Absa Group Limited

2022 Remuneration Report

Contents

Rose Keanly
Chairman: Absa Group Remuneration Committee

"We are confident that our Remuneration Policy is now substantially fit for purpose and that our 2022 implementation outcomes reflect the Group's performance in the context of a difficult operating environment, and the balance of stakeholder interests."

Remco Chairman's background statement

I am pleased to present to our shareholders, on behalf of the RemCo and the Board, our 2022 Remuneration Report. This sets out our Remuneration Policy for 2022, reflecting the ongoing evolution of our remuneration framework, which started in 2020. It further sets out our remuneration implementation outcomes for 2022, including for executive directors and prescribed officers.

We are confident that our Remuneration Policy is now substantially fit for purpose and that our 2022 implementation outcomes reflect the Group's performance in the context of a difficult operating environment, and the balance of stakeholder interests.

Operating environment

The global, regional and domestic environments remained very uncertain through 2022. COVID-19 receded as an immediate threat to the economy, though remained a key driver of the Chinese outlook, and geopolitical uncertainty rose to the fore, particularly surrounding the Russia/Ukraine conflict and rising tension between the West and China. Energy and food markets were particularly disrupted, adding to broader supply chain pressures globally and pushing inflation to multi-decade highs in many countries. Global financial conditions tightened significantly through the year, placing pressure on many categories of financial assets including emerging markets.

The South African economy faced not only this difficult external environment, but also the debilitating impact of sharply heightened electricity loadshedding, particularly as Eskom's operational difficulties deepened significantly in the later stages of the year. Economic growth is likely to have disappointed earlier forecasts as a result, while consumer price inflation rose faster than expected and breached the central bank's 6% upper target early in the year, largely due to sharply higher food and fuel prices. The SA Reserve Bank responded with 350 bps in interest rate increases from November 2021 through November 2022.

There is considerable economic and geographic diversity across the Group's Absa Regional Operations (ARO) presence countries. On a GDP-weighted basis, Absa projects real gross domestic product (GDP) growth of 4.4% for ARO in 2022. Inflation surprised to the high side in most ARO markets during 2022, pushed up by the same fuel and food price pressures as are evident globally. Higher inflation, tighter global financing conditions and higher country risk premia in some ARO countries, resulted in increased policy rates in most of Absa's presence countries. These headwinds to economic growth further complicate efforts to reduce fiscal deficits and improve debt sustainability, and a number of ARO countries are engaging with the International Monetary Fund for financial support. Zambia continues to work through its sovereign debt default, while in the second half Ghana indicated that it would seek to restructure much of its domestic public debt.

Normalised Group performance overview

Performance is a critical lens through which remuneration outcomes are assessed. Salient features of our results (with prior year results in parentheses) include:

- **The Group recorded its highest ever normalised headline earnings of R21 billion** (2021: R18.6 billion), reflecting an increase of 13%, or 8% in constant currency (CCY). This is underpinned by strong income-led pre-provision profit growth of 25% (26% CCY), partially offset by 61% (CCY 82%) higher impairments. Strong medium-term performance momentum has seen earnings increase well above pre-COVID levels (c.29% above 2019 results).
- **Return on equity of 16.6%** (2021: 15.8%) has improved materially from the prior year and is well above cost of equity (14.5%) with most business units improving returns year-on-year.
- **The cost-to-income ratio reduced materially to 51.5%** (2021: 55.2%) which is now in line with the medium-term ambition (low 50s). This reflects strong positive JAWS of 8% following very strong income growth of 15% relative to contained operating expenses growth of 7%.

Income growth was driven by growth in both non-interest income and net interest income. Non-interest income growth (18%) was underpinned by strong growth in fees and commission (7%), trading income (9%; 11% CCY) and further supported by a recovery of the Insurance business and profit on sale of the investment management business. Net interest income growth (13%) has been supported by higher interest rates, an expanding net interest margin of 4.56% (2021: 4.46%) and strong growth in loans.

The Group remains well positioned for growth and resiliency with its capital position remaining above the Board-approved target range and the Common Equity Tier 1 (CET 1) ratio unchanged at 12.8%. The Group loan coverage ratio of 3.93% remains robust and well above the pre-COVID position (2019: 3.27%) notwithstanding the utilisation of a portion of the provisions recognised during 2020.

Impairment charges increased significantly to R13.7 billion, following R2.7 billion in coverage raised against Ghana sovereign-related exposures and increased delinquencies in the South African retail portfolios. The credit loss ratio on loans and advances of 0.96% (2021: 0.77%) is now near the top end of the Group's through-the-cycle target range of 0.75% – 1.00%.

Further detail regarding the Group's performance is set out in our **Integrated Report**.

