGM on matters including our broader remuneration framework review which was in our 2020 Remuneration Report. As in prior years, we sought to address feedback in our evolving practices and disclosures and thank shareholders for their constructive input.

At the AGM on 4 June 2021, we received an 84.52% vote in favour of the Remuneration Policy and 93.96% in favour of the Implementation Report. The vote on the Implementation Report showed a further improvement from the 2020 AGM outcome of 82.99%.

Our Remuneration Policy and the Implementation Report for 2021 will be presented for separate annual non-binding votes at our AGM on 3 June 2022, with the resolutions set out in the 2022 Notice of AGM.

Regulatory compliance

Our reporting aligns with the South African Companies Act requirements, Section 64C and Regulation 39(16)(a) of the South African Banks Act, the principles and recommended practices of King IV and the related Johannesburg Stock Exchange (JSE) Listings Requirements. The South African Prudential Authority's Governance of Insurers (GOI) standards were applied in respect of Absa Financial Services. We have been mindful of broader remuneration governance guidance and frameworks, including the Financial Stability Board's Principles for Sound Compensation Practices.

We continue to engage with regulators regarding evolving remuneration governance and good practice requirements.

Aligned to King IV, the Group will engage with shareholders in the event of a negative vote of over 25% on our Remuneration Policy or 2021 Implementation Report.

Access to information and advisers

Members of the RemCo may access any information to inform their independent judgement on remuneration and related matters, including regarding risk, regulation, compliance, control or conduct.

Deloitte is the independent RemCo adviser. Advice was provided on enhancements to our remuneration framework, local and international market practice and executive remuneration. Deloitte does not provide remuneration advisory services to management. The advice provided to the RemCo was objective and unbiased.

Specialist consultancy firms are engaged by management to provide market benchmarking data and general reward advisory services. These include RemChannel, McLagan, Mercer and KornFerry. Vasdex Associates provided advisory services to management in respect of benchmarking the competitiveness of the Group's variable pay pools.

Several enabling and control functions within the Group, including the Group People and Culture Function, Group Finance, Risk, Compliance and Internal Audit, provide supporting information and documentation to the RemCo. In particular, Group Finance is actively involved in all matters pertaining to the formulation and measurement of metrics for the short-term incentive and the long-term incentive, and the related verification of the pools.

EY provided an assurance report to the RemCo on the metrics' outcomes for the 2019 long-term incentive that will vest in 2022. These are set out on page 22 of the Implementation Report.

Conclusion

The Group delivered a strong performance in 2021, reflected in our remuneration outcomes.

As in 2020, we have sought to ensure an appropriate balance of stakeholder interests in these outcomes and focused on attracting, motivating, and retaining skilled and talented individuals. In this context, we continue to give considerable attention to ensuring that our remuneration philosophy and policy are fit-for-purpose and support the Group's re-anchored strategy.

Our remuneration philosophy serves as an essential catalyst in focusing our employees on delivering the Group's strategic ambitions. We believe that our remuneration decisions represent a fair outcome in the context of the organisation's performance, are appropriately aligned with shareholder and stakeholder interests over the long-term, and are sustainable. Indications are that the 2020 remuneration framework provided a sound foundation for our evolving remuneration policies and practices and that the steps taken in 2021 are starting to deliver on the objectives we set.

During 2022 we will review the impact of our 2021 remuneration outcomes and identify further opportunities to strengthen our frameworks.

Absa Group Remuneration Committee

"The RemCo maintained its strong focus on pay-for-performance to facilitate sustainable business performance, long-term stakeholder value creation, and ensure that Absa's reward practices are market-related. It also focused on retaining employees who influence the delivery of the Group's strategy, those regarded as talent and who possess scarce and critical skills. This is essential in a competitive talent landscape, characterised by skills shortages in several areas critical to the delivery of our strategy."

Remuneration Policy

Our remuneration philosophy underpins our re-anchored strategy, supports the evolution of our culture and is aligned to our risk management approach. It directs our employees' efforts in delivering our strategy to create sustainable long-term value for our stakeholders fairly and responsibly.

Our 2020 Remuneration Report outlined enhancements to our remuneration frameworks following a comprehensive review. In 2021, the RemCo continued to evolve Absa's remuneration practices, making several further improvements, particularly to our long-term incentive arrangements and regarding the competitiveness of our short-term incentive pool.

The RemCo maintained its strong focus on pay-for-performance to facilitate sustainable business performance, long-term stakeholder value creation, and ensure that Absa's reward practices are market-related. It also focused on retaining employees who influence the delivery of the Group's strategy, those regarded as talent and who possess scarce and critical skills. This is essential in a competitive talent landscape, characterised by skills shortages in several areas critical to the delivery of our strategy. This also manifests in an increased cost to hire.

Following a summary of the 2021 RemCo focus areas and related outcomes, this Remuneration Policy section addresses the following main themes:

- Fair and responsible remuneration;
- Our approach to performance management;
- Elements of total remuneration;
- Approach to variable remuneration, including short-term incentives and long-term incentives;
- Remuneration benchmarking;
- Risk and remuneration;
- Executive directors' and prescribed officers' service contracts; and
- Group Chairman and non-executive directors' remuneration policy.

Our remuneration principles

1. **Attract, retain and engage** high-calibre individuals who have the skills, ambition and talent to deliver our strategy.
2. **Support the realisation of our stakeholder aspirations,** with a specific focus on rewarding our employees for the achievement of our strategy within our risk appetite relative to performance and shareholder returns.
3. **Align the long-term interests of our executives and shareholders** by ensuring remuneration outcomes are transparent and are aligned to the value we create in the short, medium and long-term. This entails a specific emphasis on the contribution of longer-term incentives for senior and executive employees, which are aligned to market practice.
4. **Pay-for-performance** by aligning incentive outcomes to performance and value created. Within this context, we apply deferrals and malus and clawback provisions to ensure the effective alignment of risk and reward within the context of Group performance outcomes and to discourage inappropriate behaviour.
5. **Drive our culture**, while taking ownership and accountability for responsible, sustainable business growth and success. We aim to achieve this by:
   - ensuring that employees share in the Group's success, differentiated on the basis of their contribution, in both the short- and long-term; and
   - ensuring that our employees' ethical behaviour, values and adherence to our risk management principles are recognised in their individual performance ratings.
6. **Continuously build confidence and trust** in our reward outcomes through high quality reward governance, engagement on our disclosure with shareholders, and internal transparency and effective communication.
7. **Deliver fair and responsible remuneration** through regular reviews of remuneration differentials and appropriate decisions that impact our most junior employees. This includes a concerted emphasis on addressing differentials in reward, considering diversity.

RemCo focus areas

Short-term incentives

Our on-target short-term incentive pool was enhanced for market competitiveness, following extensive benchmarking of Absa's total remuneration, variable remuneration and short-term incentive levels relative to the market. Details of the enhancement and the final pool approved by the RemCo are set out on pages 18 to 21 of the Implementation Report. In considering this enhancement and the final pool outcome, the RemCo took account of the following:

- The overall competitiveness of Absa's remuneration levels relative to market peers based on a number of comparative metrics (including payout ratios of staff costs and variable remuneration relative to revenue, pre-provision profit, profit before tax, and headline earnings) drawn from publicly available reporting. The detail is on pages 18 to 21 of the Implementation Report. Executive directors and prescribed officers were eligible to participate in the enhanced pool, with actual 2021 short-term incentives being off a low base relative to 2020 given the material impact of Covid-19 on business performance and variable remuneration in the prior year. Individual disclosures are set out on pages 23 to 42 of the Implementation Report.
- The 2021 short-term incentive scorecard sets out a range of financial (80% weighting) and non-financial (20% weighting) measures and metrics aligned to the Board-approved Group Balanced Scorecard and performance of the Group relative to each of these measures.
- The Group's performance against the 2021 short-term plan and relative to the market (based on latest available information at the time of making the pool decision).
- The approved performance short-term incentive pool, based on our performance relative to the short-term incentive scorecard, is R2,828m, in constant currency.
- The RemCo approved an additional discretionary pool of R100m. This discretionary amount was allocated primarily to frontline roles, key operational and enablement areas, and those with scarce technical skills, in recognition of their ongoing role in supporting the Group's response to Covid-19 and during the unrest in South Africa in July.
- The Remco approved a pool of R22m for our Investment Cluster incentive scheme.

The RemCo considered the short-term incentive outcomes in the context of the quality of the Group's earnings (with inputs from the Group Audit and Compliance Committee) and whether any downward adjustment was required as a consequence of any material issues in the control environment. The quality of earnings was determined to be high. No downward adjustments regarding the control environment were deemed necessary.

This is further described on pages 10 and 11 of the Remuneration Policy and pages 18 to 21 of the Implementation Report.

Long-term incentives

The RemCo approved enhancements to our long-term incentive arrangements, which now consist of two award constructs:

- As in 2020, for executives and senior managers (including executive directors, prescribed officers and members of the Group Executive Committee (ExCo)) who are in strategic impact roles, as defined in terms of our organisation design principles, awards are made subject to Group performance targets on 100% of the award.
- In September 2021, the RemCo approved an enhancement to the long-term incentive framework to improve market-relatedness and to support attraction, retention and motivation of those regarded as talent or holders of critical skills. Awards are subject to Group performance targets on 50% of the award, and the balance is subject to time-based vesting only. Executive directors and prescribed officers are not eligible to receive this award type.

The Group performance targets applicable to all awards made in 2021 were identical and are as set out in our 2020 Remuneration Report. All awards are based on the same performance period (2021-2023). The vesting will be three years from the date of the award: those made in April 2021 will vest in April 2024, and those made in October 2021 will vest in October 2024. The Group performance targets for these awards reflect the Group's Board-approved strategic priorities over the performance period.

The above enhancements are aligned with the remuneration frameworks approved by RemCo and disclosed in the 2020 Remuneration Report.

Our 2022 long-term incentive Group performance targets are set out on pages 11 and 12.

Fair and responsible remuneration

We are committed to delivering fair and responsible, externally competitive and internally equitable remuneration. This occurs within the context of ensuring that our business remains sustainable.

Fair remuneration is:
- Impartial.
- Free from discrimination, prejudice, favouritism or self-interest.
- Purposeful in addressing unfair and/or unjustifiable remuneration differentials.

We consider executive remuneration alongside the broader employee population's remuneration to ensure fairness and consistency across the Group. Where practical, we monitor the remuneration paid by our third-party service providers to ensure that it is fair.

Fair remuneration

Responsible remuneration

Responsible remuneration is:
- Approved within appropriate levels of authority.
- Subject to independent oversight.
- Linked to positive outcomes and value creation.
- Sustainable.

We seek to ensure appropriate and reasonable alignment between reward, risk and conduct, taking into account our values and ensuring that it does not encourage inappropriate risk.

- We review pay differentials to establish the reasons for these variances. Where disparities exist that are not based on objective criteria, such as seniority, role content, experience and performance, we take steps to address these.
- Our Remuneration Review Panel, a sub-committee of the ExCo, is chaired by the Chief Compliance Officer. This panel makes recommendations on adjustments to individual awards and malus adjustments and clawbacks in the event of conduct, compliance, control, regulatory or ethical issues arising that impact on, or are impacted by, remuneration. In the event of senior executives possibly being implicated in any matter of concern, this would be escalated to the Group Chief Executive and, when required, to the Directors' Affairs Committee.
- Other Board committees, which include the Group Audit and Compliance Committee, the Social, Sustainability and Ethics Committee and the Group Risk and Capital Management Committee, give input as required on remuneration and risk-related matters (typically concerning the attainment of targets and metrics and the requirement for any adjustment in this regard).

Steps taken in 2021 to deliver fair and responsible remuneration are set out on pages 21 and 22 of the Implementation Report.

Our approach to performance management *(MyContribution)*

Our approach to performance management is an integral part of our short-term planning and strategy execution process. Through an increasingly deliberate process of aligning individual objectives, team goals and business priorities, we strive for every employee to understand how their daily work contributes to business success.

In 2021, there was continued emphasis on ongoing check-in conversations between employees and managers, ensuring that colleagues remained aligned to the priorities of the business while also providing an opportunity for developmental feedback to be shared. Where performance levels do not meet the requirements, at any time in the year, a performance improvement plan (Back on Track plan) is initiated with a clear intent to assist the employee to sustainably improve their performance levels. In addition, ongoing efforts focus on building the skill and capability of employees and managers to set high-quality, outcomes-focused objectives and engage in high-value performance conversations.

Through the application of a rating scale, our performance evaluation approach considers both performance against objectives and the demonstration of behaviours aligned to the Absa Way Code of Ethics. Leadership teams review performance ratings at various levels of the organisation to ensure a fair and equitable process that reflects the performance of the business.

Individual performance is a critical input into short-term incentive decisions. It also informs fixed remuneration decisions, especially where individuals are positioned below market levels. Employees are typically ineligible to receive short-term incentive awards where full-year individual performance falls below expectations.

Elements of total remuneration

We include the following remuneration elements in the composition of our total remuneration package:

	Strategic intent	Description	Eligibility
Fixed remuneration	• The basis for a competitive remuneration package. • Reflects the market rate for the content of the role and the individual's skills and competence.	**South Africa:** Fixed remuneration is delivered as a **cost to company**, which incorporates cash salary and company contributions to benefit funds (including retirement funding, medical aid, death and disability cover). **ARO and international offices:** Fixed remuneration is delivered as **basic salary plus stand-alone benefits**. Benefits (including retirement funding, medical aid, death and disability cover) and allowances are determined based on local market practice.	All employees.
+ Short-term incentives	• Rewards sustainable performance achieved within risk appetite. • Based on the company, business/functional, team and individual performance. • Deferral into Absa Group shares for individuals paid above the deferral threshold creates a medium-term focus aligned to shareholder interests.	Short-term incentive payable in cash, and for amounts above a specified threshold, in the form of deferred Absa Group shares. Deferral for awards made for 2020 performance onwards applies to 50% of the short-term incentive portion that exceeds R1m, with no deferral applying on the first R1m of the award. Vesting[1] occurs in equal tranches on the first, second and third anniversaries of the award date. It may include dividend equivalents on the vesting shares at the time of vesting. Our UK and US operations' deferrals reflect local market practice with 50% of the award that exceeds £100k and US$130k respectively being subject to deferral.	Employees who meet the minimum service and performance requirements may be eligible for consideration. Differentiated in favour of top performers, talent and scarce skills who meet and exceed performance requirements.
+ Long-term incentives	• Align shareholder and executive interests over the long-term through short-, medium- and long-term actions, with reference to the Absa Group share price and achievement of Group performance targets. • Align key employees at a senior level who can materially influence the delivery of the Absa strategy in terms of long-term, sustainable future performance.	Awards that vest subject to Group performance targets. This applies on 100% of the award made to those whose roles impact strategic delivery, and 50% for other participants (with the balance subject to time-based vesting only), measured over a three-year performance period. Vesting[1] of awards takes place, subject to achievement of the Group performance targets as described above, and continued employment, on the third anniversary of the award date for all participants. Dividend equivalents (where dividends have been declared) may apply on vesting, but only in respect of the number of shares vesting after applying the relevant Group performance targets.	Roles that can directly influence the delivery of the strategy over the medium term, or without whom there is a direct risk to execution; those who are critical to the organisation's future performance, are regarded as talent or who have scarce skills.

[1] Our practice in acquiring shares to settle vesting deferred and long-term incentive awards has been to purchase these in the market to avoid shareholder dilution.

Other arrangements that may be considered where the circumstances require, include:

	Strategic intent	Description	Eligibility
Project incentives	• Support the delivery of key strategic and business projects by offering a bespoke incentive linked to project objectives. • Incentivisation of critical project resources for project delivery.	Designed based on project requirements. Typically delivered in cash subject to achieving specific project objectives and continued employment during the plan's duration. The continued employment condition may, in some instances, extend beyond the completion date of the project to ensure retention of key skills or the embedding of project outcomes.	Determined based on specific project requirements. Executive directors, prescribed officers and other members of the ExCo are not eligible to participate.
Formulaic incentives	Incentives linked to achieving pre-determined business performance targets within agreed risk appetite and considering conduct outcomes.	Incentive awards are typically paid in cash, on a frequency determined by the plan rules, including monthly, quarterly, half-yearly or annual payments. Schemes are subject to appropriate governance and control to mitigate conduct risk. Formulaic schemes are reviewed for appropriateness and alignment to market practice in relevant sectors of our business.	Determined based on plan design and rules in each instance, and for the most part, limited to employees in sales-focused roles.

Approach to variable remuneration

Our short-term incentives

Our short-term incentive pool methodology incorporates a hybrid **top-down** and **bottom-up** approach.

The **top-down** determines the overall Group and business unit and enabling and control function pools, based on affordability and performance.

Financial performance makes up 80% of the total pool, with non-financial metrics making up the remaining 20%. The 2021 short-term incentive scorecard composition, used to determine the top-down pool outcome, is set out in the adjacent table.

In this regard:

- As reflected on our Board-approved Group Balanced Scorecard, measures and targets are aligned to our short-term plan and include an appropriate mix of financial and non-financial outcomes.
- Referencing the short-term plan targets and the scorecard supports a timely, certain and transparent link between performance and potential reward outcomes.
- When assessing the pool outcome, relative peer group performance remains a key external, qualitative lens.

Metrics	Weight
Normalised earnings	25%
Normalised return on equity	25%
Non-interest income	10%
IFRS Group common equity tier 1 capital	10%
Normalised cost-to-income ratio	10%
Organisational health	20%

Customer | Colleague | Sustainability

Control (potentially downward adjusting factor)

The Group performance short-term pool is determined by adjusting the on-target pool (approved by the RemCo) by a performance modifier. The performance modifier is determined based on performance against the range of performance outcomes for the metrics set out on page 10, with leverage from threshold achievement (80% modifier applies) to stretch achievement (120% modifier applies). In the normal course, achievement in respect of each metric will be capped at 120%, with RemCo having the ability to apply discretion above this, should this be deemed appropriate based on the specific circumstances which include material outperformance relative to the target and peers.

This is illustrated as follows:

On-target pool × Modifier = 2021 performance pool

The Group on-target pool was enhanced for competitiveness in 2021, based on a detailed analysis of Absa's total remuneration proposition (including fixed remuneration, short-term incentives and long-term incentives). This included reviewing remuneration ratios within the peer group based on publicly available information and detailed market analysis at a role level.

Business/functional pools are allocated based on relative contribution and performance within the affordability parameters of the Group pool. These pool allocations are reviewed by the Group Chief Executive (advised by the Executive Appointments and Remuneration Committee) for appropriateness based on the relative performance of the business and functional areas. The RemCo considers and approves (with amendment if required) the allocation of pools to businesses and functions based on the recommendation by the Group Chief Executive.

The **bottom-up** approach reflects individual employee allocation/ demand against the Group and business unit and enabling and control function pools, considering individual performance. The pool allocation and individual awards are discretionary and not based on a formulaic calculation. The bottom-up demand must ultimately conform with, or be moderated to, the top-down affordability and pool funding calculations.

Individual awards for 2021 are performance differentiated, aligned to our pay for performance principle of delivering on our strategic priorities in 2021.

Other considerations

The RemCo also considers the following in approving the final pools:

- A quality of earnings assessment, which the Group Audit and Compliance Committee performed, concluded that the reported results were an appropriate basis for calculating the short-term incentive pool outcomes and that no further downward adjustment was required regarding remuneration.
- 2021 Total shareholder returns were assessed in relation to peers. The assessment indicated that Absa was toward the upper end of the market, and above the major banks.
- The Group has not yet returned to full dividend payments to shareholders, relative to our peers.

Based on this approach and the RemCo's application of discretion, our pool outcomes are set out on pages 18 to 21 of the Implementation Report.

Our long-term incentives

Our long-term incentive arrangements are implemented in terms of the Share Incentive Plan rules approved by shareholders, which remain fit-for-purpose.

In 2021, the RemCo approved enhancements to our long-term incentive arrangements to include awards to employees based on talent and scarce skills considerations, to improve alignment to the market practice of our peers. Participation was kept focused on senior management levels and with a particular focus on talent and critical skills imperatives. The enhanced award structure was implemented in 2021 and will apply for awards to be made in the future. The structure is per the Group Share Incentive Plan rules approved by shareholders, and no change in this regard was required.

The enhanced long-term incentive arrangements consist of two award structures:

- As in 2020, for executives and senior managers (including all executive directors, prescribed officers and members of the ExCo) who are in strategic impact roles, as defined in terms of our organisation design principles, awards are made subject to Group performance targets on 100% of the award. The award vests subject to the fulfilment of these Group performance targets, which apply over three years, on the third anniversary of the award date. This element of our long-term incentive arrangements follows the same structure that has been in place in the Group since 2020, under the rules of the Share Incentive Plan.
- In September 2021, the RemCo approved an enhancement to the long-term incentive framework to improve market-relatedness and to support attraction, retention and motivation of those regarded as talent or holders of critical skills. These awards are subject to Group performance targets on 50% of the award, and the balance of the award is subject to time-based vesting only. Executive directors, prescribed officers and members of the ExCo are not eligible to receive awards under this component of the long-term incentive arrangements.

For the component of the award that is subject to Group performance targets:

- Awards are made at the on-target level (100% of the **value at award**).
- Vesting is subject to fulfilment of Group performance targets, including financial and non-financial metrics:
  - Upside adjustment due to material outperformance of the Group performance targets may apply up to 150% of the on-target award. Awards will only vest at stretch levels in cases of significant outperformance.
  - Downside adjustment due to underperformance of the Group performance targets may apply and may include application of 0% vesting. Threshold performance would result in 15% of the on-target award vesting.
- There are no individual performance conditions applicable to the vesting of the performance awards.

For the component of the award (applicable only to those below strategic impact roles) that is subject to time-based vesting:

- Awards are made at an on-target level. As awards are not subject to Group performance targets, there is no adjustment of this component for performance (either upside or downside), and awards will therefore vest at the on-target level subject to fulfilment of the continued employment requirement.
- For time-based vesting to occur, participants are required to meet the minimum acceptable performance standards for their role for each of the three performance years within the performance period.

2022 Long-term incentive: Group performance targets

In proposing the performance conditions and targets for the Group's 2022 long-term incentive awards, the Group's remuneration principles have been consistently applied, having specific regard to:

- Creating a strong link between long-term incentivisation and the Group's medium-term strategic commitments;
- Promoting an appropriate balance between executive and shareholder interests;
- Creating an incentive to outperform relative to target performance levels; and
- Driving improved long-term performance that delivers sustainable shareholder value.

The key principles that have guided the design of the measures and targets for the 2022 long-term incentive award are:

- The objective to drive delivery of the Group's strategy over the medium-term by having an explicit link to the Board-approved strategic focus areas.
- To maintain a level of consistency with the Group's long-term incentive awards made in recent years and establishing a cadence with regard to the structure of these awards.
- Setting long-term incentive targets that deliver competitive reward outcomes for delivery of market-related performance.
- Through time, long-term incentive awards should result in meaningful vesting outcomes for strong performance.

In approving the Group performance targets for the 2022 long-term incentive awards, we considered the following:

- Similar measures to the 2021 long-term incentive award have been included with the exception of headline earnings per share (HEPS) growth which has replaced common equity tier 1 capital given the shift in focus to growth over the medium-term.
- As in 2021, a performance weighting of 20% was equally applied to each of the identified Group performance targets. Financial measures will attract a weighting of 80% and non-financial measures a 20% weighting.
- For organisational health, sub-weightings of 5% apply to each of customer and digital, and colleague scorecard measures, and a 10% weighting applies to sustainability scorecard measures, with control as a potentially downward adjusting factor.
- The financial targets reference the normalised Group financial performance measures. Note that it is envisaged that the Group may discontinue the external reporting of normalised results in the medium-term. Normalised results will continue to be tracked for internal management reporting and will be used as a basis for determining the long-term incentive vesting outcomes on measures which are reflected on a normalised basis.

2022 long-term incentive

Number of shares awarded	✖	Performance share modifier	=	Number of shares vesting
1 April 2022		Performance period 1 January 2022 – 31 December 2024		1 April 2025

Measures	Weight	Outcomes: Threshold (15%)	Outcomes: Target (100%)	Outcomes: Stretch (150%)
Normalised return on equity (average 2022 to 2024)	20%	≥ Cost of equity (COE)	≥ COE +1.5%	≥ COE +3%
Normalised headline earnings per share (2022–2024 Compound Annual Growth Rate in constant currency)	20%	≥ SA nominal GDP	≥ SA nominal GDP +5%	≥ SA nominal GDP +7%
Normalised cost-to-income ratio (for the 2024 financial period)	20%	≤ 54.5%	≤ 52.5%	≤ 50.0%
Total shareholder return (TSR)[1]	20%	Absa TSR < 5% lower	Absa TSR ≥ Average peer group TSR growth*	Absa TSR > 10% higher
		[1] Average TSR growth for the six major listed banks weighted based on market capitalisation size		
Organisational health	20%	Customer and Digital (5%) + Colleague (5%) + Sustainability (10%) Control as a potentially downward adjusting factor		

Remuneration benchmarking

Fixed remuneration	Alignment to remuneration principles
We target a median market position on fixed remuneration with an appropriate spread around the median to consider the scarcity of skills and the impact of the role. High-impact roles and scarce skills may reflect a premium. Transformation is also a critical factor. Market positioning is reviewed during the annual pay review to ensure that outliers, either above or below the target market position ranges, are addressed, taking budget and approved mandates into account. Fixed remuneration that is not market-related and where there is no valid reason for this can be addressed over time by either above-average increases (for those below) or slowing or stopping fixed remuneration increases (for those above).	• Attract, retain and engage. • Support the realisation of our stakeholder aspirations. • Drive our culture. • Deliver fair and responsible remuneration.

Total remuneration	Alignment to remuneration principles
Total remuneration (which includes short-term incentives and, where applicable, the vesting of long-term incentives) will be based primarily on Absa's performance relative to the respective plan targets and market-relative performance. In the case particularly of short-term incentives, individual performance is a key input. Our target position is market-related total remuneration for market-related performance over the short- and long-term. Outperformance may result in an above-market total remuneration position. In contrast, underperformance may result in below market total remuneration outcomes.	• Attract, retain and engage. • Support the realisation of our stakeholder aspirations. • Pay-for-performance. • Align the long-term interests of our executives and shareholders. • Drive our culture.

Benchmark peer groups

To the extent possible, we tailor our use of benchmarks to ensure comparisons with the most appropriate peer benchmarks. We use several surveys to inform our benchmarking, including the Mercer Top Executive Survey, RemChannel, and the McLagan Corporate and Investment Banking survey. ARO businesses participate in Mercer and KornFerry surveys. Where appropriate, we commission bespoke remuneration surveys to address specific areas of concern.

Vasdex Associates provided advice regarding the competitiveness of our variable pay pools.

Deloitte supported the RemCo in benchmarking senior executive remuneration.

Application of judgement

Published market information (whether in remuneration surveys or the remuneration reports of our peer group) provides one lens through which remuneration competitiveness can be assessed. The judgement of the RemCo and management is required to determine individual remuneration levels to ensure that all relevant factors, including retention, talent and transformation imperatives, and performance and nature of the role, are considered. The aim is to deliver fit-for-purpose remuneration outcomes framed within the context of the Remuneration Policy and remuneration principles and aligned with our commitment to fair and responsible remuneration.

Risk and remuneration

Remuneration governance

Regulatory context

Given our pan-African operations, the RemCo is mindful of the regulatory and corporate governance requirements in each of our operating environments and considers these in our remuneration governance. Our Remuneration Policy, principles and practices align with the South African Companies Act requirements, the Banks Act, the principles and recommended practices of King IV and the relevant JSE Listings Requirements. The South African Prudential Authority's Governance of Insurers (GOI) standards were applied in respect of Absa Financial Services. We have also been mindful of broader remuneration governance guidance and frameworks, including the Financial Stability Board's Principles for Sound Compensation Practices.

Final decisions regarding remuneration, including salary mandate, bonus pool and executive awards, are taken by the relevant ARO country/subsidiary bank boards, with input from the accountable Group executives and the RemCo where appropriate. Deloitte, the RemCo's independent advisers, provides input regarding remuneration outcomes.

Remuneration of risk and control functions

The remuneration of risk and control functions is considered in terms of Regulations 43 and 39(16)(a) of the South African Banks Act. In this regard:

Management oversight

- Remuneration of Group compliance, internal audit, risk and legal employees is considered independently by the Group function head, based on their performance and the performance of the function.
- For employees in the control functions providing services to the business units, input is obtained from the business head on their performance. The final remuneration decision rests with the function head.

Board oversight

- Board Committees assess the control functions' performance, particularly evaluating the performance of the Chief Internal Auditor, the Chief Compliance Officer, and the Chief Risk Officer.
- The Directors' Affairs Committee provides input on the performance of all ExCo members.
- Final performance and remuneration outcomes for control function heads are subject to RemCo approval.
- Remuneration outcomes for senior control function employees in the population subject to RemCo oversight are reviewed and approved by the RemCo.
- Remuneration of all material risk takers is subject to RemCo approval.

Addressing future risks in remuneration outcomes

We apply a three-year planning process, which aligns with our strategic objectives, risk appetite and capital planning. The Board approves the outcomes of this process. This forward-looking view of the strategic, financial, and risk and return outcomes allows the Board and the RemCo to assess potential remuneration outcomes, make appropriate adjustments to future-based targets for new awards, and determine remuneration outcomes based on relevant risk factors.

Our deferred short-term incentive and long-term incentive approach aligns to this longer-term planning focus through:

- The mandatory short-term incentive deferral of up to three years for awards above the deferral threshold (50% of the value of the award in excess of R1m is subject to deferral over a three-year period).
- A vesting period of three years for long-term incentive awards. In addition, awards are subject to Group performance targets on the full award for those in strategic impact roles and on 50% of the award for other participants.

The deferral period for short-term incentives and the vesting period for long-term incentives enables the application of malus or clawback.

Remuneration governance structures

In line with the recommended practices of the King IV Code and section 64C of the Banks Act, the RemCo is a committee of the Group Board from which it derives its authority, and to which it regularly reports. In discharging its responsibilities, the RemCo is supported by various other board and management committees.

Group Executive Committee

Executive Appointments and Remuneration Committee

Review and approval of executive hiring, remuneration and termination arrangements within its term of reference. Approval of governance frameworks related to formulaic incentives. Approve referrals to the RemCo on behalf of ExCo.

Matters above the committee's limits of authority are referred to and approved by RemCo.

Remuneration Review Panel

Makes recommendations on adjustments to individual awards as well as malus and clawback in the event of conduct, compliance, control, regulatory or ethical issues arising that impact or are impacted by remuneration.

Any matters related to senior executives would be referred to the Group Chief Executive, and in need, to the Directors' Affairs Committee.

Group Board

Group Remuneration Committee

Discharges its responsibilities as mandated by the Group Board and in accordance with the recommended practices of the King IV Code and section 64C of the Banks Act and its regulations.

Other committees

Group Risk and Capital Management Committee

Group Audit and Compliance Committee

Social, Sustainability and Ethics Committee

Advises/informs the RemCo on the management of various element of remuneration risk, which includes conduct, ethics, reputation, transformation and the control environment.

Subsidiary boards and remuneration committees

Appropriate engagement with country and subsidiary boards is included in our governance process, in line with the Group Governance Framework.

Malus and clawback: adjustments to variable remuneration for adverse risk and conduct matters

Malus (the ability to reduce, including to zero, an award that has not yet accrued or vested to an individual) and **clawback** (the ability to recover/seek repayment of awards already paid or vested to the individual) remain essential features of our remuneration philosophy. These processes allow for the risk adjustment of awards already made and, in the case of clawback, awards already vested or paid out.

Where appropriate, the variable remuneration (short-term and long-term incentives) of individuals who were directly or indirectly accountable for an event may be adjusted.

The Remuneration Review Panel (a sub-committee of the ExCo) follows an approved process for considering risk and conduct matters and the associated consequences to be reflected in individual incentive decisions. When considering individual responsibility, the panel takes a variety of factors into account, such as whether the individual:

- Was solely responsible for the event, or whether others were also directly or indirectly responsible.
- Was aware (or could reasonably have been expected to be aware) of the failure.
- Took action or missed opportunities to take adequate steps to address the failure.
- By virtue of seniority and influence, could be deemed to be indirectly responsible.

Malus

All deferred short-term and long-term incentive awards are subject to continued employment and malus provisions. We may reduce the level of vesting of these awards, including to zero, where (but not limited to):

- A participant deliberately misled the Group, the market and/or shareholders concerning the financial performance of the Group.
- A participant caused harm to our reputation, or their actions amounted to misconduct, incompetence, poor performance, or negligence.
- There is a material error in the Group's financial statements, which results in a restatement.
- There is a material failure of risk management in the Group.

Clawback

Clawback provisions apply to any variable remuneration awarded (including long-term incentives) to a material risk taker from 1 January 2015. In 2019, the RemCo broadened the application of the clawback provisions to apply to all employees.

The RemCo may apply clawback at any time during the three years from the date on which variable remuneration is awarded, or in the case of deferred remuneration (which includes deferred short-term incentives and long-term incentives), three years from the date on which this vests, based on any of the following trigger events:

- The Group suffers a material risk management failure, considering the individual's involvement and responsibility for that incident; and/or
- The business unit in which the employee is employed has suffered a material failure of risk management; and/or
- The discovery of a misstatement resulting in an adjustment to the company or Group's audited accounts (or the audited accounts of any other Group company); and/or
- The discovery of the events that occurred before vesting or settlement that have led to the censure of the company or a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company, subsidiary or the employee's business unit; and/or
- The discovery that any information or the assessment of any performance condition(s) used to determine an incentive award was based on erroneous, inaccurate, or misleading information and led to a material error in calculating that award.

"Malus (the ability to reduce, including to zero, an award that has not yet accrued or vested to an individual) and clawback (the ability to recover/seek repayment of awards already paid or vested to the individual) remain essential features of our remuneration philosophy. These processes allow for the risk adjustment of awards already made and, in the case of clawback, awards already vested or paid out."