The RemCo considered the overall operating environment and financial results in determining our 2022 remuneration outcomes regarding our short-term and long-term incentives. These were assessed in terms of the respective financial performance scorecards approved for each incentive.

The RemCo considered non-financial performance in the form of organisational health, which included customer, colleague, sustainability and the control environment. Organisational health was assessed as marginally below target for the 2022 short-term incentives and between target and stretch for the 2020 long-term incentive vesting in 2023 (in respect of its 2020 to 2022 performance period).

RemCo focus areas

Our 2021 Remuneration Policy and implementation outcomes were generally well received by shareholders at our 2022 annual general meeting (AGM). The RemCo has steadfastly focused on remuneration's strategic role in enabling sustainable organisational performance and stakeholder value creation.

During 2022, the RemCo focused on the following key priority areas, which are dealt with in more detail in the Remuneration Policy and Implementation Report:

- Competitiveness of total remuneration and its composite parts in the context of the war for talent and scarce and critical skills.
- Non-financial metrics in our short-term and long-term incentive scorecards aligned with our strategy and environmental, social and governance (ESG) commitments across sustainability, climate, people and culture, transformation and customer.
- Fair and responsible remuneration is a strategic imperative within Absa's ESG strategy and the emerging discourse on remuneration-related disclosures. In this regard, we are proud to have invested over **R500 million** in improving our fair and responsible remuneration outcomes over the past two years, including both fixed remuneration adjustments in 2021 and 2022.
- Increased focus on reward and talent in the ARO environment, aligned with our Pan-African strategy, including ensuring competitive benefit design, market benchmarking improvement, and specific country-level interventions to address significant cost-of-living related pressures.
- Remuneration implications of the changes to the Group's operating model, initiated by the new Group Chief Executive and supported by the Board, as well as the composition of the executive director, prescribed officer, executive committee (ExCo) and Material Risk Taker (MRT) populations.
- Total cost of remuneration (and its component parts) and its impact on the Group's overall cost base and financial performance.

The RemCo has concluded that the Remuneration Policy approved by shareholders at the 2022 AGM remains fit for purpose, following reviews in 2020 and 2021. Accordingly, ***no Remuneration Policy changes*** were made in 2022.

We made the following **implementation enhancements** in 2022:

- Extending participation in our long-term incentive arrangements, to increase coverage for scarce and critical skills and to align with the market practice of peers;
- A further market adjustment, informed by market benchmarking, of our on-target short-term incentive pool;
- Taking additional steps in fair and responsible pay predominantly in respect of fixed remuneration increases and short-term incentive allocation for more junior employees, as well as addressing pay differentials;
- Overseeing the remuneration implications of the changes in the Group's operating model.

Evolution of our long-term incentive implementation

A total long-term incentive pool of R1 191 million (value at award) was approved for awards to be made in April 2023. A description of the value and proportion of the long-term incentive pool exposed to the Group performance targets is on page 17 of the Implementation Report.

Strategic long-term incentive awards

- Executive directors, prescribed officers and other members of the ExCo (**16** executives at 31 December 2022) remain participants in the strategic long-term incentive awards. These are subject to Group performance targets on the full award. This is consistent with previous years' and with general market practice as it pertains to senior executives. *There was, accordingly, no change in this regard.*
- Pursuant to the Group operating model change, we have **139** executives whose roles are regarded as having a strategic influence on the long-term performance of the Group, and who received awards under the strategic long-term incentive. This increased from **95** in 2022.

Key talent and critical skills long-term incentive awards

- The RemCo and shareholders approved an enhancement in 2021 to the Group's long-term incentive policy to improve market-relatedness and to support the attraction and retention of those

below the most senior levels who are regarded as key talent or holders of scarce and critical skills. Awards for eligible employees are subject to Group performance targets on 50% of the award. The balance of the award is subject to time-based vesting, with an *underpinning individual minimum performance condition.*
- The RemCo approved the extension of participation in this category of long-term incentives for awards to be made in April 2023 to more eligible employees, strengthening the alignment these participants have with shareholder interests and the delivery of long-term stakeholder value. Awards will be implemented for **624** individuals regarded as talent or holders of scarce and critical skills, up from **316** in 2022.

Further detail of our long-term incentives is on pages 10 and 11 of the Remuneration Policy.

Ensuring market competitiveness of our short-term incentives

As indicated in previous Remuneration Reports, we regularly review the competitiveness of our remuneration framework against peers to ensure that our remuneration approach supports the attraction and retention of key talent, as well as our pay-for-performance principles.

During 2022, we undertook a detailed review of our short-term incentive pools to determine their competitiveness against peers, with particular reference to sharing ratios of headline earnings. As a result, the RemCo agreed on principles relating to setting our on-target short-term incentive pool by referencing headline earnings, with Group performance continuing to apply as a modifier in line with our current policy.