Executive directors' and prescribed officers' service contracts

Minimum shareholding requirements	ExCo members (including executive directors and prescribed officers) should have an unencumbered shareholding of at least 150% of their cost-to-company (on a pre-tax basis). In comparison, the Group Chief Executive should hold at least 300% of his/her cost-to-company on an unencumbered basis. ExCo members (including the Group Chief Executive) have five years to build up this level of personal shareholding: • By 2021 for those on ExCo in 2016 when the minimum shareholding requirements were introduced. • From the date of their appointment to the ExCo, if this was later than 2016.
Notice periods	Executive directors and prescribed officers have a six-month notice period, with their potential compensation in relation to termination of service being six months' fixed remuneration. They may be required to work during the notice period or may be placed on gardening leave subject to the requirement that they may be called upon to render services during this period. If they are not required to work, and there is no competitive or commercial imperative to keep the individual on gardening leave, remuneration in lieu of notice (all or part of the notice period) may be paid. All senior executives have a contractual normal retirement age of 63 years. Notice is not served or paid in lieu of notice on retirement.
Payments on termination	These consider the individual circumstances, including the reason for termination, individual performance, contractual obligations and the terms and conditions of the short-term or long-term incentive plans that apply. There are no contractual entitlements to payments on termination, other than for contractual notice and unutilised leave. Malus and clawback continue to apply to any short-term and/or long-term incentive arrangements that extend beyond the termination date.
Treatment of short-term incentives on termination	There is no automatic entitlement to a short-term incentive payment on termination. An award may be considered at the RemCo's discretion and subject to performance. Awards may be prorated for service. Malus and clawback apply regarding any short-term incentive arrangements that extend beyond the termination date. No short-term incentive is payable in the case of underperformance, dismissal for cause or resignation.
Treatment of unvested awards on termination	Unvested share and cash awards (including deferred short-term incentive awards) will lapse if the executive director or prescribed officer resigns or their employment is terminated for cause. In an eligible leaver situation (other than in the case of death, in which case accelerated vesting applies) the following will occur in respect of unvested awards: • Deferred short-term incentive awards may be considered for release in full on the scheduled vesting dates (equal tranches on the first, second and third anniversary of the award date). • Long-term incentive awards will remain subject to Group performance targets. They will vest (subject to these) on the normal vesting date unless, in exceptional circumstances, the RemCo determines otherwise. Awards will be subject to prorating for the time served during the vesting period. Share-based awards and their cash equivalents are subject to malus and clawback provisions enabling the RemCo to reduce the vesting level (including to zero) or to recover amounts already paid should this be necessary.
Restrictive covenants	Executive contracts include restrictive covenants on poaching employees and customers. In a limited number of instances, and typically only for specifically identified senior executives, non-compete clauses may also be included.

Group Chairman and non-executive directors' remuneration policy

Non-executive directors' remuneration policy

The determination of non-executive director fees is based on the following principles:

- The Group Chairman's fee covers chairmanship and/or membership of and attendance at the Board and all committees (including Absa Bank and Absa Financial Services and *ad hoc* meetings).
- Non-executive directors are paid an annual fee (in monthly instalments) for their board membership.
- Members of Board committees are paid an annual fee (in monthly instalments) for their committee membership.
- Chairmen of committees are paid a premium, as follows:
  - Group Audit and Compliance, Group Risk and Capital Management, Remuneration, and Social, Sustainability and Ethics – 2.5 times the standard fee.
  - All other committees – 2 times the standard fee.
- The Board Finance Committee members are paid per meeting, as these meetings are scheduled as the need arises.
- The Group Credit Risk Committee members are paid a separate fee for each credit application reviewed.
- Special and ad hoc meetings of both the Board and committees are separately remunerated based on a per-meeting fee or an hourly rate, based on preparation time and the meeting length.

Determination of non-executive directors' fees

We consider the following when setting the fees for our non-executive directors:

- Fees paid by our large banking competitors.
- General level of increase applied for non-executive director fees across the market.
- Level of general increase applied to our employees (with particular reference to those applicable to senior management).
- Overall inflation.

The proposed fees for the period from 1 June 2022 to 31 May 2023 are set out in the Notice of AGM.

No increase has been proposed for the Chairman and Board fees, with an increase of between 2% and 5% proposed for the Board Committees.

Implementation Report

Our Implementation Report sets out our remuneration outcomes for 2021. It describes the context for our decision-making, and the outcomes in respect of our short-term and long-term incentives. We further describe the steps taken in 2021 regarding fair and responsible remuneration.

The 2021 performance and remuneration outcomes for our executive directors and prescribed officers are individually disclosed. This also includes the combined tables reflecting awarded remuneration and single-figure remuneration, and all unvested share and cash-based awards.

Our Pillar 3 remuneration disclosures set out the remuneration paid or awarded to our senior managers and material risk takers in 2021.

The context for our remuneration outcomes

The RemCo considered a shareholder, stakeholder and pay for performance view in determining the remuneration outcomes for 2021, particularly for the short-term incentive pool.

The Group achieved record profits in 2021, performing substantially better than the 2021 short-term plan and very competitively relative to market peers.

- ▲ Group headline earnings of R18.6bn was more than double the earnings generated in prior year (FY’20: R8.0bn) and considerably stronger than pre-Covid-19 levels (FY’19: R16.3bn), supported by lower impairments and strong pre-provision profit growth (+7%, +10% ex FX). This resulted in a Return on Equity of 15.8% which was materially higher than the prior year (FY’20: 7.2%) and above our Cost of Equity (14.5%).
- ▲ Impairment charges of R8.5bn were significantly lower than prior year (FY’20: R20.6bn) which included a judgemental macroeconomic overlay adjustment of R5.4bn. The 2021 charge reflects improved credit delinquencies, improved forward-looking macroeconomic assumptions and model-related enhancements in RBB. The credit loss ratio decreased to 77 bps (FY’20: 192 bps) which is at the bottom end of our through-the-cycle range. Group loan coverage ratio remains strong at 4.08% (FY’20: 4.42%), and above historical levels (FY’19: 3.27%).
- ▲ Revenue increased by 6% (+8% ex FX) mainly from net interest income which grew by 9% (+13% ex FX) mainly from a higher net interest margin which expanded to 4.46% (FY’20: 4.17%) and strong growth in deposits and RBB secured advances.
- ▲ A strong liquidity position was maintained and the Group Liquidity Coverage ratio of 117% and a Net Stable Funding Ratio of 116% are well above the regulatory minimums. Customer deposit growth of 12% (+10% ex FX) was stronger than customer advances growth (+7%, +6% ex FX).
- ▲ Performance momentum improved further in the second half with headline earnings of R10.0bn increasing by 53% (+55% ex FX) on the comparative period in the prior year and was higher than the first half earnings of R8.6bn. Loan momentum has also shown stronger growth in the second half, particularly in CIB.
- ▲ The Group has strengthened its capital position with the CET 1 ratio improving to 12.8% (FY’20: 11.2%) supported by improved profitability as well as capital precision initiatives offset by RWA growth from organic opportunities.
- ▲ Operating expenses increased by only 4% (+7% ex FX) notwithstanding materially higher variable remuneration costs whilst underlying cost growth continues to be well controlled. The cost-to-income ratio reduced to 55.2% (FY’20: 56.0%) following 1% positive operating JAWS.
- ▼ Non-interest income was largely unchanged on the prior year (although increased by 2% ex FX). The low growth was adversely impacted by the Insurance business which was a c.4% drag on Group NIR growth following higher mortality claims and Covid-19 reserving. Fee income growth was moderate (+2%, +4% ex FX) and was adversely impacted by customer centric pricing changes in RBB SA. CIB Trading revenues grew strongly (+14%, +20% ex FX).

“Our Implementation Report sets out our remuneration outcomes for 2021. It describes the context for our decision-making, and the outcomes in respect of our short-term and long-term incentives. We further describe the steps taken in 2021 regarding fair and responsible remuneration.”

The RemCo considered the overall operating environment and our financial results in the determination of our remuneration outcomes. It also had regard to non-financial performance in the form of organisational health, which included customer, colleague, sustainability and control. Key highlights in this regard include:

Short-term incentives (one-year view)

The Group has continued to navigate the heightened uncertainty of Covid-19 well during 2021 manifesting in a very strong financial outcome. Improving organisational health has underpinned this result with the salient features and key outcomes as follows:

Customer

RBB has made good progress on customer metrics despite the challenges arising from Covid-19 and the July unrest. Outcomes included stable primacy trends and customer numbers, although the improving trends which were targeted were not consistently achieved. CIB had a strong performance as primacy measures and new-to-bank customers exceeded targets in line with revenue trends. Customer experience also continued to improve year-on-year although this was slightly below target in SA.

Colleague

Outcomes were assessed with primary reference to the Colleague Experience survey which were slightly below target, however in the context of an improving year-on-year score. Employment equity, particularly at a senior level, remains a key focus area. There was positive momentum during 2021 in delivering outcomes which drive a better colleague experience from a remuneration (fair pay), wellness (support provided during Covid-19 and the July unrest) and talent perspective (positive shifts in the *MyContribution* process and outcomes in terms of race, gender and grade).

Sustainability

Key inputs included sustainability financing arranged and the Level 1 BBBEE rating that has been achieved. The Group's external ESG ratings have also improved significantly during 2021. We note the significant role that Absa plays through its citizenship initiatives with more than R160m invested during 2021 on such initiatives.

The Group Audit and Compliance Committee confirmed that no downward adjustment was required regarding the control environment.

Long-term incentives (three-year view)

The period under review was materially impacted by the Covid-19 outbreak which the Group navigated well, prioritising the safety of colleagues and supporting customers (for which the Group has been recognised externally).

During the period, the Group finalised the Separation project, which removed a material overhang from a control and strategy delivery perspective.

The Group's Management Control Assessment (MCA) rating has improved during the period. The control environment remained unchanged, however with an improving trend.

The Group Audit and Compliance Committee confirmed that no downward adjustment was required regarding the control environment.

The vesting outcome for the **2019 long-term incentive** is at **20.7%** of the stretch value of the award, based on the achievement of the Group performance targets, with two (normalised Return on Equity and normalised Headline Earnings per Share) of the four measures delivering a zero vesting outcome due to these being below the threshold level. In terms of the Long-Term Incentive Plan rules (under which the 2019 long-term incentive award were made), awards were made at stretch (maximum) value, with downward adjustment applying for the outcomes of the Group performance targets.

Building our 2021 short-term incentive pool

Enhancing our 2021 short-term incentive pool for market competitiveness

In our 2019 and 2020 Remuneration Reports, we communicated that a review of banking peers' public disclosures of performance short-term incentive pools indicated that the Group's short-term incentive pools were lower than those of its peers, relative to earnings. We further indicated that it was contemplated that the Group's variable remuneration would increase over time, provided that the Group's performance improved in line with our medium-term financial targets and relative to our peer group.

In 2021, the RemCo oversaw a detailed benchmarking of our pools relative to our banking peers, based on a pre-Covid-19 (2019) position relative to the market. The benchmarking was undertaken by an independent adviser to enhance objectivity in the approach.

The analysis assessed Absa's total remuneration competitiveness through several lenses based on publicly available information regarding our peers and role-based market analysis. These lenses included:

- **Assessment of remuneration ratios from published financial statements:** Total remuneration ratios relative to headline earnings, revenue, pre-provision profit and profit before tax. The ratios were assessed using an income statement view of total staff costs and variable remuneration as reported by both Absa and its large peers.
- **Market benchmarks:** We conducted detailed market benchmarking on a role and organisation level basis, based on 2019 (pre-Covid-19) information. This analysis considered total remuneration, fixed remuneration and variable remuneration. Variable remuneration was further assessed based on short-term and long-term incentives.

> "*The outcomes of our analysis indicated that Absa's on-target short-term incentive pool was materially behind market levels. Absa was positioned lowest of the big four banking peers in this regard. Following an extensive discussion to consider the needs of and implications for all stakeholders, the Remco approved a market adjustment to the on-target pool of R450m.*"

The outcomes of our analysis indicated that Absa's on-target short-term incentive pool was materially behind market levels. Absa was positioned lowest of the big four banking peers in this regard. Following an extensive discussion to consider the needs of and implications for all stakeholders, the RemCo approved a market adjustment to the on-target pool of R450m. We adopted a cautious approach to ensure that this increase was sustainable into the future based on ongoing performance. The 2021 final pool will be assessed relative to market information after this becomes available in 2022. This is to ensure ongoing monitoring of our pools' competitiveness and assess whether further adjustments may be required in this regard in 2022.

Building our 2021 on-target short-term incentive pool

The process followed by the RemCo in approving the **performance short-term incentive pool** is illustrated below:

2021 on-target pool (pre-market adjustment) (1) + Market adjustment (pool enhancement) (2) = 2021 adjusted on-target STI pool (3) × Performance modifier (4) = 2021 Performance pool (5)

1. The RemCo approved an on-target performance short-term incentive pool for 2021, being the pool that would apply should the Group achieve on-target performance relative to the short-term incentive metrics set out on page 10 of the Remuneration Policy.
2. In light of the results of the detailed benchmarking conducted regarding the Group's performance short-term incentive pool, the RemCo applied a market adjustment to enhance the on-target short-term incentive pool to ensure that it is appropriately market-competitive. We adopted a cautious approach to ensure that this increase was sustainable into the future based on ongoing performance. The value of this adjustment was R450m. Executive directors and prescribed officers were eligible to participate in the enhanced pool, with actual 2021 short-term incentives being off a low base relative to 2020 given the material impact of Covid-19 on business performance and variable remuneration in 2020.
3. The approved on-target pool represents the culmination of the steps above. In this regard, the Group RemCo approved an on-target pool of R2,523m (denoted in constant currency terms). This formed the basis of the calculation of the actual performance short-term incentive pool, based on the Group's performance.
4. The on-target pool is adjusted upwards or downwards based on the Group's performance relative to these metrics to determine the final Group performance short-term incentive pool. This is broadly consistent with our approach to determine our short-term incentive pools in 2019. In 2021, our pool was adjusted upwards based on performance.
5. The RemCo applied the performance outcomes measured against the short-term incentive scorecard to determine the 2021 performance short-term incentive pool.

The RemCo approved an additional discretionary pool of R100m. This was allocated primarily to frontline roles, key operational and enablement areas, and those with scarce technical skills, in recognition of their ongoing role in supporting the Group's response to Covid-19 and during the unrest in South Africa in July. Executive directors, prescribed officers or ExCo members were not eligible to participate in this discretionary allocation.

The process is set out below.

2021 Short-Term Incentive outcomes

The outcomes of our decisions are reflected in a **2021 Total Group short-term incentive pool** of **R2,950m in constant currency terms**. The components of this pool are set out below:

2021 Performance pool		RemCo discretion		Investment Cluster pool		Total Group short-term incentive pool
R2,828m	+	**R100m**	+	**R22m**	=	**R2,950m**

Performance short-term incentive pool

The RemCo approved a **performance short-term incentive pool** of **R2,828m** and a further **R100m** discretionary pool (both in constant currency), based on the following considerations:

Performance relative to the short-term incentive scorecard set out on page 10 of the Remuneration Policy.

Assessment of performance relative to the measures set out in the short-term incentive scorecard yielded an above-target outcome based on the following:

- *Normalised earnings, normalised return on equity* and the *IFRS common equity tier 1* outcomes were above the stretch level (that is, above 120% of the target outcome).
- *Normalised cost to income ratio* between the on-target and stretch levels (between 100% and 120% of the target outcomes).
- *Non-interest income* outcome between threshold and the on-target level (between 80% and 100% of the target outcome).
- *Organisational health* was assessed at marginally below target, having regard to colleague, customer and sustainability measures, as described on pages 10 and 18. This outcome was discussed at the Social, Sustainability and Ethics Committee and approved by the RemCo. The Group Audit and Compliance Committee recommended to RemCo that there was no requirement for any downward adjustment to the Social, Sustainability and Ethics Committee recommendation based on an assessment of the control environment. The RemCo accepted this recommendation. The Group Audit and Compliance Committee also determined that the Group's quality of earnings was high and therefore supported the payment of short-term incentives based on the results.

The calculated pool outcome was based on performance set out above, and with the application of a 120% maximum modifier (that is, a performance cap) on those elements where achievement was beyond the indicated stretch level. This resulted in a calculated pool outcome between the on-target and stretch level (between 100% and 120%) of the overall target outcome, giving rise to a performance short-term incentive pool of **R2,828m** in constant currency (before the application of discretion).

Application of RemCo discretion

The RemCo, having regard for the material outperformance above stretch level on a number of the financial measures in the short-term incentive scorecard, carefully considered the merits of potentially applying discretion to recognise this in the short-term incentive outcomes. In this regard, the RemCo considered several perspectives:

- The shareholder experience over the performance period. While noting that the Group had not fully reinstated its dividend to previous levels, the RemCo considered that the Group had posted record profits underpinned by a strong quality of earnings, that its return on equity was above the cost of equity, and that total shareholder return over one and two years had been toward the top of market and ahead of the major banks. It also considered that ensuring appropriate levels of employee motivation and engagement were positive for creating longer-term shareholder value.
- Our remuneration principles including pay for performance and fair and responsible remuneration.
  - Regarding pay for performance, the RemCo deliberated the appropriateness of sharing the value delivered above the stretch performance levels between shareholders and employees and the extent that this could be applied. This was in the context of the Group's performance relative to its scorecard, and particularly the material outperformance against the Group's Board-approved short-term plan. The Group's very competitive performance relative to peers (based on information available when making the decision) was a consideration.
  - Regarding fair and responsible remuneration, the RemCo considered how any discretionary adjustment could be distributed to ensure appropriate value to more junior employees within the organisation.