Determination of the 2022 short-term incentive pool

The RemCo approved a Group performance short-term incentive pool of **R3 671 million,** reflecting the Group's performance. This represents a 25% year-on-year increase due to the market-aligned increase to the on-target pool and the impact of our performance for 2022.

In considering the increase in the short-term incentive pool, the RemCo took into consideration the distribution of a greater share of the pool to our more junior population, with the net effect being a year-on-year increase (19%) in the pool allocated to employees in our more senior population at below the overall pool increase.

The pool outcome is on pages 17 to 18 of the Implementation Report.

2022 Performance short-term incentive outcome:

In approving the final short-term incentive performance pool outcome of **R3 671 million**, the RemCo considered:
- The Group's performance against the 2022 short-term incentive scorecard, which included the pre-determined financial (80% weighting) and non-financial (20% weighting) measures aligned with the Board-approved strategy and medium-term plan.
- The Group's performance relative to the market (based on the latest publicly available information).
- The quality of the Group's earnings and whether any adjustment was required based on the control environment (with inputs from the Group Audit and Compliance Committee). The quality of earnings was determined to be sound. No adjustments regarding the control environment were deemed necessary.
- An assessment by the Group Social, Sustainability and Ethics Committee of the 20% non-financial outcomes (customer, colleague and sustainability) against the agreed short-term incentive scorecard. The approved outcome was marginally below target.
- Consideration of the shareholder experience, and that the Group's relative total shareholder return has been ahead of the major banks.

Vesting outcomes for the 2020 long-term incentive award

We have not made any amendments to the performance targets of our in-flight long-term incentive awards to mitigate the effects of COVID-19 on business performance.

Our 2020 long-term incentive will vest in April 2023 at **68.5%** of the on-target award, based on the applicable Group performance targets and assessment of the outcomes relative to these. The detail is on pages 20 and 21 of the Implementation Report.

Fair and responsible remuneration

Fair and responsible remuneration remained a core focus for the Group in 2022, building on the actions taken in 2021. Specific implementation actions reflect ongoing conscious decisions to strengthen fair pay by investing in the more junior levels of the organisation and addressing pay differentials where needed.

This ensures that our overall remuneration offering, including our employee benefit suite, is appropriate, sustainable and fair.

- There was deliberate growth in the share of the short-term incentive pool allocated to more junior levels of the organisation. The share of the pool has increased from **12% (R358.9 million)** of the total pool in 2021 to **15% (R549.3 million)** in 2022, an increase of **53% (R190.4 million).**
- Further, out-of-cycle remuneration increases at an annualised value of approximately **R32 million** on 1 November 2022 in South Africa to increase the fixed remuneration of those paid at the lower end of the peer range. Approximately 1 000 employees up to middle management received this increase. This is in addition to the **R290 million** allocated in 2021 to improve our fair pay position. The RemCo applied a substantial transformation and diversity lens in assessing outcomes.
- Fixed remuneration increases in our annual pay review process have, for several years, been deliberately set at higher levels for more junior employees (typically the bargaining unit) than those for more senior employees. This is again the case for increases to be awarded in the first quarter of 2023 for the coming year, with our bargaining unit staff in South Africa receiving, on average, 8% versus the rest of our employees at 6% (with the average increase applied to ExCo members below the management and senior leader average). Also, our minimum annual cost to company in South Africa will increase to R214 000 with effect from 1 April 2023. This is on page 19 of the Implementation Report.
- In ARO, detailed benchmarking of our benefits arrangements was undertaken in 2022 to ensure these are locally relevant and competitive. Where enhancements are required, these are factored into the relevant business plans to ensure sustainable implementation, with appropriate engagement with, and support from, the local boards. We have also been mindful when approving salary mandates in high-inflation environments to mitigate against the erosive effects of cost-of-living increases on the quality of life of our employees.
- The Group offers a compelling employee value proposition. These include a range of compulsory (including retirement funding, death and disability cover, and medical insurance) and optional benefits (increased retirement contributions, and gap cover). In addition, our financial products for employees responsibly assist them in meeting their broader aspirations, such as home or vehicle ownership.

- We implement initiatives beyond remuneration to support and enable employees. These are detailed in our **Integrated Report** and include employee wellness, funding for education and development opportunities. We provide direct support to employees in instances of disaster, such as the 2022 KwaZulu-Natal flooding.

Overseeing the implications of changes in the Group's operating model

During 2022 the RemCo oversaw the remuneration implications of the new Group operating model as the Group moved from three to five commercial clusters, resulting in a reconfiguration of the ExCo and prescribed officer composition, with five prescribed officers representing the five commercial clusters. The RemCo has also had full oversight over executive and MRT remuneration changes. This is on page 20 of the Implementation Report.

We approach executive remuneration through several key lenses, including:

- Relative and absolute performance of the Group and the individual executives, underpinned by balanced scorecards.
- An appropriate mix of short-term and long-term remuneration, to ensure alignment with the creation of long-term stakeholder value.
- Appropriate consideration of the experience and tenure of executives in their roles, and for more recent appointments, to ensure that there is an appropriate runway to develop into their roles.
- As set out under *fair and responsible remuneration* above, we ensure that we do not have a disproportionate allocation of the short-term incentive pool to more senior levels.
- Market competitiveness of our executive remuneration relative to our peers and other large organisations.
- The remuneration of the heads of control functions has been determined independently of the results of the businesses they support.

The 2022 short-term incentives allocated to our executive directors and prescribed officers for whom disclosures are made this year amounted to **R81.5 million.** This is reflective of the performance of the Group, the growth in the Group's short-term incentive performance pool, and the executives' contribution during the year. The outcomes also reflect the changes made in the composition of the Group's executive director and prescribed officer population during the year as a result of our operating model changes and the role/s held by each incumbent.

Individual disclosures for our executive directors and prescribed officers are on pages 22 to 58 of the Implementation Report. We set out the details of any role changes within this population during the year. Given the number of changes in respect of the Group's senior leadership, making meaningful year-on-year comparisons in these detailed disclosures (as well as those in the Annual Financial Statements disclosures) may be challenging.

Stakeholder considerations

Our 2022 remuneration implementation decisions were made through the lens of enabling the long-term sustainability of our business and ensuring a balance of stakeholder interests over time.

In reviewing our remuneration frameworks and in approving the remuneration outcomes for 2022, the RemCo considered the following:

- The market-competitive performance delivered by the Group in 2022, which is underpinned by sound quality of earnings.
- Ensuring that our remuneration frameworks remain fit for purpose and competitive to support the attraction and retention of key talent and scarce and critical skills in all our markets to support a sustainable franchise. In this regard, we seek to ensure that our remuneration frameworks are locally relevant and competitive in the markets in which we operate.
- The improving Group performance trends reflected in our relative total shareholder return, which is ahead of the major banks.

Shareholder engagement

We are committed to ongoing and constructive engagement with shareholders regarding remuneration and related matters.

The Group Chairman and RemCo Chairman engaged extensively with shareholders ahead of our 2022 AGM on matters including our remuneration framework review, which commenced in 2020 and further developed during 2021. As in prior years, we sought to address the feedback we have received from shareholders in our evolving practices and disclosures. We thank our shareholders for their constructive input.

At the AGM on 3 June 2022, we received an 81.45% vote in favour of the Remuneration Policy and 58.85% in favour of the Implementation Report. As required in terms of King IV and the Johannesburg Stock Exchange (JSE) Listings Requirements, dissenting shareholders were invited to a further engagement on 30 June 2022 where shareholders representing approximately 7% of issued Absa Group shares attended a Microsoft Teams call. Based on engagements with shareholders before and after the 2022 AGM, the RemCo understands that the primary shareholder concern regarding our 2021 Implementation Report was related to the separation arrangement concluded with the previous Group Chief Executive.

Our Remuneration Policy and the Implementation Report for 2022 will be presented for separate annual non-binding votes at our AGM on 2 June 2023, with the resolutions in the 2023 Notice of AGM.

Regulatory compliance

Our remuneration-related 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, the related JSE Listings Requirements, and the Basel Committee on Banking Supervision Pillar 3 disclosure requirements. The South African Prudential Authority's *Governance of Insurers (GOI)* standards were applied concerning Absa Financial Services and the underlying insurance entities. We also adhere to local remuneration-related legislative and regulatory requirements in each of the countries within which we operate.

We have been mindful of broader remuneration governance guidance and frameworks, including the Financial Stability Board's Principles for Sound Compensation Practices and Implementation Standards.

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

Aligned with King IV, the Group will engage with shareholders in the event of a negative vote of over 25% on our Remuneration Policy or 2022 Implementation Report.

Access to information and advisers

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

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

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 (management's primary reward adviser) provided advisory services to management to benchmark the competitiveness of the Group's variable remuneration pools and fair and responsible remuneration.

Several enabling and control functions within the Group, including the Group People 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 and long-term incentives and the related determination and distribution of the pools and vesting outcomes.

PwC, the Group's joint external auditors, provided a factual findings report to the RemCo on the metrics' outcomes for the 2020 long-term incentive that will vest in 2023. These are on pages 20 and 21 of the Implementation Report.