Regarding the above, the RemCo determined that a positive discretionary adjustment of R100m to the calculated short-term incentive pool was appropriate, taking the total performance short-term incentive pool to **R2,928m** in constant currency. However, it directed that the R100m adjustment should be focused primarily on those in frontline and key operational and enablement support roles and to holders of scarce and critical technical skills in recognition of their ongoing role in supporting the Group's response to Covid-19 and during the unrest in South Africa in July. Executive directors and prescribed officers were not eligible to participate in the discretionary uplift, with their short-term incentives to be funded from within the calculated pool. The RemCo's requirement regarding the allocation of the discretionary adjustment has been met.

The RemCo considers that a performance short-term incentive pool of R2,828m (before the application of discretion) is appropriate, having regard to the R450m enhancement and Group outperformance, and ensuring a balance of stakeholder interests over time. The discretionary allocation of R100m is in addition to this performance pool.

The **Investment Cluster pool** (R22m) is in addition to the performance short-term incentive pool and is allocated to those who participate in an approved stand-alone plan. This plan operates in terms of a RemCo-approved set of rules. The Investment Cluster pool is allocated to a ringfenced group of eligible employees in our Investment

Management business based on performance within their operating unit. It is determined based on achievement relative to specifically-contracted performance targets. Awards are moderated based on individual performance.

Release of 2020 short-term incentive deferrals for disclosed officers and material risk takers

Aligned to the South African Prudential Authority's Guidance Notes 4 of 2020 and 3 of 2021, short-term incentive awards made in respect of 2020 performance to disclosed officers and material risk takers were subject to deferral in full, with no cash bonus being paid for 2020 performance.

Deferrals were subject to a safety and soundness validation of the Group reaching a common equity tier 1 level that is at least at the minimum of the Group's target common equity tier 1 range (the trigger event). Given that the Group's common equity tier 1 level is now above the minimum of the Board's target range, the safety and soundness check is regarded as having been satisfied for 2021, and the deferred awards will be released.

This applies as follows:

- For executive directors, prescribed officers and members of the ExCo, deferral was into Absa Group shares over the standard Absa deferral timelines (one-third each on the first, second and third anniversary of the award date). Each tranche is subject to the safety and soundness validation. Vesting of the first tranche of the deferral will therefore take place in April 2022. The further tranches still to vest will be subject to the safety and soundness validation in each year of vesting.
- For other material risk takers, the amount that would ordinarily have been paid as a cash short-term incentive was subject to deferral in cash for one year, subject to the safety and soundness validation. This deferral will be released in full in April 2022.

Fair and responsible remuneration

South Africa

2021 fixed remuneration outcomes

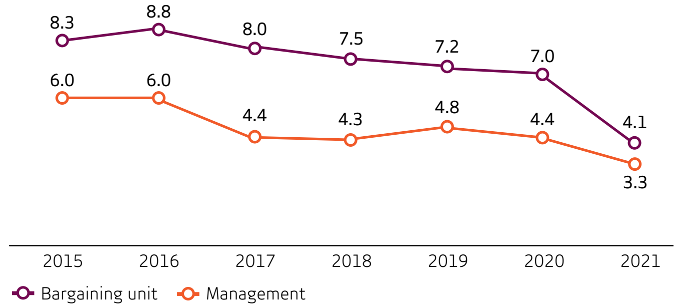
In 2021, we applied a minimum cost to company level of R185,080, which is higher than the national minimum and living wage and is competitive relative to the disclosed minimum cost to company levels in our peer group.

For increases to apply from 1 April 2021 for South African employees, the RemCo approved the following approach:

- Senior management and executives (including executive directors and prescribed officers) were not eligible for increases in April 2021, other than on an exceptional basis to address pay equity concerns. No adjustments were made for executive directors and prescribed officers.
- Junior and middle management were eligible to receive an increase, with the average increase pool not exceeding 3.3%. Actual increases were differentiated to ensure that those meeting and exceeding performance standards and who were positioned below market levels received attention. Focus was given to making progress in addressing pay differentials based on race and gender.
- A total increase pool of 4.1% was agreed with Sasbo regarding the bargaining unit. This settlement, which was above the increase levels approved for our junior and middle management levels, focused on ensuring that lower-paid employees received priority concerning fixed remuneration adjustments.

Our 2021 salary review continued to prioritise lower-paid employees, and within that cohort, those performing to at least the required standard and below market median levels. This is consistent with practice over the past several years.

Increases in fixed remuneration (%)
Average cost-to-company increase (South Africa only)



Note: Executives and senior managers were not eligible to be considered for increases in 2021, other than on an exceptional basis.

These outcomes align with our fair and responsible remuneration objectives and the principle that a more significant proportion of senior employees' remuneration should be based on performance.

2022 fixed remuneration outcomes

For increases to apply from 1 April 2022 for South African employees, the RemCo approved the following approach:

Bargaining unit

- A total increase pool of 5.8% was agreed with Sasbo for the bargaining unit. This settlement, which is above inflation and above the increases approved for our management levels, continues our focus on ensuring that lower-paid employees receive priority concerning fixed remuneration adjustments. The settlement allowed for a minimum increase of 6% for employees meeting or exceeding the requirements of their roles.
- Our minimum cost to company will increase to R200 000 with effect from 1 April 2022.

Management and executives (including executive directors and prescribed officers) may be eligible to receive an increase, with an average increase pool of 5.0%. Actual increases will be differentiated to ensure that those meeting and exceeding performance standards and who are positioned below market levels and those who hold scarce and critical skills continue to receive attention. All increase decisions are underpinned by our approach to fair and responsible remuneration.

Absa Regional Operations – fixed remuneration

Increases awarded to bargaining unit employees in our various countries in ARO are determined through a collective bargaining process, which in some instances includes industry-based bargaining.

Executives based in these operations receive increases determined based on local market conditions, with further consideration to the skills scarcity for top executive talent in many of our markets. Where individuals are within the population subject to Group RemCo oversight, these are presented to the RemCo. These are also subject to local subsidiary board approval.

We comply with minimum salary determinations in all the markets in which we operate.

Addressing pay differentials

Fair and responsible remuneration was a core focus in 2021. Specific implementation actions reflect a conscious decision to strengthen fair pay by investing in the lower levels in the organisation. We made increased use of detailed analytics and insights to assist us to make progress on fair and responsible remuneration.

Key actions were:

- Implementation of fair and responsible remuneration increases in South Africa to bring those individuals low in the relevant remuneration ranges to the minimum of the preferred range relative to the market median. Increases were awarded in November 2021 to over 4,400 people at an annualised cost of approximately R290m. This covered all levels up to middle management.
- We implemented targeted fixed remuneration increases in several of our ARO businesses to increase the competitiveness of fixed remuneration for those holding scarce and critical skills.

Vesting outcomes for the 2019 long-term incentive award

The Absa Group 2019 long-term incentive will partially vest in March 2022 and in September 2022 (as there were two separate allocations for different participant groups in 2019) in respect of the performance period, which ends on 31 December 2021.

The 2019 long-term incentive awards were made in terms of the Long-Term Incentive Plan rules, which governed awards made until the end of 2019. In terms of these rules, awards were made at maximum (stretch) value and are subject to moderation based on the Group performance targets. Awards can therefore only be moderated downwards, based on performance target outcomes.

The outcome, based on the RemCo's assessment of the achievement against the Group performance targets disclosed in our 2018 Remuneration Report, is at **20.7%** of the stretch award, with the details for each component of the performance targets described in the table below.

The vesting outcomes were subject to assurance by EY.

The 2019 long-term incentive, which will vest in respect of the performance period ending 31 December 2021, is included in single-figure remuneration for 2021 for executive directors and prescribed officers on pages 25 to 38. The actual value of the vesting to accrue to each participant will be based on the share price on the vesting date (in equal tranches on 18 March 2022, 2023 and 2024 for Jason Quinn, Arrie Rautenbach and Charles Russon, and 2 September 2022 for Punki Modise as she received her allocation in the second award cycle in 2019) and will include any dividend shares (based on dividends declared during the vesting period and referenced to the number of shares that will vest following application of the performance targets). *However, for the 2021 disclosure, values are reported using the 31 December 2021 share price, as the publication date of the Annual Financial Statements was before the vesting date.*

Measures	Weight	Threshold 10%	Target 67%	Stretch 100%	Achievement	% Achievement	Weighted Achievement
Normalised retun on equity (simple annual average 2019 - 2021)	30%	≥ 17.25%	≥ 18.75%	≥ 20.75%	12.9%	0%	0%
Normalised headline earnings per share (Constant currency Compound Annual Growth Rate 2019 - 2021)	30%	≥ 5.5%	≥ 9.5%	≥ 13.5%	4.8%	0%	0%
Normalised cost-to-income ratio Reported in the 2021 full year financial statements	30%	≤ 56.5%	≤ 54.5%	≤ 52.5%	55.2%	47%	14.0%
Organisational health	10%	At the discretion of the RemCo based on the assessment of People, Customer and Control			67%	67%	6.7%
						Total	20.7%

Disclosures for executive directors and prescribed officers

The Group's executive directors and prescribed officers are designated as such by the Board. Executive directors are subject to appointment by shareholders in their first year and to resignation by rotation and reappointment by shareholders in the normal course of their tenure. This is in accordance with the company's Memorandum of Incorporation and the South African Companies Act requirements.

In 2021, no malus or clawback actions were applied for current or past executive directors and prescribed officers.

Appointment of Group Chief Executive

Arrie Rautenbach was appointed as Group Chief Executive (and an executive director of the Group) with effect from 29 March 2022. The changes to his remuneration pursuant to this appointment are set out below and on pages 31 and 37.

Jason Quinn resumed his role as Group Finance Director, and Punki Modise was appointed as Interim Chief Executive, Retail and Business Banking, both with effect from 29 March 2022.

Further detail is set out in our Integrated Annual Report.

Minimum shareholding requirements

Progress in achieving the minimum shareholding requirements is assessed whenever an ExCo member seeks approval to dispose of Absa Group shares. As at 31 December 2021, all ExCo members are on track to meet the minimum shareholding requirements over the stipulated five-year time frame. For those for whom this was required during 2021, holdings on 31 December 2021 are all at or above the required level.

The personal shareholding (own unencumbered Absa Group shares) and the multiple of cost-to-company this represents for each executive director and prescribed officer are set out below. The holdings as at 31 December 2021 are above the minimum shareholding requirements as a multiple of cost-to-company for the disclosed officers, except for the Interim Group Finance Director, who was only appointed to ExCo and as an executive director in April 2021 and therefore has five years from this date to build up the requisite holdings. Holding requirements for the Interim Group Chief Executive are shown as they applied to his role as Group Finance Director, given that he was fulfilling the Group Chief Executive role in an interim capacity.

Name	Role as at 31 December 2021	Number of shares	Required holdings as a multiple of cost to company	Value of holdings as a multiple of cost-to-company
Jason Quinn	Interim Group Chief Executive	122 622	1.5	3.11
Punki Modise	Interim Group Finance Director	24 786	1.5	1.08
Arrie Rautenbach	Chief Executive, RBB	188 347	1.5	3.96
Charles Russon	Chief Executive, CIB	130 364	1.5	3.31

Cost-to-company

No cost to company increases were awarded to executive directors and prescribed officers in April 2019, April 2020 or April 2021.

The following increases have been awarded effective 1 April 2022 to executive directors and prescribed officers, to ensure that fixed remuneration remains competitive relative to peers:

Name	Role	Revised cost to company – effective April 2022	Increase	Cost-to-company – April 2021
Arrie Rautenbach	Group Chief Executive	**R9 900 000**	36%	R7 259 312
Jason Quinn[1]	Group Finance Director	**R7 000 000**	17%	R6 009 312
Punki Modise[2]	Interim Chief Executive, RBB	**R4 500 000**	29%	R3 500 000
Charles Russon	Chief Executive, CIB	**R6 300 000**	5%	R6 009 312

[1] Jason's increase was determined for his role as Group Finance Director and based on comparative Finance Director roles.

[2] Punki's increase was determined for her role as Finance Executive: Retail and Business Banking and based on comparative roles in the market.

Awarded remuneration and single-figure remuneration

Our disclosures are based on two methodologies, awarded remuneration and single-figure remuneration. The components of each are highlighted below:

		2021 awarded remuneration	2021 single-figure remuneration	Corresponding payment/vesting period 2021	2022	2023	2024	2025	
Cost-to-company and any other guaranteed remuneration paid in 2021.		✓	✓						**Note:** Once-off payments such as leave encashment and separation payments are not included in fixed remuneration, but are instead shown separately at the bottom of awarded and single-figure disclosures.
Short-term incentive in respect of 2021, comprising:	Cash short-term incentive	✓	✓						Cash bonuses paid in March 2022 for 2021 performance.
	Face value of deferred short-term incentive	✓	✓			33.3%	33.3%	33.3%	
Face value of long-term incentive to be awarded in April 2022.		✓			Performance period	Performance period	Performance period	100%	
Total awarded remuneration		✓							
Long-term incentive awards for which the performance period ends in 2021.			✓						The value of vesting of the 2019 long-term incentive award plus dividend equivalents which will vest on 18 March (in equal tranches in 2022, 2023 and 2024), and 2 September 2022, are included. This is based on the 31 December 2021 share price for disclosure purposes, with the actual value being determined on vesting date.
Dividend-equivalents and service credits received in 2021 regarding awards vesting *during* the year.			✓						
Total single-figure remuneration			✓						

Total remuneration mix potential for executive directors and prescribed officers: Single-figure

The individual disclosures that follow for the disclosed officers illustrate the potential total remuneration outcomes (on a single-figure basis), with each element shown as a percentage of the potential total remuneration outcome. The actual total single-figure remuneration received in 2021 is included in the chart. The individual disclosures are set out on pages 25 to 38. Please note that the outcomes relative to the remuneration scenarios do not include one-off payments (such as leave encashments). These are, however, included in the disclosures in the combined tables.

Determining the single-figure scenarios

The single-figure total remuneration scenarios (which include fixed remuneration, short-term incentives and long-term incentives) are based on three potential performance scenarios (the assumptions for each being set out below), namely:

- Below threshold (minimum)
- On-target
- Stretch

The actual total remuneration outcomes will reflect the combination of a range of Group, business and individual performance outcomes over the short- and long-term. The scenarios, therefore, reflect a combination of award outcomes (for short-term incentives) and vesting outcomes (for long-term incentives) based on performance at the three levels indicated above. Deferred short-term and long-term incentives are reflected based on a constant share price and before including any dividend equivalents that may apply on vesting of the awards.

The charts in the individual disclosures demonstrate that the relative weighting of variable remuneration in the total remuneration mix, and the exposure to the Absa Group share price (via deferred short-term incentives and long-term incentives), increases as total remuneration increases. This demonstrates the principles of pay-for-performance and alignment of shareholder and executive interests. There is no entitlement to receive any element of remuneration (other than cost to company, which is a contractual payment), and neither is there any guarantee of awards being made or vested, as may be applicable, at the illustrative levels. The scenarios do not include any adjustment for the possible application of discretion (either positive or negative) by the RemCo.

The scenarios are based on the following assumptions:

- For **below threshold** performance, the executive will only receive cost to company.
- For **on-target** performance, he/she may receive a discretionary short-term award referenced to (but not determined solely based on) the on-target level set for each executive, and a long-term incentive, vesting in the year at the **on-target** level.
- At the **stretch** level, he/she would likely receive a superior bonus award and, for Group outperformance, a superior long-term incentive plan vesting up to **stretch** outcomes. A result at **stretch** for all remuneration outcomes over the relevant performance periods would be extremely unlikely to occur and would be accompanied by the creation of significant long-term shareholder value.

Total remuneration potential (before considering changes to share price for long-term incentive awards) is capped at the stretch level, as set out in the individual charts.

For the pages below, **executive** refers to executive directors and/or prescribed officers.

Remuneration outcomes for our executive directors and prescribed officers

The following disclosures set out the details of the 2021 performance and the associated remuneration for the Group's executives. The disclosures include both awarded remuneration and single-figure remuneration.

In assessing each executive's performance, RemCo considered performance against the Group's strategic priorities and his/her leadership role during the year. These decisions are outlined on the pages that follow.

Disclosures for executives who left the Group in 2020 or 2021 are included in the combined tables on pages 35 to 38.

Jason Quinn
Interim Group Chief Executive

Performance and remuneration outcome

Jason provided very strong leadership to the Group in 2021, both as Group Finance Director (January to April 2021) and as Interim Group Chief Executive (April 2021 – December 2021). Jason stepped up to the role of Interim Group Chief Executive at short notice. During the year, he delivered both in terms of financial performance and on other aspects of the Group scorecard .

His contribution enabled the ExCo to drive sustainable high levels of performance, ensuring that the Group delivered record results for the year. He provided a stabilising influence for customers, colleagues and other stakeholders through our leadership transition.

Group financial performance

Our Group performance is set out on page 17 and 18.

Performance commentary

The year has been difficult for any Chief Executive, in the context of a challenging operating environment. Jason has performed admirably in the face of these challenges.

His performance against the balanced scorecard shows outperformance against most metrics. Through the strategic refresh and steady execution of the Board-approved short- and medium-term plan, Jason and the ExCo were able to respond positively to the challenges faced during the year.

Key elements of Jason's contribution during the year included:

- bringing the organisation together during a time of unexpected change of leadership;
- inspiring and supporting business teams across the Group to deliver excellent financial results;
- representing the Group to external stakeholders with confidence and clarity;
- resolving key aspects of the Group's operating model;
- delivering a cohesive strategy and planning process with clear Board and ExCo support.

Jason led the translation of the strategy into Group and Business scorecards which enabled clarity of purpose and more effective assessment and measurement of objectives, providing confidence to the organisation.

While progress on digital transformation, culture transformation and catching up with the competition on some key metrics remain areas of focus, important strides have been made in areas such as Sustainability which have become more prominent in the Group as a whole.

There were also improvements in the overall Colleague Experience index, and Transformation, Diversity and Inclusion (TD&I) received increased attention from the Group's leadership. This has set a foundation for further progress in respect of the related indicators. Our executive succession and benchstrength remain areas that require increased focus and momentum.

The control environment has continued to show improvement year on year, as confirmed by the three lines of defense and supported by the Group Audit and Compliance Committee. Real progress was made, with work still to do in a few areas, in particular cyber/information security given the globally challenging environment; and strengthening the proactivity of our organisational culture in an environment of evolving risks. The overall leadership stance has been one of decisive remedial action and accountability where areas of difficulty arose.

A key development in the year was the announcement of the proposed sale of the Investment Management business, under Jason's leadership.

Jason has continued to develop credible and trusted relationships in the investor community; and has maintained strong and respected relationships with our regulators.

Jason has delivered very strongly in 2021 as Interim Group Chief Executive.

Remuneration outcomes

Based on the performance outcome described above and with particular regard to the fact that he held the Interim Group Chief Executive role for nine months during the year, the following remuneration outcomes were approved for **Jason**.

Awarded remuneration

The following remuneration was awarded to **Jason** by the RemCo in the 2021/2022 pay review, based on his performance:

- There was no increase to Jason's cost to company in 2021, including in respect of his having taken on the Interim Group Chief Executive role.
- The short-term incentive award was determined based on Jason's performance as Interim Group Chief Executive (9 months) and Group Finance Director (3 months) in the context of Group performance and the increase in the Group performance short-term incentive pool. It also recognises that Jason did not receive a fixed remuneration increase when he assumed the role of Interim Group Chief Executive.
- The long-term incentive was awarded at above the on-target level in Jason's total remuneration mix as the Board seeks to incentivise future performance and the creation of shareholder value over the long-term. The award is subject to the Group performance targets set out on pages 11 and 12 of the Remuneration Policy.

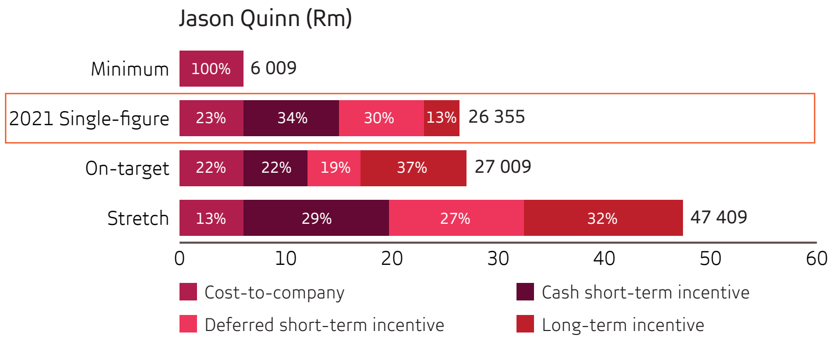
Awarded remuneration	2021 R	2020 R
Salary	5 418 952	5 422 836
Medical aid	119 604	115 128
Retirement benefits	411 749	412 862
Other employee benefits	59 008	58 487
Total fixed remuneration	6 009 313	6 009 313
Non-deferred cash award	9 000 000	–
Deferred share award[1]	8 000 000	4 800 000
Total short-term incentive	17 000 000	4 800 000
Face value of long-term incentive award (on-target award)[2]	12 500 000	10 000 000
Other payments	–	
Total awarded remuneration	35 509 313	20 809 313

[1] Executive directors and prescribed officers did not receive cash short-term incentive awards in respect of 2020 performance, aligned to the Prudential Authority guidance. Short-term incentive awards in respect of 2021 performance will be subject to deferral into Absa Group shares on 50% of the value of the award that exceeds R1m, with the balance paid as cash, as set out in the Remuneration Policy.

[2] This is the "on-target" value of the award. The awards reflected in 2020 were made in April 2021, and those reflected in 2021 are to be made in April 2022.

Single-figure remuneration relative to on-target remuneration mix

Jason received the following single-figure remuneration in 2021. The remuneration mix is shown as a percentage of total remuneration. The detail is in the combined tables on page 36.



Jason's 2021 single-figure remuneration of **R26.4m** includes:

- Fixed remuneration received in 2021. Jason's cost to company was not adjusted when he assumed the Interim Group Chief Executive role.
- Short-term incentive received for 2021 performance, with deferral applying to 50% of the amount that exceeds R1m.
- Vesting awards at a total value of **R3.3m**, consisting of:
  - The value **(R2.7m)** to be received in respect of the vesting of the 2019 long-term incentive award (for the performance period ended 31 December 2021). This is calculated based on a vesting outcome of 20.7% of the stretch award and including dividend shares, calculated using an illustrative Absa Group share price on 31 December 2021. The actual value that accrues to **Jason** will be determined using the share price on the vesting date (in equal tranches on 18 March 2022, 2023 and 2024).
  - The value of dividend equivalents and/or service credits received during 2021, in respect of vesting awards.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 25.

Punkie Modise
Interim Group Finance Director

Performance and remuneration outcome

Punki has performed superbly as Interim Group Finance Director in 2021. New to role, she transitioned seamlessly and instilled confidence in her team and with the ExCo as well as with the Group Audit and Compliance Committee and notably its Chairman. She monitored the performance of the financial activities of the Group well and engaged responsibly with the auditors and the GACC on all key accounting matters and areas of significant judgement.

Group financial performance

Our Group performance is set out on page 17 and 18.

Performance commentary

Punki stepped up to assume the role of Interim Group Finance Director under challenging circumstances. She is to be commended on the role that she played following the departure of the previous Group Chief Executive.

As Interim Group Finance Director, Punki provided strong leadership and oversight to the Finance function and maintained the quality and integrity of the deliverables presented by her teams. The Treasury team played a key role in managing the interest rate risk position for the Group assisting the Group to deliver strong revenue growth during the year. Key capital ratios closed the year strongly and above the Board-approved target ranges.

She also assumed leadership for a number of strategic programmes in the Group, ensuring a seamless transition in this regard from the previous Group Finance Director. These included the Financial Risk Management Crises Response Group which helped to guide the Group's response to the Covid-19 pandemic and also the Efficiency ExCo which oversees the delivery of the Group's cost optimisation programmes. She oversaw the restructuring of the Enablement Office and Marketing, Communications and Corporate Relations Function in a collaborative manner and landed us in a safe space.

Punki provides a clear and consistent underpin to the strategic deliberations at management and Board level. Notably she played a key role in the Group strategy refresh where she was instrumental in the preparations and presentations to the Group Board. These presentations were of a high standard which enabled a high-quality conversation at ExCo and Board level.

Remuneration outcomes

Based on the performance outcome described above, the following remuneration outcomes were approved for **Punki**.

Awarded remuneration

The following remuneration was awarded to **Punki** by the RemCo in the 2021/2022 pay review, based on her performance:

- **Punki's** cost to company was not adjusted when she assumed the role of Interim Group Finance Director. The disclosed fixed remuneration is prorated for her time as an executive director.
- **Punki's** short-term incentive takes account of her performance as Interim Group Finance Director (nine months) and RBB Chief Financial Officer (three months), and recognises that she received no fixed remuneration increase in respect of her Interim Group Finance Director appointment. The short-term incentive award, which will be deferred according to our standard deferral policy, was determined based on **Punki's** performance in the context of Group performance and the increase in the Group performance short-term incentive pool.
- The long-term incentive awarded is reflective of the future contribution the Board believes that **Punki** will make to the Group. The award seeks to incentivise future performance and the creation of shareholder value over the long-term. The award is subject to the Group performance targets set out on pages 11 and 12 of the Remuneration Policy.

Awarded remuneration	2021 R
Salary	1 866 091
Medical aid	156 811
Retirement benefits	159 877
Other employee benefits	210 403
Total fixed remuneration	**2 393 182**
Non-deferred cash award	5 500 000
Deferred share award[1]	4 500 000
Total short-term incentive	**10 000 000**
Face value of long-term incentive award (on-target award)[2]	**10 000 000**
Other payments [3]	**816 546**
Total awarded remuneration	**23 209 728**

[1] Short-term incentive awards in respect of 2021 performance will be subject to deferral into Absa Group shares on 50% of the value of the award that exceeds R1m, with the balance paid as cash, as set out in the Remuneration Policy.

[2] This is the "on-target" value of the award. The awards reflected in 2021 are to be made in April 2022.

[3] "Other payments" reflect the encashment of leave as a consequence of changes to our leave policy.

Single-figure remuneration

Punki does not have an on-target remuneration mix, given that she is currently appointed on an interim basis into the Group Finance Director role. She received single-figure remuneration in 2021, with the detail in the combined tables on page 36.

Punki's 2021 single-figure remuneration of **R13.3m** includes:

- Fixed remuneration received in 2021, prorated for the period during which she was Interim Group Finance Director. Punki's cost to company was not adjusted when she assumed the Interim Group Finance Director role.
- Short-term incentive received for 2021 performance, with deferral applying to 50% of the amount that exceeds R1m. The full value of the short-term incentive, which is **R10m**, is shown.
- Vesting awards at a total value of **R0.9m**, consisting of:
  - The value **(R0.8m)** to be received in respect of the vesting of the 2019 long-term incentive award (for the performance period ended 31 December 2021). This is calculated based on a vesting outcome of 20.7% of the stretch award and including dividend shares. The value is calculated using an illustrative Absa Group share price on 31 December 2021. The actual value that accrues to **Punki** will be determined using the share price on the vesting date (2 September 2022, as Punki's award was made before she was an ExCo member, in the second allocation cycle in 2019).
  - The value of dividend equivalents and/or service credits received during 2021, in respect of vesting awards.

Although included in the combined tables, the Other Payments, which are one-off in nature, are not included in the description of single-figure remuneration set out above.

Arrie Rautenbach
Chief Executive: Retail and Business Banking (RBB)

Performance and remuneration outcome

Arrie led a business that produced competitive performance in 2021. He provided a high standard of leadership to RBB, ensuring that employees continued to remain engaged, offer high quality service to customers and that effective operational performance was delivered.

RBB financial performance

Headline earnings grew 141% to R10 209m, due to 54% lower credit impairments, while pre-provision profits declined 3% or 2% in constant currency (CCY). Revenue was flat at R60 095m, up 2% in CCY, given lower non-interest income. Net interest income grew 2%, or 5% in CCY, while non-interest income decreased 4%, due to higher mortality claims in Insurance and customer-centric price cuts in Everyday Banking. Costs grew 2% to R35 110m, 4% in constant currency, resulting in a cost-to-income ratio of 58.4% from 57.3%. RBB's credit loss ratio improved to 1.21% from 2.78%. It generated a return on regulatory capital (RoRC) of 18.5% from 7.6% and contributed 57% of total Group headline earnings excluding Head Office, Treasury and other operations.

RBB SA earnings grew 118% to R9 747m, resulting in a 21.2% RoRC from 10.0%. Pre-provision profits decreased 5%, driven by higher mortality claims in Absa Financial Services, fee reductions and higher incentives. Credit impairments fell 55%, producing a 1.12% credit loss ratio. Everyday Banking headline earnings grew 63% to R3 930m, given 41% lower credit impairments. Within this, Transactions and Deposits headline earnings decreased 7% to R2 989m reflecting a 5% lower non-interest income. Credit impairments falling 39% saw Card earnings rebound to R878m from a loss of R237m, while Personal Loans swung to a profit of R63m from a R588m loss due to 43% lower credit impairments. Home Loans earnings increased to R2 531m from R534m, given significantly lower credit impairments and 15% higher pre-provision profits. Vehicle and Asset Finance earnings swung to a profit of R605m, from a loss of R927m, due to a 18% pre-provision profit growth and 53% lower credit impairments. Relationship Banking's headline earnings grew 49% to R3 459m, given 5% higher pre-provision profits and 57% lower credit impairments. Insurance SA headline earnings fell 93% to R68m from R996m, given 30% lower gross operating income on significantly higher claims and higher reserving in Life Insurance. Life Insurance made a R174m loss from a R622m profit, while Short-term Insurance's earnings decreased 35% to R242m, given increased claims and lower investment income.

RBB ARO's headline earnings increased to R462m, from a loss of R227m, due to 49% lower credit impairments and 8% higher pre-provision profit. Although revenue decreased 4%, it grew 7% in CCY. RBB ARO's RoRC improved to 5.0% from -2.0%.

Performance commentary

Arrie has led our RBB SA business since 2018 while also fulfilling the role of Interim Group Executive: People and Culture for the full year. In addition, with the changes in the ARO operating model, he took on responsibility for RBB ARO from half year.

Reviewing the balanced scorecards confirms very strong levels of outperformance against most balance sheet metrics for both loans and deposits originated, with new business volumes well ahead of plan. Underlying momentum improved in areas related to non-interest revenue with some stabilisation in customer primacy and improvements in digital adoption, while shortfalls to plan and against peers remain persistent. Arrie continued to embrace this challenge, in particular through the strategic refresh late in 2021.

Arrie participated strongly in the ARO operating model review and has embraced the leadership of RBB ARO with vigour. He is in the process of conducting a strategic review of that business which we have strong conviction will rejuvenate the RBB part of our business in our markets outside South Africa (SA).

We continued to operate in an environment constrained by Covid-19, compounded by the disruptions caused by the unrest in SA in July. The leadership response to these matters was particularly strong, with empathy and caring for the wellbeing of our customers and colleagues at outstanding levels.

The integration of our insurance businesses into RBB has continued according to plan, with particularly strong support to customers through payment of claims through Covid-19, which will benefit our overall client franchise. The governance and board and regulatory engagement process in Absa Financial Services is an area for improvement.

There is more to be done on our strategy and execution around the sustainability agenda in RBB, albeit that the Agri business has made significant strides in this area.

Much progress has been evident, under Arrie's leadership, around our control environment, with particular success in large parts of the business such as Home Loans and Vehicle and Asset Finance, with more still to do in some areas such as Relationship Banking and Insurance.

Arrie made a very strong contribution to our strategic refresh process in 2021.

Remuneration outcomes

Based on the performance outcome described above, the following remuneration outcomes were approved for **Arrie**.

Awarded remuneration

The following remuneration was awarded to **Arrie** by the RemCo in the 2021/2022 pay review, based on his performance:

- There was no increase to **Arrie's** cost to company in 2021.
- The short-term incentive award was determined based on **Arrie's** performance as Chief Executive, RBB in the context of Group and RBB performance and the increase in the Group performance short-term incentive pool. **Arrie** also fulfilled the role of Interim Group Executive, People and Culture for the full year, which was considered in determining his short-term incentive.
- The long-term incentive was awarded at above the on-target level in **Arrie's** total remuneration mix as the Board seeks to incentivise future performance and the creation of shareholder value over the long-term. The award is subject to the Group performance targets set out on pages 11 and 12 of the Remuneration Policy.

Awarded remuneration	2021 R	2020 R
Salary	6 444 479	6 450 191
Medical aid	161 892	155 820
Retirement benefits	158 651	159 261
Other employee benefits	494 316	494 132
Total fixed remuneration	**7 259 338**	**7 259 404**
Non-deferred cash award	6 750 000	–
Deferred share award[1]	5 750 000	4 800 000
Total short-term incentive	**12 500 000**	**4 800 000**
Face value of long-term incentive award (on-target award)[2, 4]	**17 000 000**	**10 250 000**
Other payments[3]	**2 007 617**	
Total awarded remuneration	**38 766 955**	**22 309 404**

[1] Executive directors and prescribed officers did not receive cash short-term incentive awards in respect of 2020 performance, aligned to the Prudential Authority guidance. Short-term incentive awards in respect of 2021 performance will be subject to deferral into Absa Group shares on 50% of the value of the award that exceeds R1m, with the balance paid as cash, as set out in the Remuneration Policy.

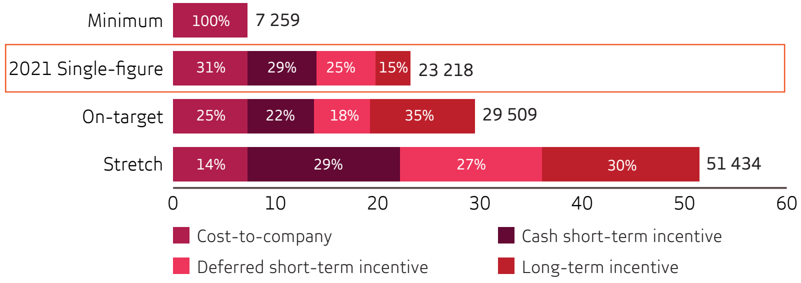
[2] This is the "on-target" value of the award. The awards reflected in 2020 were made in April 2021, and those reflected in 2021 are to be made in April 2022.