Conclusion

The Group's performance in 2022 is reflected in our remuneration outcomes. As in prior years, we have sought to ensure an appropriate balance of stakeholder interests in our remuneration outcomes and focused on attracting and retaining skilled and talented individuals. The RemCo gave considerable attention to ensuring that our remuneration philosophy and policy are fit for purpose, support the Group's strategy, and that remuneration outcomes reflect the strategic deployment of our remuneration resources. Our 2022 remuneration implementation decisions represent a fair outcome based on the Group's performance, are appropriately aligned with shareholder and stakeholder interests over the long term, and are sustainable.

Given the dynamic macroeconomic and social environment, the RemCo's future focus (in collaboration with other Board Committees, such as the Social, Sustainability and Ethics Committee) will be on the following:

- Attracting and retaining top talent, scarce and critical skills, and mitigating the impact of macro issues on talent movement (including emigration) and availability, as an underpin to our Pan-African strategic ambition.
- Fair and responsible remuneration in the context of the Group's ESG strategy. This includes ensuring appropriate responses to emerging regulatory and best-practice disclosure requirements covering broader ESG and specific remuneration matters.
- Consideration of the evolution of the organisational health metrics in the short-term and long-term incentives.
- Ongoing evaluation of the impact of our evolving remuneration frameworks and their outcomes ensures that they remain locally relevant and competitive, and effectively balance the needs and interests of various stakeholders.

We are confident that our Remuneration Policy is now substantially fit for purpose. To remain market competitive (both in terms of our remuneration frameworks and remuneration outcomes), we will continue to identify opportunities to strengthen our frameworks and their implementation.

I am thankful to the RemCo for their efforts over the past few years in developing our remuneration framework, and making remuneration implementation decisions focused on our employees delivering the Group's strategic ambitions, and aligned with the interests of our stakeholders.

Rose Keanly
Chairman: Absa Group Remuneration Committee

(Appointed 8 February 2022)

Remuneration Policy

Our remuneration philosophy underpins our strategy, supports the evolution of our culture and is aligned with 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.

The RemCo made no Remuneration Policy changes in 2022. We are confident that our Remuneration Policy is now substantially fit for purpose.

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Our 2022 Remuneration Report outlines the evolution of our remuneration practices, particularly regarding our long-term incentive arrangements and the competitiveness of our short-term incentive pool, following the comprehensive review which started in 2020. In 2022, the RemCo focused on further enhancing the market competitiveness of our total remuneration offering to support the attraction and retention of critical talent and scarce skills and support our transformation imperatives in a manner that drives organisational performance and stakeholder value creation. This is essential in a competitive talent landscape characterised by skills shortages in several areas critical to the delivery of our strategy. As this also manifests in an increased cost to hire, the RemCo considered the total cost of remuneration in the context of the Group's overall cost base and financial performance.

Pay-for-performance remained a key focus for the RemCo in consideration of our total remuneration offering at a short-term pool level and in the distribution of the pools. For individuals, differentiated remuneration outcomes are based on performance and contribution. Fair and responsible remuneration across the dimensions of race, gender, and between employees performing similar roles, and differentials of remuneration between executives and other employees, remained a critical lens through which remuneration decisions were made.

Following our remuneration principles and a summary of the 2022 RemCo focus areas, this Remuneration Policy addresses the following main topics :

- Fair and responsible remuneration;
- Our approach to performance management *(MyContribution)*;
- Elements of total remuneration;
- Our 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. **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.
2. **Align the long-term interests of our executives and shareholders** by ensuring transparent remuneration outcomes 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 with market practice.
3. **Attract, retain and engage** high-calibre individuals with the skills, ambition and talent to deliver our strategy.
4. **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 based on 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 performance ratings.
5. **Pay-for-performance** by aligning incentive outcomes to performance and value created. Within this context, we apply deferrals, 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.
6. **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.
7. **Continuously build confidence and trust** in our reward outcomes through high-quality reward governance, engagement in our disclosure with shareholders, and internal transparency and effective communication.

RemCo focus areas

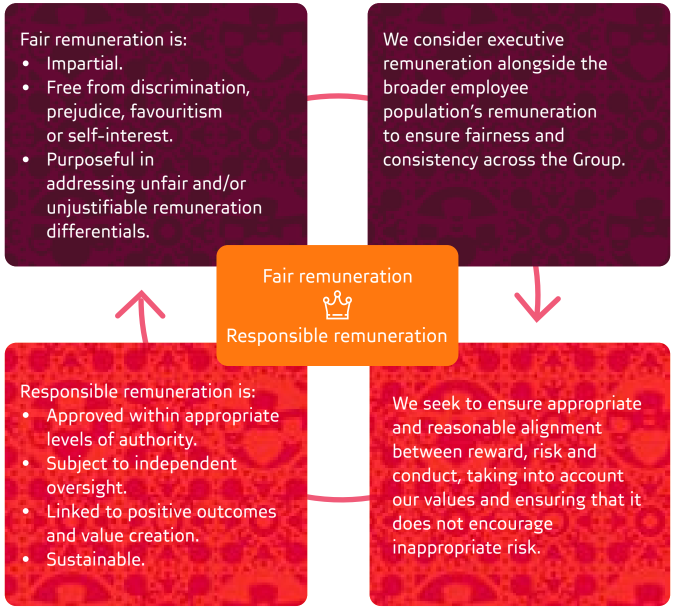
During 2022, the RemCo focused on the following key priority areas:

- Competitiveness of total remuneration and its composite parts in the context of the war for talent and scarce and critical skills. This included, from an implementation perspective, a further market adjustment of our on-target short-term incentive pool, informed by market benchmarking (see pages 17 and 18 of the Implementation Report) and extending our long-term incentive participation to increase coverage for scarce and critical skills (see pages 16 and 17 of the Implementation Report).
- Non-financial metrics in our short-term and long-term incentive scorecards aligned with our strategy and ESG commitments across sustainability, climate, people and culture, transformation and customer.
- Fair and responsible remuneration is a strategic imperative within the Group's ESG strategy and the emerging discourse on remuneration-related disclosures. In this regard, we are proud to have invested over **R500 million** in improving our fair and responsible remuneration outcomes over the past two years, including both fixed remuneration adjustments in 2021 and 2022. Our focus on fairness is vertical (as between the various levels of the organisation) and horizontal (within the same organisational level). The actions taken are on pages 18 and 19 of the Implementation Report.
- Increased focus on reward and talent in the ARO environment, aligned with our Pan-African strategy, including ensuring competitive benefit design, market benchmarking improvement, and specific country-level interventions to address significant cost-of-living related pressures. This did not require any policy changes but enabled us to streamline our remuneration and benefits construct and ensure competitiveness to the market.
- Remuneration implications of the changes to the Group's operating model, initiated by the new Group Chief Executive and supported by the Board, as well as the composition of the executive director, prescribed officer, ExCo, and MRT populations.
- Total cost of remuneration (and its component parts) and its impact on the Group's overall cost base and financial performance.

Our Remuneration Policy is described in the sections that follow.

Fair and responsible remuneration

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



- We review pay differentials to establish the reasons for these variances. We address disparities not based on objective criteria, such as seniority, role content, experience and performance.
- The minimum fixed remuneration levels paid in each of our jurisdictions are well above minimum wage determinations and are appropriately benchmarked for relativity to our peers.
- Our Remuneration Review Panel, a sub-committee of the ExCo, is chaired by the Chief Compliance Officer. This panel recommends 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, and the RemCo would consider the remuneration implications.
- Other Board committees, which include: the Group Audit and Compliance Committee; the Social, Sustainability and Ethics Committee; the Board Finance 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 2022 to deliver fair and responsible remuneration are on pages 18 and 19 of the Implementation Report.

Our approach to performance management *(MyContribution)*

As in 2021, our approach to performance management is an integral part of our short-term planning and strategy execution process. By aligning business priorities, team goals, and individual objectives, we strive for every employee to understand how their daily work contributes to business success.

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 in improving their performance sustainably. In 2022, there was continued emphasis on ongoing check-in conversations between employees and managers, ensuring that employees remained aligned with the business' priorities while providing an opportunity for developmental feedback to be shared. 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.

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, through consistency checks, 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. Employees are typically ineligible to receive short-term incentive awards where full-year individual performance falls below expectations.

Elements of total remuneration

As in 2021, we include the following remuneration elements in the composition of our total remuneration package in 2022:

	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, and death and disability cover). **ARO and international offices:** Fixed remuneration includes a basic salary plus stand-alone benefits. Benefits (including retirement funding, medical aid, and 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 with shareholder interests	Short-term incentives are payable in cash and for amounts above a specified threshold in the form of deferred Absa Group shares. Deferral for awards applies to 50% of the short-term incentive portion that exceeds R1 million, with no deferral applying on the first R1 million 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 exceeding £100 000 and US$130 000, respectively, 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 Group strategy and those who are key talent or possess scarce and critical skills in terms of long-term, sustainable future performance.	Awards that vest subject to the achievement of Group performance targets. This applies to 100% of the award to those whose roles impact strategic delivery (including executive directors and prescribed officers). For other participants, 50% of the awards vest based on Group performance targets measured over a three-year performance period, with the balance subject to time-based vesting and a minimum individual performance requirement. 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 critical to the Group's future performance, or 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
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, generally of limited application in the Group and primarily limited to employees in sales-focused roles.
Project incentives	• Support key strategic and business project delivery by offering a bespoke incentive linked to project objectives. • Incentivisation of critical project resources for project delivery.	Subject to a case-by-case review and approval by the RemCo. Applied on a highly exceptional basis when other core remuneration tools may not be fit for purpose for the specific objective being considered in respect of the project incentive. Designed based on project requirements and typically delivered in cash, subject to achieving specific project objectives and continued employment during the plan's duration. In some instances, the continued employment condition may extend beyond the project's completion date to ensure the 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.