[3] "Other payments" reflect the encashment of leave as a consequence of changes to our leave policy.

[4] This includes an additional award of R4.5m relative to what was disclosed in the 2021 Annual Financial Statements, which was made pursuant to Arrie's appointment as Group Chief Executive on 29 March 2022.

Single-figure remuneration relative to on-target remuneration mix

Arrie received the following single-figure remuneration in 2021. The remuneration mix is shown as a percentage of total remuneration. The detail is in the combined tables on page 38.



Arrie's 2021 single-figure remuneration of **R23.2m** includes:

- Fixed remuneration received in 2021.
- Short-term incentive received for 2021 performance, with deferral applying to 50% of the amount that exceeds R1m.
- Vesting awards at a total value of **R3.5m**, consisting of:
  - The value **(R2.8m)** to be received in respect of the vesting of the 2019 long-term incentive award (for the performance period ended 31 December 2021). This is calculated based on a vesting outcome of 20.7% of the stretch award and including dividend shares, calculated using an illustrative Absa Group share price on 31 December 2021. The actual value that accrues to **Arrie** will be determined using the share price on the vesting date (in equal tranches on 18 March 2022, 2023 and 2024).
  - The value of dividend equivalents and/or service credits received during 2021, in respect of other award vesting awards.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 25.

Although included in the combined tables, the Other Payments, which are one-off in nature, are not included in the description of single-figure remuneration set out above.

Charles Russon
Chief Executive: Corporate and Investment Banking (CIB)

Performance and remuneration outcome

Charles has provided high quality leadership to CIB, delivering outstanding performance when compared to the previous year, which is very competitive relative to market peers, taking advantage of a supportive environment.

Charles and his team kept employees engaged and feeling supported during the year.

CIB's financial performance

Headline earnings rose 54% to R7 760m, as credit impairments decreased 78% and pre-provision profits grew 10%, or 16% in constant currency (CCY). Revenue increased 10%, 15% in CCY, to R23 105m. Net interest income grew 3%, or 7% in CCY, while non-interest income rose 22%, or 28% in CCY. Costs increased 10% to R11 138m, 13% in CCY, resulting in a cost-to-income ratio of 48.2% from 48.1%. CIB's credit loss ratio improved to 0.17% from 0.75%. It contributed 43% of Group headline earnings excluding Head Office, Treasury and other operations, and generated a 21.6% RoRC from 13.5%. Investment Bank headline earnings grew 48% to R5 473m, given 61% lower credit impairments and 15% higher pre-provision profits largely due to 31% higher non-interest income. Investment Bank earnings in SA rose 62% to R3 893m, while ARO grew 22% to R1 580m. Global Markets revenue increased 14% or 20% in CCY. Investment Bank accounted for 71% of CIB's earnings and its RoRC improved to 21.1% from 13.5%.

Corporate Bank headline earnings rose 69% to R2 287m, given significantly lower credit impairments, which outweighed flat pre-provision profits. Corporate Bank SA earnings increased 63% to R1 240m, with ARO up 77% to R1 048m. Corporate Bank's RoRC improved to 23.1% from 13.7%. CIB SA's headline earnings grew 62% to R5 133m, reflecting 66% lower credit impairments and 18% higher pre-provision profits due to 36% non-interest income growth. CIB SA's RoRC rose to 19.0% from 11.6%. CIB ARO's headline earnings rose 39%, or 67% in CCY, to R2 627m, as credit impairments dropped 94%. The stronger Rand was a drag, as revenue grew 11% in CCY, versus declining 1% in Rand. CIB ARO's RoRC improved to 29.7% from 18.8%.

Performance commentary

Charles played an instrumental leadership role in the review of the ARO operating model, which moved swiftly to restructure our leadership and oversight of the ARO business. This was done in a manner which delivered better alignment between our RBB and CIB businesses and our country and Group leadership. The successful execution and implementation of this initiative serves us well to re-invigorate our ARO business and deliver the opportunity it presents, thanks to Charles' meticulous and energetic leadership.

The CIB business delivered exceptional financial performance across almost all scorecard metrics in 2021, either meeting or exceeding all targets committed to the Board and Investors from the 2019 strategic reset of the business. In many metrics we are now positioned as the #2 Corporate and Investment Bank compared to peers, coming from #3 and #4 several years ago.

The integration of CIB to be a pan-African business is well on track, which positions us well as the ARO markets recover from the impact of Covid-19.

Improvements were evident in customer primacy, with new-to-bank customer activity ahead of target. This remains one of the largest opportunities across the Group to onboard customers onto our significantly enhanced digital channels.

The colleague experience showed steady improvement, with areas of focus being highlighted as compensation and fair pay. Significant progress on that front has been delivered throughout 2021 and Charles's has constructively engaged with the Executive Appointments and Remuneration Committee around these matters.

Continued progress has been delivered against the Sustainability agenda, with notable success in the formation of South Africa's largest black owned renewable power fund and a very strong leadership position in the last round of the Renewable Energy Independent Producer Procurement Programme. It is also noted that to fulfil our ambition of being an active force for good in the future, CIB should more fully play an influencing and leadership role in the Just Transition narrative, so relevant to our continent.

There was also strong improvement in the control environment over the period, with further work to be done in this regard.

Remuneration outcomes

Based on the performance outcome described above, the following remuneration outcomes were approved for **Charles**:

Awarded remuneration

The following remuneration was awarded to **Charles** by the RemCo in the 2021/2022 pay review, based on his performance:

- There was no increase to **Charles'** cost to company in 2021.
- The short-term incentive award was determined based on Charles' performance as Chief Executive, CIB, in the context of Group and CIB performance and the increase in the Group performance short-term incentive pool. **Charles** also fulfilled the role of Interim Group Executive: ARO, between the passing of Peter Matlare and the appointment of Saviour Chibiya to the role. The short-term incentive is set below **Charles'** on-target award, as a greater proportion of his total remuneration has been awarded as a long-term incentive (see below).
- The long-term incentive was awarded at above the on-target level in **Charles'** total remuneration mix as the Board seeks to increase the proportion of total awarded remuneration that is awarded as long-term incentives. This is to incentivise future performance and the creation of shareholder value over the long-term. The award is subject to the Group performance targets set out on pages 11 and 12 of the Remuneration Policy.

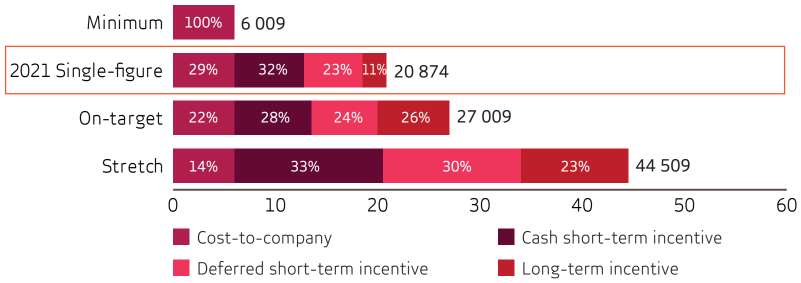
Awarded remuneration	2021 R	2020 R
Salary	5 585 822	5 593 432
Medical aid	202 428	194 844
Retirement benefits	162 055	162 550
Other employee benefits	59 008	58 487
Total fixed remuneration	6 009 313	6 009 313
Non-deferred cash award [1]	6 750 000	–
Deferred share award	5 750 000	4 000 000
Total short-term incentive	12 500 000	4 000 000
Face value of long-term incentive award (on-target award)[2]	10 000 000	7 000 000
Other payments	–	
Total awarded remuneration	28 509 313	17 009 313

1 Executive directors and prescribed officers did not receive cash short-term incentive awards in respect of 2020 performance, aligned to the Prudential Authority guidance. Short-term incentive awards in respect of 2021 performance will be subject to deferral into Absa Group shares on 50% of the value of the award that exceeds R1m, with the balance paid as cash, as set out in the Remuneration Policy.

2 This is the "on-target" value of the award. The awards reflected in 2020 were made in April 2021, and those reflected in 2021 are to be made in April 2022.

Single-figure remuneration relative to on-target remuneration mix

Charles received the following single-figure remuneration in 2021. The remuneration mix is shown as a percentage of total remuneration. The detail is in the combined tables on page 38.



Charles' 2021 single-figure remuneration of **R20.9m** includes:

- Fixed remuneration received in 2021.
- Short-term incentive received for 2021 performance, with deferral applying to 50% of the amount that exceeds R1m.
- Vesting awards at a total value of **R2.4m**, consisting of:
  - The value **(R1.9m)** to be received in respect of the vesting of the 2019 long-term incentive award (for the performance period ended 31 December 2021). This is calculated based on a vesting outcome of 20.7% of the stretch award and including dividend shares, calculated using an illustrative Absa Group share price on 31 December 2021. The actual value that accrues to **Charles** will be determined using the share price on the vesting date (in equal tranches on 18 March 2022, 2023 and 2024).
  - The value of dividend equivalents and/or service credits received during 2021, in respect of other vesting awards.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 25.

Mutual separation agreement with the previous Group Chief Executive

The Board announced in April 2021 that it had reached a mutual agreement with **Daniel Mminele**, our previous Group Chief Executive, that he would step down as Group Chief Executive and would exit from the Group. The separation was a consequence of the non-alignment between the Board and Daniel on strategy and culture transformation matters. Daniel stepped down as Group Chief Executive on 20 April 2021, with his last date of service as an employee being 30 April 2021. The termination of employment was on a "no-fault" basis. Further detail is available in the Integrated Annual Report.

For a speedy resolution and in the best interests of the organisation, the Board agreed that Daniel would receive a termination payment that would include good leaver treatment on unvested short-term incentive deferrals and unvested long-term incentives, in respect of which Daniel received cash-equivalent payments. All outstanding awards lapsed on termination.

The payments made on termination formed part of the mutual separation agreement and are thus not measured against any targets.

Daniel's mutual separation payment consisted of a lump-sum made up of the following negotiated elements:

- A payment of R5m in lieu of his 2020 short–term incentive, which had been fully deferred into Absa Group shares based on a RemCo decision that took PRA guidance on Covid-19 into account.
- A payment of R3.25m in lieu of his 2021 long–term incentive award. The face value of this award was R15m.
- An ex-gratia payment of R16.5m.

Contractual payments included:

- A payment of R4.5m in lieu of six months contractual notice.
- A payment of R750k in lieu of accumulated leave.

Payments were made after deducting the relevant taxation and other statutory contributions.

Given that the separation terms are in full and final settlement of any claims either party may have against the other, the separation payments are not subject to malus or clawback provisions.

The Group agreed to contribute to Daniel's legal costs. An amount of R466k was paid directly to him and was subject to taxation and other statutory contributions.

The total value of the separation payment was R30.47m.

Executive directors and prescribed officers: remuneration tables

Combined tables for 2021 total remuneration

Executive directors	Jason Quinn		Punki Modise[6]	Daniel Mminele[7]		Peter Matlare		Rene van Wyk[8]	Total	
Awarded Remuneration	**2021 R**	2020 R	**2021 R**	**2021 R**	2020 R	**2021 R**	2020 R	2020 R	**2021 R**	2020 R
Salary	**5 418 952**	5 422 836	**1 866 091**	**2 922 288**	8 430 191	**1 617 039**	6 501 664	833 333	**11 824 370**	21 188 024
Medical aid	**119 604**	115 128	**156 811**	**–**	–	**55 632**	188 280	–	**332 047**	303 408
Retirement benefits	**411 749**	412 862	**159 877**	**51 466**	154 680	**89 621**	537 727	–	**712 713**	1 105 269
Other employee benefits	**59 008**	58 487	**210 403**	**26 247**	75 102	**7 726**	31 642	28 842	**303 384**	194 073
Total fixed remuneration	**6 009 313**	**6 009 313**	**2 393 182**	**3 000 001**	**8 659 973**	**1 770 018**	**7 259 313**	**862 175**	**13 172 514**	**22 790 774**
Non-deferred cash award[1]	**9 000 000**	–	**5 500 000**	**–**	–	**–**	3 300 000	–	**14 500 000**	3 300 000
Deferred share award[2]	**8 000 000**	4 800 000	**4 500 000**	**–**	5 000 000	**–**	–	–	**12 500 000**	9 800 000
Total short-term incentive[3]	**17 000 000**	**4 800 000**	**10 000 000**	**–**	**5 000 000**	**–**	**3 300 000**	**–**	**27 000 000**	**13 100 000**
Face value of long-term incentive award (on-target award)[4]	**12 500 000**	**10 000 000**	**10 000 000**	**–**	**15 000 000**	**–**	**–**	**–**	**22 500 000**	**25 000 000**
Other payments[5]	**–**	**–**	**816 546**	**30 466 273**	**–**	**893 316**	**–**	**–**	**32 176 135**	**–**
Total awarded remuneration	**35 509 313**	**20 809 313**	**23 209 728**	**33 466 274**	**28 659 973**	**2 663 334**	**10 559 313**	**862 175**	**94 848 649**	**60 890 774**

1 Executive directors and prescribed officers did not receive cash short-term incentive awards in respect of 2020 performance, aligned to the Prudential Authority guidance. In light of the passing of Peter Matlare on 7 March 2021, the Board approved the payment in cash of the short-term incentive that was awarded to him, as deferred awards would, in the normal course, be accelerated in the event of the death of a participant. Short-term incentive awards in respect of 2021 performance will be subject to deferral into Absa Group shares on 50% of the value of the award that exceeds R1m, with the balance paid as cash, as set out in the Remuneration Policy.

2 All deferral in respect of the short-term incentive award made for 2021 performance will be in Absa Group shares. Deferred awards disclosed in 2021 will be granted in April 2022. The full award made in respect of 2020 performance was deferred into Absa Group shares, with vesting in equal proportions on the 1st, 2nd and 3rd anniversaries of the award date. Release will be subject to the additional CET1 safety and soundness validation. The award was granted in April 2021.

3 Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's Remuneration Policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period. (three years). For deferred short-term incentives awarded in 2021 for 2020 performance, an additional CET1 safety and soundness validation will apply at vesting. In contrast to this, the long-term incentives relate to awards which have future Group performance criteria that will determine the final vesting outcome, in addition to a continued service condition. Total awarded remuneration disclosed in 2020 includes the fixed remuneration paid during 2020, the total short-term incentive in respect of 2020 performance (consisting only of a deferred award granted in April 2021, other than in respect of Peter Matlare) and the face value of the long-term incentive to be granted in April 2021. Amounts disclosed in 2021 follow the same principle, except that the short-term incentive awarded for 2021 performance consist of a cash award and a deferred share award.

4 This is the "on-target" value of the award. The awards reflected in 2020 were made in April 2021, and those reflected in 2021 are to be made in April 2022.

5 "Other payments" reflect all payments made to Daniel Mminele on termination of employment (see note 7) and for other executive directors and prescribed offices, the encashment of leave as a consequence of changes to our leave policy. For Peter Matlare, the payment is in respect of accrued leave to the date of his passing - excludes any death benefit due from Group benefit funds.

6 Punki Modise was appointed as the Interim Financial Director effective 23 April 2021. Fixed remuneration amounts shown are prorated from appointment date. Both STI and LTI shown at full value.

7 Daniel Mminele stepped down as a Director on 20 April 2021 and ceased being an employee on 30 April 2021. All remuneration paid to him in 2021 has been included in this disclosure. This includes separation payments, contractual notice payments and leave payments which are shown as "Other payments".

8 Rene van Wyk served as Chief Executive from 1 January to 14 January 2020. He was an executive director from 15 January to 31 January 2020. Remuneration received in 2020 as a non-executive director from 1 August 2020 to 31 December 2020 is set out in the table on non-executive directors' remuneration.