Approach to variable remuneration

Our short-term incentives

Our on-target short-term incentive pool is built on a top-down basis, primarily referenced to our headline earnings. In this regard, we seek to deliver a market-related pool for market-related performance relative to our peer group, and taking into account the relative share of earnings allocated to short-term incentives in the context of our performance.

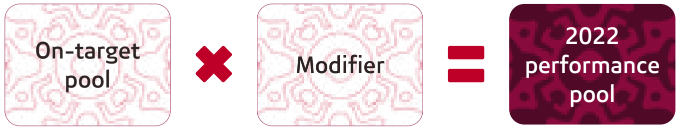
Accordingly, our on-target short-term incentive pool is reviewed for market competitiveness against our peers' comparable market data points, by reference to a proportion of headline earnings (before taxation and incentives) at the time that decisions are made, and based on historical trends.

Our performance short-term incentive pool is then determined based on achievement relative to a Board-approved scorecard of metrics aligned with our short-term plan. This is described in further detail below, with the outcomes described on pages 17 and 18 of the Implementation Report

Determination and allocation of our performance short-term incentive pool

As in 2021, the **Group performance short-term incentive pool** is determined by adjusting the RemCo-approved on-target pool by a performance modifier. The performance modifier is determined based on performance against the range of performance outcomes for the metrics set out below, 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:



The pool allocation to businesses and functions is based on relative performance. The bottom-up allocation and, therefore, the total aggregate short-term incentives must ultimately conform with, or be moderated to, the top-down affordability and pool funding calculations.

Individual awards for 2022 are performance differentiated, aligned with our pay-for-performance principle of delivering on our strategic priorities in 2022.

Short-term incentive targets

Financial performance drives 80% of the total pool, with non-financial metrics driving the remaining 20%. All metrics are derived from the Group's balanced scorecard. The 2022 short-term incentive scorecard composition, used to determine the Group's performance short-term incentive pool outcome, is in the table below. When assessing the pool outcome, relative peer group performance remains a key external, qualitative lens.

Metrics	Weight
Normalised earnings	30%
Normalised return on equity	30%
Non-interest income	10%
Normalised cost-to-income ratio	10%
Organisational health	20%

Customer	Colleague	Sustainability
Control environment (potentially adjusting factor)		

Other considerations

The RemCo considers the following in approving the final pools:

- Organisational health as determined by the Social, Sustainability and Ethics Committee.
- Quality of earnings and control environment assessments conducted by the Group Audit and Compliance Committee.
- The returns experienced by shareholders.

Based on this approach, our pool outcomes are on pages 17 and 18 of the Implementation Report.

Our long-term incentives

Our long-term incentive arrangements are implemented in line with the Share Incentive Plan rules approved by shareholders at the 2019 AGM, which remain fit for purpose.

While the structure remains the same, to improve alignment with the market practice of our peers, the RemCo approved extended participation in the Plan for awards to be made in April 2023.

Further detail is on pages 16 and 17 of the Implementation Report.

As for awards made in 2022, the long-term incentive arrangements for awards to be made in April 2023 consist of two award structures:

- For executives and senior managers (including all executive directors, prescribed officers and members of the ExCo) in strategic impact roles, as defined in our organisation design principles, awards are subject to Group performance targets on 100% of the award. The award vests on the third anniversary of the award date and is subject to the fulfilment of these performance targets.
- For awards made to those regarded as talent or holders of scarce and critical skills, these are subject to Group performance targets on 50% of the award, with the balance of the award being subject to time-based vesting only (including a minimum individual performance condition). 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 the fulfilment of the Group performance targets, including financial and non-financial metrics:
  - Material outperformance of the Group performance targets may result in an adjustment of up to 150% of the on-target award. Awards will only vest at stretch levels in cases of significant outperformance.
  - Underperformance of the Group performance targets may result in downward adjustment, including applying 0% vesting. Threshold performance would result in 15% of the on-target award vesting.
- No individual performance conditions apply 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 fulfilling the continued employment requirement.
- For time-based vesting to occur, participants must meet the minimum acceptable performance standards for their role for each of the three performance years within the performance period.