Executive directors and prescribed officers: remuneration tables *continued*

Combined tables for 2021 total remuneration *continued*

Executive directors	Jason Quinn		Punki Modise[6]	Daniel Mminele[7]		Peter Matlare		Rene van Wyk[8]	Total	
Single-figure remuneration	2021 R	2020 R	2021 R	2021 R	2020 R	2021 R	2020 R	2020 R	2021 R	2020 R
Salary	**5 418 952**	5 422 836	**1 866 091**	**2 922 288**	8 430 191	**1 617 039**	6 501 664	833 333	**11 824 370**	21 188 024
Medical Aid	**119 604**	115 128	**156 811**	**–**	–	**55 632**	188 280	–	**332 047**	303 408
Retirement benefits	**411 749**	412 862	**159 877**	**51 466**	154 680	**89 621**	537 727	–	**712 713**	1 105 269
Other employee benefits	**59 008**	58 487	**210 403**	**26 247**	75 102	**7 726**	31 642	28 842	**303 384**	194 073
Total fixed remuneration	**6 009 313**	**6 009 313**	**2 393 182**	**3 000 001**	**8 659 973**	**1 770 018**	**7 259 313**	**862 175**	**13 172 514**	**22 790 774**
Non-deferred cash award[1]	**9 000 000**	–	**5 500 000**	**–**	–	**–**	3 300 000	–	**14 500 000**	3 300 000
Deferred share award [2]	**8 000 000**	4 800 000	**4 500 000**	**–**	5 000 000	**–**	–	–	**12 500 000**	9 800 000
Total short-term incentives[3]	**17 000 000**	**4 800 000**	**10 000 000**	**–**	**5 000 000**	**–**	**3 300 000**	**–**	**27 000 000**	**13 100 000**
Value of vested long-term awards[3]	**2 735 115**	5 007 063	**786 762**	**–**	–	**2 079 592**	6 974 155	–	**5 601 469**	11 981 218
Dividend equivalents/service credits received on vesting awards	**611 062**	1 838 139	**100 700**	**–**	–	**1 599 258**	2 320 148	–	**2 311 020**	4 158 287
Total long-term incentives[4]	**3 346 177**	**6 845 202**	**887 462**	**–**	–	**3 678 850**	**9 294 303**	**–**	**7 912 489**	**16 139 505**
Other payments[5]	**–**	**–**	**816 546**	**30 466 273**	–	**893 316**	**–**	**–**	**32 176 135**	**–**
Total single-figure remuneration	**26 355 490**	**17 654 515**	**14 097 190**	**33 466 274**	**13 659 973**	**6 342 184**	**19 853 616**	**862 175**	**80 261 138**	**52 030 279**

1 Executive directors and prescribed officers did not receive cash short-term incentive awards in respect of 2020 performance, aligned to the Prudential Authority guidance. In light of the passing of Peter Matlare on 7 March 2021, the Board approved the payment in cash of the short-term incentive that was awarded to him, as deferred awards would, in the normal course, be accelerated in the event of the death of a participant. Short-term incentive awards in respect of 2021 performance will be subject to deferral into Absa Group shares on 50% of the value of the award that exceeds R1m, with the balance paid as cash, as set out in the Remuneration Policy.

2 All deferral in respect of the short-term incentive award made for 2021 performance will be in Absa Group shares. Deferred awards disclosed in 2021 will be granted in April 2022. The full award made in respect of 2020 performance was deferred into Absa Group shares, with vesting in equal proportions on the 1st, 2nd and 3rd anniversaries of the award date. Release will be subject to the additional CET1 safety and soundness validation. The award was granted in April 2021.

3 Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's Remuneration Policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period. (three years). For deferred short-term incentives awarded in 2021 for 2020 performance, an additional CET1 safety and soundness validation will apply at vesting. In contrast to this, the long-term incentives relate to awards which have future Group performance criteria that will determine the final vesting outcome, in addition to a continued service condition. Total awarded remuneration disclosed in 2020 includes the fixed remuneration paid during 2020, the total short-term incentive in respect of 2020 performance (consisting only of a deferred award granted in April 2021, other than in respect of Peter Matlare) and the face value of the long-term incentive to be granted in April 2021. Amounts disclosed in 2021 follow the same principle, except that the short-term incentive awarded for 2021 performance consist of a cash award and a deferred share award.

4 The 2019 long-term incentive, which vests in respect of the performance period ending 31 December 2021, is included in the 2021 single-figure remuneration for executive directors and prescribed officers. The actual value of the vesting to accrue to each participant will be based on the share price on vesting date (in equal tranches on 18 March 2022, 2023 and 2024, and 2 September 2022) and will include any dividend shares (based on dividends declared during the vesting period, and referenced to the number of shares that will vest following application of the performance targets). However, for the purpose of the 2021 disclosure, values are reported using the 31 December 2021 share price, as the publication date of the Annual Financial Statements was before the vesting date. In light of the passing of Peter Matlare on 7 March 2021, the Board approved the payment in cash of the long-term incentive that was awarded to him (adjusted for performance measurement), as long-term awards would, in the normal course, be accelerated in the event of the death of a participant. The amount included under 2020 reflects the value vested in terms of the 2017 long-term incentive in August 2020.

5 "Other payments" reflect all payments made to Daniel Mminele on termination of employment (see note 7) and for other executive directors and prescribed offices, the encashment of leave as a consequence of changes to our leave policy. For Peter Matlare, the payment is in respect of accrued leave to the date of his passing - excludes any death benefit due from Group benefit funds.

6 Punki Modise was appointed as the Interim Financial Director effective 23 April 2021. Fixed remuneration amounts shown are prorated from appointment date. Both STI and LTI shown at full value.

7 Daniel Mminele stepped down as a Director on 20 April 2021 and ceased being an employee on 30 April 2021. All remuneration paid to him in 2021 has been included in this disclosure. This includes separation payments, contractual notice payments and leave payments which are shown as "Other payments".

8 Rene van Wyk served as Chief Executive from 1 January to 14 January 2020. He was an executive director from 15 January to 31 January 2020. Remuneration received in 2020 as a non-executive director from 1 August 2020 to 31 December 2020 is set out in the table on non-executive directors' remuneration.

Executive directors and prescribed officers: remuneration tables *continued*

Combined tables for 2021 total remuneration *continued*

Prescribed officers

Awarded Remuneration	Arrie Rautenbach 2021 R	Arrie Rautenbach 2020 R	Charles Russon 2021 R	Charles Russon 2020 R	Total 2021 R	Total 2020 R
Salary	**6 444 479**	6 450 191	**5 585 822**	5 593 432	**12 030 301**	12 043 623
Medical Aid	**161 892**	155 820	**202 428**	194 844	**364 320**	350 664
Retirement benefits	**158 651**	159 261	**162 055**	162 550	**320 706**	321 811
Other employee benefits	**494 316**	494 132	**59 008**	58 487	**553 324**	552 619
Total fixed remuneration	**7 259 338**	**7 259 404**	**6 009 313**	**6 009 313**	**13 268 651**	**13 268 717**
Non-deferred cash award[1]	**6 750 000**	–	**6 750 000**	–	**13 500 000**	–
Deferred share award[2]	**5 750 000**	4 800 000	**5 750 000**	4 000 000	**11 500 000**	8 800 000
Total short-term incentive	**12 500 000**	**4 800 000**	**12 500 000**	**4 000 000**	**25 000 000**	**8 800 000**
Face value of long term incentive award (on-target award)[3, 5]	**17 000 000**	**10 250 000**	**10 000 000**	**7 000 000**	**27 000 000**	**17 250 000**
Other payments[4]	**2 007 617**	–	–	–	**2 007 617**	–
Total awarded remuneration	**38 766 955**	**22 309 404**	**28 509 313**	**17 009 313**	**67 276 268**	**39 318 717**

[1] Executive directors and prescribed officers did not receive cash short-term incentive awards in respect of 2020 performance, aligned to the Prudential Authority guidance. Short-term incentive awards in respect of 2021 performance will be subject to deferral into Absa Group shares on 50% of the value of the award that exceeds R1m, with the balance paid as cash, as set out in the Remuneration Policy.

[2] All deferral in respect of the short-term incentive award made for 2021 performance will be in Absa Group shares. Deferred awards disclosed in 2021 will be granted in April 2022. The full award made in respect of 2020 performance was deferred into Absa Group shares, with vesting in equal proportions on the 1st, 2nd and 3rd anniversaries of the award date. Release will be subject to the additional CET1 safety and soundness validation. The award was granted in April 2021.

[3] This is the "on-target" value of the award. The awards reflected in 2020 were made in April 2021, and those reflected in 2021 are to be made in April 2022.

[4] "Other payments" reflect the encashment of leave as a consequence of changes to our leave policy.

[5] This includes an additional award of R4.5m relative to what was disclosed in the 2021 Annual Financial Statements, which was made pursuant to Arrie Rautenbach's appointment as Group Chief Executive on 29 March 2022.

Executive directors and prescribed officers: remuneration tables *continued*

Combined tables for 2021 total remuneration *continued*

Prescribed officers	Arrie Rautenbach		Charles Russon		Total	
Single-figure remuneration	**2021 R**	2020 R	**2021 R**	2020 R	**2021 R**	2020 R
Salary	**6 444 479**	6 450 191	**5 585 822**	5 593 432	**12 030 301**	12 043 623
Medical Aid	**161 892**	155 820	**202 428**	194 844	**364 320**	350 664
Retirement benefits	**158 651**	159 261	**162 055**	162 550	**320 706**	321 811
Other employee benefits	**494 316**	494 132	**59 008**	58 487	**553 324**	552 619
Total fixed remuneration	**7 259 338**	**7 259 404**	**6 009 313**	**6 009 313**	**13 268 651**	**13 268 717**
Non-deferred cash award[1]	**6 750 000**	–	**6 750 000**	–	**13 500 000**	–
Deferred share award[2]	**5 750 000**	4 800 000	**5 750 000**	4 000 000	**11 500 000**	8 800 000
Total short-term incentives	**12 500 000**	**4 800 000**	**12 500 000**	**4 000 000**	**25 000 000**	**8 800 000**
Value of vested long-term awards[3]	**2 803 482**	5 364 716	**1 914 565**	4 828 237	**4 718 047**	10 192 953
Dividend equivalents/service credits received on vesting awards	**654 991**	2 348 020	**450 541**	2 082 134	**1 105 532**	4 430 154
Total long-term incentives	**3 458 473**	**7 712 736**	**2 365 106**	**6 910 371**	**5 823 579**	**14 623 107**
Other payments[4]	**2 007 617**	–	–	–	**2 007 617**	–
Total single-figure remuneration	**25 225 428**	**19 772 140**	**20 874 419**	**16 919 684**	**46 099 847**	**36 691 824**

1 Executive directors and prescribed officers did not receive cash short-term incentive awards in respect of 2020 performance, aligned to the Prudential Authority guidance. Short-term incentive awards in respect of 2021 performance will be subject to deferral into Absa Group shares on 50% of the value of the award that exceeds R1m, with the balance paid as cash, as set out in the Remuneration Policy.

2 All deferral in respect of the short-term incentive award made for 2021 performance will be in Absa Group shares. Deferred awards disclosed in 2021 will be granted in April 2022. The full award made in respect of 2020 performance was deferred into Absa Group shares, with vesting in equal proportions on the 1st, 2nd and 3rd anniversaries of the award date. Release will be subject to the additional CET1 safety and soundness validation. The award was granted in April 2021.

3 The 2019 long-term incentive, which vests in respect of the performance period ending 31 December 2021, is included in the 2021 single-figure remuneration for executive directors and prescribed officers. The actual value of the vesting to accrue to each participant will be based on the share price on vesting date (in equal tranches on 18 March 2022, 2023 and 2024) and will include any dividend shares (based on dividends declared during the vesting period, and referenced to the number of shares that will vest following application of the performance targets). However, for the purpose of the 2021 disclosure, values are reported using the 31 December 2021 share price, as the publication date of the Annual Financial Statements was before the vesting date. The amount included under 2020 reflects the value vested in terms of the 2017 long-term incentive in August 2020.

4 "Other payments" reflect the encashment of leave as a consequence of changes to our leave policy.

Directors' and prescribed officers' remuneration

Outstanding share-based long-term incentives

The table below outlines share-based and long-term incentive awards (awarded in respect of performance in a prior period).

	Number of shares under award at 1 January 2021	Number of shares/cash awarded during 2021	Share price on award R	Number of shares/cash released/ during 2021	Market price on release date R	Value of release (pre-tax) R	Value of dividend released (pre-tax) R	Number of shares/ options lapsed (forfeited) in 2021	Number of shares under award/ option at 31 December 2021	Last scheduled vesting date	Fair Value of unvested awards at 31 December 2021[5,7] R
Executive directors											
Daniel Mminele[1]											
Share incentive plan deferral 2021 – 2024	–	39 234	127.44	–	–	–	–	39 234	–	2024-04-01	–
Share incentive plan performance 2020[4]	162 902	–	–	–	–	–	–	162 902	–	2025-04-01	–
Share incentive plan performance 2021[4]	–	117 702	127.44	–	–	–	–	117 702	–	2026-04-01	–
Total	162 902	156 936		–	–	–	–	319 838	–		–
Peter Matlare[2]											
Share value plan 2018 – 2020	10 144	–	–	10 144	129.61	1 314 764	299 140	–	–	2021-03-07	–
Share value plan 2019 – 2021	21 190	–	–	21 190	129.61	2 746 436	412 160	–	–	2021-03-07	–
Share incentive plan deferral 2020	59 731	–	–	59 731	129.61	7 741 735	575 857	–	–	2021-03-07	–
Long-term incentive award 2019[3]	84 449	–	–	16 045	129.61	2 079 592	312 101	68 404	–	2021-03-07	–
Total	175 514	–		107 110		13 882 527	1 599 258	68 404	–		–
Jason Quinn											
Share value plan 2018 – 2020[6]	4 057	–	–	4 057	126.98	515 158	117 203	–	–	2021-03-18	–
Share value plan 2019 – 2021	11 352	–	–	5 676	126.98	720 738	108 187	–	5 676	2022-03-18	865 874
Share incentive plan deferral 2020 – 2023	62 446	–	–	20 815	124.17	2 584 599	192 339	–	41 631	2023-04-01	6 350 809
Share incentive plan deferral 2021 – 2024	–	37 664	127.44	–	–	–	–	–	37 664	2024-04-01	5 745 643
Long-term incentive award 2019[4]	86 615	–	–	–	–	–	–	–	86 615	2024-03-18	13 213 118
Share incentive plan performance 2020[4]	130 321	–	–	–	–	–	–	–	130 321	2025-04-01	19 880 469
Share incentive plan performance 2021[4]	–	78 468	127.44	–	–	–	–	–	78 468	2026-04-01	11 970 293
Total	294 791	116 132		30 548		3 820 495	417 729	–	380 375		58 026 206

Directors' and prescribed officers' remuneration *continued*

Outstanding share-based long-term incentives *continued*

	Number of shares under award at 1 January 2021	Number of shares/cash awarded during 2021	Share price on award R	Number of shares/cash released/ during 2021	Market price on release date R	Value of release (pre-tax) R	Value of dividend released (pre-tax) R	Number of shares/ options lapsed (forfeited) in 2021	Number of shares under award/ option at 31 December 2021	Last scheduled vesting date	Fair Value of unvested awards at 31 December 2021[5,7] R
Punki Modise[5]											
Share value plan 2018 – 2020[6]	609	–	–	609	126.98	77 331	17 523	–	–	2021-03-18	–
Share value plan 2019 – 2021	1 741	–	–	870	126.98	110 473	16 507	–	871	2022-03-18	132 871
Share incentive plan deferral 2020 – 2023	9 991	–	–	3 330	124.17	413 486	30 670	–	6 661	2023-04-01	1 016 136
Share incentive plan deferral 2021 – 2024	–	980	127.44	–	–	–	–	–	980	2024-04-01	149 499
Long-term incentive award 2019	24 915	–	–	–	–	–	–	–	24 915	2022-09-02	3 800 783
Share incentive plan performance 2020	32 580	–	–	–	–	–	–	–	32 580	2023-04-01	4 970 079
Share incentive plan performance 2021	–	25 109	127.44	–	–	–	–	–	25 109	2024-04-01	3 830 378
Total	69 836	26 089		4 809		601 290	64 700	–	91 116		13 899 746

1 Daniel Mminele ceased to be an Executive Director on 20 April 2021 and subsequently terminated his service with Absa Group on 30 April 2021. All his awards were forfeited on termination of service date.

2 Peter Matlare passed away on 7 March 2021. In terms of the scheme rules all the awards were accelerated to vest on the date of death.

3 The number of shares to vest was based on the measurement of the predetermined performance conditions link to the Performance awards.

4 For all executive directors, the award will vest over a five year period.

5 Punki Modise's outstanding share-based long-term awards include awards received prior to becoming an executive director on 23 April 2021. Punki Modise`s Long-Term Incentive award 2019, Share Plan Incentive Performance award 2020 and Share Plans Incentive Award 2021 vest over a three year period since the awards were made prior to her becoming an executive director.

6 The scheduled vesting date for the 1 March 2021 share value plan vesting moved to 18 March 2021, due to the original vesting dates falling within a prohibited/closed period.

7 Fair value of the awards the number of shares multiplied by the closing share price on 31 December 2021 (R152.55). For the 2019 long-term incentive and the 2020 and 2021 share incentive plan performance award, the fair value is calculated before the application of Group performance conditions, which will be tested at the end of the relevant performance period to determine the vesting outcome. The financial performance conditions for these awards are at material risk given the impact of Covid-19. Dividend equivalents may apply at the time of vesting on the number of shares that vest.

Directors' and prescribed officers' remuneration *continued*

Outstanding share-based long-term incentives *continued*

	Number of shares under award at 1 January 2021	Number of shares/cash awarded during 2021	Share price on award R	Number of shares/cash released/ during 2021	Market price on release date R	Value of release (pre-tax) R	Value of dividend released (pre-tax) R	Number of shares/ options lapsed (forfeited) in 2021	Number of shares under award/ option at 31 December 2021	Last scheduled vesting date	Fair Value of unvested awards at 31 December 2021[5] R
Prescribed officers											
Arrie Rautenbach											
Share value plan 2018 – 2020[1;2]	**9 130**	**–**	–	**9 130**	126.98	1 159 327	263 864	**–**	**–**	2021-03-18	**–**
Share value plan 2019 – 2021	**21 758**	**–**	–	**10 880**	126.98	1 381 542	207 231	**–**	**10 878**	2022-03-18	**1 659 439**
Share incentive plan deferral 2020 – 2023	**59 731**	**–**	–	**19 910**	124.17	2 472 225	183 896	**–**	**39 821**	2023-04-01	**6 074 694**
Share incentive plan deferral 2021 – 2024	**–**	**37 664**	127.44	**–**	–	–	–	**–**	**37 664**	2024-04-01	**5 745 643**
Long-term incentive award 2019[3]	**88 780**	**–**	–	**–**	–	–	–	**–**	**88 780**	2024-03-18	**13 543 389**
Share incentive plan performance 2020[3]	**130 321**	**–**	–	**–**	–	–	–	**–**	**130 321**	2025-04-01	**19 880 469**
Share incentive plan performance 2021[3]	**–**	**80 430**	127.44	**–**	–	–	–	**–**	**80 430**	2026-04-01	**12 269 597**
Total	**309 720**	**118 094**		**39 920**		**5 013 094**	**654 991**	**–**	**387 894**		**59 173 231**
Charles Russon											
Share value plan 2018 – 2020[2;4]	**8 114**	**–**	–	**8 114**	126.98	1 030 316	234 405	**–**	**–**	2021-03-18	**–**
Share value plan 2019 – 2021	**8 041**	**–**	–	**4 021**	126.98	510 587	76 569	**–**	**4 020**	2022-03-18	**613 251**
Share incentive plan deferral 2020 – 2023	**45 341**	**–**	–	**15 114**	124.17	1 876 705	139 567	**–**	**30 227**	2023-04-01	**4 611 129**
Share incentive plan deferral 2021 – 2024	**–**	**31 387**	127.44	**–**	–	–	–	**–**	**31 387**	2024-04-01	**4 788 087**
Long-term incentive award 2019[3]	**60 630**	**–**	–	**–**	–	–	–	**–**	**60 630**	2024-03-18	**9 249 107**
Share incentive plan performance 2020[3]	**99 370**	**–**	–	**–**	–	–	–	**–**	**99 370**	2025-04-01	**15 158 894**
Share incentive plan performance 2021[3]	**–**	**54 927**	127.44	**–**	–	–	–	**–**	**54 927**	2026-04-01	**8 379 114**
Total	**221 496**	**86 314**		**27 249**		**3 417 608**	**450 541**	**–**	**280 561**		**42 799 582**

[1] Arrie Rautenbach's outstanding share-based long-term awards include awards received prior to becoming a prescribed officers on 19 April 2018.

[2] The scheduled vesting date for the 1 March 2021 share value plan vesting moved to 18 March 2021, due to the original vesting dates falling within a prohibited/closed period.

[3] For all Prescribed Officers, the award will vest over a five year period.

[4] Charles Russon's outstanding share-based-long-term awards include awards received prior to becoming a prescribed officer on 5 November 2018.

[5] Fair value of the awards the number of shares multiplied by the closing share price on 31 December 2021 (R152.55). For the 2019 long-term incentive and the 2020 and 2021 share incentive plan performance award, the fair value is calculated before the application of Group performance conditions, which will be tested at the end of the relevant performance period to determine the vesting outcome. The financial performance conditions for these awards are at material risk given the impact of Covid-19. Dividend equivalents may apply at the time of vesting on the number of shares that vest.

Directors' and prescribed officers' remuneration *continued*

Outstanding cash-based long-term awards

	Value under award at 1 January 2021 R	Maximum potential value at 1 January 2021 R	Value awarded in the year R	Value released in the year R	Value forfeited in the year R	Converted to Equity R	Service Credit awarded in the year R	Service Credit released in the year R	Service Credit lapsed (forfeited) in the year R	Value under award at 31 December 2021 R	Maximum potential value at 31 December 2021 R	Last schedule vesting date
Executive directors												
Jason Quinn												
Cash Value Plan 2018 – 2020	**800 000**	**993 333**	–	800 000	–	–	–	193 333	–	**–**	**–**	2021-03-01
Cash Value Plan 2019 – 2021	**1 966 000**	**2 260 900**	–	983 000	–	–	–	–	–	**983 000**	**1 277 900**	2022-03-18
Total	**2 766 000**	**3 254 233**	**–**	**1 783 000**	**–**	**–**	**–**	**193 333**	**–**	**983 000**	**1 277 900**	
Punki Modise[1]												
Cash Value Plan 2018 – 2020	**120 000**	**156 000**	–	120 000	–	–	–	36 000	–	**–**	**–**	2021-03-01
Cash Value Plan 2019 – 2021	**301 453**	**346 671**	–	150 727	–	–	–	–	–	**150 726**	**195 944**	2022-03-18
Total	**421 453**	**502 671**	**–**	**270 727**	**–**	**–**	**–**	**36 000**	**–**	**150 726**	**195 944**	
Prescribed officers												
Charles Russon												
Cash Value Plan 2019 – 2021	**1 392 667**	**1 601 567**	–	696 333	–	–	–	–	–	**696 334**	**905 234**	2022-03-18
Total	**1 392 667**	**1 601 567**	**–**	**696 333**	**–**	**–**	**–**	**–**	**–**	**696 334**	**905 234**	

[1] Punki Modise's outstanding cash-based long-term awards include awards received prior to becoming an executive director on 23 April 2021.

Group Chairman and non-executives directors' fees

Non-executive directors' fees paid during 2021

	2021						
	Group Board R	Group Board committees and sub-committees R	Absa Bank R	Absa Financial Services R	Other R	Total[16] R	2020 Total[16] R
Alex Darko[1, 9]	943 239	1 303 823	8 608	–	–	**2 255 670**	2 232 087
Colin Beggs[1, 10]	496 292	539 400	–	–	218 099	**1 253 791**	2 562 704
Dhanasagree (Daisy) Naidoo	904 774	832 767	–	812 307	–	**2 549 848**	1 732 713
Daniel (Dan) Hodge	–	–	–	–	–	**–**	771 523
Daniel (Dan) Hodge (Barclays Plc)	–	–	–	–	–	**–**	439 327
Francis Okomo-Okello[1,3]	933 894	862 707	101 925	–	73 386	**1 971 912**	1 176 139
Fulvio Tonelli[2]	922 129	1 054 702	–	–	–	**1 976 831**	984 331
Ihron Rensburg[3]	913 202	564 336	–	–	73 386	**1 550 924**	944 819
John Cummins[4]	75 650	84 021	–	–	–	**159 671**	–
Mark Merson[1, 11]	921 795	1 723 235	101 925	–	660 658	**3 407 613**	2 883 361
Mohamed Husain	–	–	–	–	–	**–**	958 621
Nonhlanhla Mjoli-Mncube	940 569	424 638	–	–	–	**1 365 207**	173 607
Rene van Wyk[5]	927 302	888 901	–	–	–	**1 816 203**	520 486
Rose Keanly[6, 12]	929 889	1 006 736	–	425 629	–	**2 362 254**	1 477 531
Sello Moloko (Chairman designate)[7]	50 433	67 933	8 608	–	–	**126 974**	–
Sipho Pityana[1, 13]	907 404	1 260 056	93 317	–	–	**2 260 777**	1 329 966
Swithin Munyantwali	924 549	511 033	–	–	–	**1 435 582**	1 091 494
Tasneem Abdool-Samad[1, 14]	953 501	1 944 540	101 925	495 629	–	**3 495 595**	2 567 942
Wendy Lucas-Bull (Group Chairman)[8, 15]	6 627 100	–	–	–	–	**6 627 100**	6 572 226
	18 371 722	13 068 828	416 308	1 733 565	1 025 529	**34 615 952**	28 418 877

1 The Group Audit and Compliance Committee (GACC), Group Risk and Capital Management Committee (GRCMC), Remuneration Committee (RemCo) and Social, Sustainability and Ethics Committee (SSEC) Chairmen receive fees equal to two and a half times the fee payable to members of these committees. Chairmen of the remaining committees receive fees equal to two times the member fee.

2 Fulvio Tonelli joined the Board Finance Committee (BFC) on 15 November 2021.

3 Francis Okomo-Okello and Ihron Rensburg are trustees of the Absa Foundation Trust (reported under Other).

4 John Cummins joined the Group Board, GRCMC and Group Credit Risk Committee (GCRC) on 15 November 2021.

5 René van Wyk joined the GACC on 1 September 2021.

6 Rose Keanly joined the SSEC on 1 July 2021.

7 Sello Moloko joined the Group Board, Bank Board, GRCMC, RemCo, SSEC and DAC on 1 December 2021.

8 Wendy Lucas-Bull stepped down from the Chairmanship of the Absa Financial Services (AFS) Board on 31 May 2021.

9 Alex Darko joined the Bank Board and DAC on 1 December 2021.

10 Colin Beggs retired from the Board effective 4 June 2021.

11 Mark Merson is the Chairman of the Absa Securities United Kingdom Limited, a subsidiary of Absa Group Limited (reported under other).

12 Rose Keanly was appointed the Chairman of Absa Financial Service (AFS) Social, Sustainability and Ethics Committees (SSEC) effective 1 June 2021.

13 Sipho M Pityana stepped down from Directors' Affairs Committee (DAC) and the RemCo Chairmanship on 12 November 2021; and ceased to be an Absa Board member on 24 November 2021.

14 Tasneem Abdool-Samad was appointed the Chairman of Absa Financial Services (AFS) Board effective 1 June 2021.

15 The fee applicable to Wendy Lucas-Bull, the Group Chairman, covers chairmanship of the Absa Group, Absa Bank and the Absa Financial Services (AFS) Boards (the latter until 31 May 2021) as well as the membership of all Board committees and sub-committees.

16 The fees indicated above are exclusive of VAT. Where applicable VAT has been levied by the non-executive directors and such fees plus VAT were paid to the non-executive directors concerned (subject to the issue of a valid tax invoice).

Basel Pillar 3 remuneration disclosures [REMA]

The Group's Remuneration Policy, which describes the key features of the remuneration system, is outlined in this Remuneration Report.

In the following tables, senior managers are defined as members of the ExCo and other individuals with management responsibility for a material portion of the Group's business.

Other material risk takers are identified in accordance with the Group's material risk taker methodology, which is approved by the RemCo. Material risk takers are those who:

- Define the Group's strategy.
- Define the strategy of the individual material businesses.
- Provide oversight on the Group's Risk Profile.
- Approve significant transactions, or recommend these to the Board for approval.

In 2021, a total of 13 individuals were classified as senior managers and 36 individuals as other material risk takers (2020: 12 senior managers and 39 material risk takers). Included in the disclosures are individuals who were senior managers or material risk takes for part of the year.

It is noted that 2020 was an atypical year for many reasons, which had particular impact on variable remuneration. The outcomes in 2021 reflect a more stable basis, in the context of the Group's outperformance.

Remuneration awarded during the financial year [REM1]

Aggregate remuneration for senior managers and material risk takers		2021 Senior managers Rm	2021 Other material risk takers Rm	2020 Senior managers Rm	2020 Other material risk takers Rm
Fixed remuneration	*Number of employees*	**13**	**36**	12	39
	Total fixed remuneration	**94**[1]	**220**[1]	69	195
	Of which: cash based	94	220	69	195
	Of which: deferred	–	–	–	–
	Of which: shares or other share linked instruments	–	–	–	–
	Of which: deferred	–	–	–	–
	Of which: other forms	–	–	–	–
	Of which: deferred	–	–	–	–
Variable remuneration	*Number of employees*	**13**	**36**	12	39
	Total variable remuneration	**151**	**259**	91	184
	Of which: cash based	46[2]	93[2]	3[4]	50[4]
	Of which: deferred	–	–	–[5]	49[5]
	Of which: shares or other share linked instruments	105[3]	166[3]	88[6]	134[6]
	Of which: deferred	105	166	88	134
	Of which: other forms	–	–	–	–
	Of which: deferred	–	–	–	–
Total remuneration		**245**	**479**	160	379

[1] Total fixed remuneration includes the full value of leave encashments (which were at a higher level in 2021 due to changes in our leave policy) and separation payments during the year.
[2] This includes the cash bonus payable in March 2022 in respect of performance for the 2021 financial year.
[3] Includes the Share Incentive Plan awards made during the 2021 financial year and deferred short term incentives in respect of the 2021 financial year made in April 2022. All awards are subject to continued service and malus and clawback provisions.
[4] Includes the cash bonus paid in March 2021 in respect of performance for the 2020 financial year.
[5] This includes the cash bonus payable in March 2021 in respect of performance for the 2020 financial year. Senior managers did not receive cash bonuses, except for Peter Matlare due to death in service. The cash portion of the bonus for material risk takers was deferred for a period of one year into the cash value plan.
[6] Includes the share incentive plan awards made in respect of deferred bonuses for the 2020 financial year awarded in April 2021 and the Share Incentive Plan awards made in 2020.

Basel Pillar 3 remuneration disclosures [REMA] continued

Special payments [REM2]

	2021						2020					
	Guaranteed bonus		Sign-on awards		Severance payments[1]		Guaranteed bonus		Sign-on awards		Severance payments	
	Number of employees	Total amounts Rm	Number of employees	Total amount Rm	Number of employees	Total amount Rm	Number of employees	Total amounts Rm	Number of employees	Total amount Rm	Number of employees	Total amount Rm
Senior management	–	–	–	–	1	25	–	–	–	–	2	4
Other material risk takers	–	–	–	–	2	8	–	–	–	–	–	–

Deferred remuneration [REM3]

Deferred and retained remuneration	2021 Total amount of outstanding deferred remuneration as at the end December 2021 Rm	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment Rm	Total amount of amendment during the year due to ex post explicit adjustments[2] Rm	Total amount of amendment during the year due to ex post implicit adjustments[3] Rm	Total amount of deferred remuneration paid out in the financial year Rm
Senior management					
Cash[4]	9	9	0.6	–	7
Shares[5]	245	245	4	(9)	38
Cash linked instruments	–	–	–	–	–
Other	–	–	–	–	–
Other material risk takers					
Cash[4]	47	47	1.1		11
Shares[5]	448	448	5	–	44
Cash linked instruments	–	–	–	–	–
Other	–	–	–	–	–
Total	758	758	11	(9)	100

[1] This includes only amounts paid in excess of contractual entitlements.
[2] Ex post explicit adjustments reflect service credits and dividend equivalents determined and paid on vesting for the cash value plan, share value plan and long-term incentive plan respectively.
[3] Ex post implicit adjustments were determined using each individual's award dates, award values and vesting dates. For Peter Matlare, the 2019 long-term incentive plan awards vested during the 2021 financial year due to death in service on 7 March 2021. The amount reflected represents the value of awards lapsed due to partial fulfilment of the 2019 long-term incentive plan performance conditions.
[4] Includes the last tranche of the cash value plan vesting in March 2022 as well as the cash portion of the 2020 short-term incentive (paid in March 2021) which was deferred into the cash value plan and is due to vest in April 2022, subject to continued service, malus and clawback (for all material risk takers, including executive directors and prescribed officers) provisions.
[5] Includes the share incentive plan, share value plan, and long-term incentive plan awards.

Basel Pillar 3 remuneration disclosures [REMA] continued

Deferred remuneration [REM3] continued

Deferred and retained remuneration	2020 Total amount of outstanding deferred remuneration as at the end December 2020 Rm	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment Rm	Total amount of amendment during the year due to ex post explicit adjustments[1] Rm	Total amount of amendment during the year due to ex post implicit adjustments[2] Rm	Total amount of deferred remuneration paid out in the financial year Rm
Senior management					
Cash[3]	8	8	1	–	9
Shares[4]	187	187	12	(19)	64
Cash linked instruments	–	–	–	–	–
Other	–	–	–	–	–
Other material risk takers					
Cash[3]	28	28	2		27
Shares[4]	377	377	25	(42)	130
Cash linked instruments	–	–	–	–	–
Other	–	–	–	–	–
Total	600	600	40	(61)	230

Ex post implicit adjustments are comprised as follows:

	2021 **Senior** **Rm**	 **Other** **Rm**	 **Total** **Rm**	2020 Senior Rm	 Other Rm	 Total Rm
Long-term incentive plan (LTIP)	**(9)[5]**			(19)[2]	(42)[2]	(61)[2]
Restricted shares and share value plan (Deferred Awards)[6]				–	–	–
Other share instruments				–	–	–

1 Ex post explicit adjustments reflect service credits and dividend equivalents determined and paid on vesting for the cash value plan, share value plan and long term incentive plan.
2 Ex post implicit adjustments were determined using each individual's award dates, award values and vesting dates. The 2017 long term incentive plan awards vested during the 2020 financial year. Amounts reflected represent the value of awards lapsed due to partial fulfilment of the 2017 long term incentive plan performance conditions.
3 Includes the cash value plan, which is deferred over three years in equal tranches, subject to continued employment, malus and clawback (for all material risk takers, including executive directors and prescribed officers) provisions.
4 Shares include share incentive plan, share value plan, restricted shares and the long-term incentive plan awards.
5 Ex post implicit adjustments were determined using each individual's award dates, award values and vesting dates. For Peter Matlare, the 2019 long term incentive plan award vested during the 2021 financial year due to death in service. The amount reflected represents the value of awards lapsed due to partial fulfilment of the 2019 long term incentive plan performance conditions, estimated at date of death.
6 Share value plan awards and share incentive plan (deferred awards) are not subject to Group performance conditions, however, are subject to a continued employment condition. Restricted shares are only subject to individual performance conditions and continued employment.

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