2023 Long-term incentive: Group performance targets

In proposing the performance conditions and targets for the Group's 2023 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.

As for the 2022 long-term incentive awards, the key principles that have guided the design of the measures and targets for the 2023 long-term incentive awards are:

- Maintain, as far as possible, consistency with the Group's long-term incentive awards made in recent years and establish a cadence regarding the structure of these awards.
- Set long-term incentive targets that deliver competitive reward outcomes for delivery of market-related performance.
- Through time, strive for meaningful vesting outcomes for strong performance.

In approving the Group performance targets for the 2023 long-term incentive awards, we considered the following:

- Similar measures to the 2022 long-term incentive award including headline earnings, return on equity, cost-to-income ratio, total shareholder return and organisational health. We consider the balance between financial and non-financial metrics of 80/20 to continue to be appropriate.
- A marginally greater weighting has been applied to headline earnings and return on equity in the 2023 award to recognise the strong link between these measures and shareholder value creation.
- The continued inclusion of cost-to-income ratio recognises the importance of managing operating leverage throughout the performance period.
- Total shareholder return has been included at a slightly lower weighting and continues to provide an additional lens on shareholder value creation. Participants also have a direct exposure to the share price by virtue of the award of shares.
- For organisational health, measured over the performance period, sub-weightings of 5% apply to each of the customer and digital, and colleague scorecard measures, and a 10% weighting applies to sustainability scorecard measures, with the control environment as a potential adjusting factor.
- Although normalised results may be discontinued in due course, these will continue to be tracked for internal management reporting and will be used as a basis for determining the long term incentive vesting outcome.

2023 long-term incentive

Number of shares awarded	×	Performance share modifier	=	Number of shares vesting
April 2023		Performance period 1 January 2023 – 31 December 2025		April 2026

Measures	Weight	Outcomes: Threshold (15%)	Target (100%)	Stretch (150%)
Normalised return on equity (Simple average 2023 to 2025)	25%	≥ Cost of equity (COE)	≥ COE +2.5%	≥ COE +5%
Normalised headline earnings per share (2023–2025 Compound Annual Growth Rate in constant currency)	25%	≥ SA nominal GDP*	≥ SA nominal GDP +6.5%	≥ SA nominal GDP +10%
Normalised cost-to-income ratio (Simple average 2023 to 2025)	20%	≤ 53.0%	≤ 51.5%	≤ 50.0%
Total shareholder return (TSR) (Average TSR growth for the six major listed banks weighted based on market capitalisation size)	10%	Absa TSR < 5% lower	Absa TSR ≥ Average peer group TSR growth	Absa TSR > 10% higher
Organisational health	20%	Customer and Digital (5%) + Colleague (5%) + Sustainability (10%) Control environment as an adjusting factor		

* Gross domestic product.

Remuneration benchmarking

Fixed remuneration	Alignment to remuneration principles
We target a median market position on fixed remuneration with an appropriate spread around the median (typically 80-120 percent) 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 process 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).	• Support the realisation of our stakeholder aspirations. • Attract and retain. • Drive our culture. • Deliver fair and responsible remuneration.

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

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, the relevant JSE Listings Requirements and the Basel Committee on Banking Supervision Pillar 3 disclosure requirements. The South African Prudential Authority's Governance of Insurers (GOI) standards were applied in respect of Absa Financial Services, and the related insurance entities. Given our Pan-African operations, the RemCo is mindful of each operating environment's regulatory and corporate governance requirements and considers these in our remuneration governance. Our ARO management and boards apply all relevant legislation and regulation in their respective jurisdictions.

We have been mindful of broader remuneration governance guidance and frameworks, including the Financial Stability Board's Principles for Sound Compensation Practices and Implementation Standards.

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.

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 are considered independently by the Group function head based on their performance and the performance of the function.

For employees in 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 control function head.

Board oversight

- The Directors' Affairs Committee provides input on the performance of the CEO and all ExCo members, together with the RemCo.
- 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.
- Control function heads' final performance and remuneration outcomes 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 MRTs 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, taking these three-year plans into account when approving future-based targets for new awards and determining remuneration outcomes based on relevant risk factors.

This longer-term planning focus is illustrated through the following:

- The mandatory short-term incentive deferral over three years for awards above the deferral threshold (50% of the value of the award over R1 million).
- A vesting period of three years for long-term incentive awards with a clear reliance on the need to meet Group performance targets (see pages 10 and 11 of the Remuneration Policy for the details of the Group performance targets).

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

Board Finance Committee

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

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 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 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 MRT 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 in 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 any event that occurred before vesting or settlement that has led to the censure of the company or a Group company by a regulatory authority or has 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 cost to company unencumbered. ExCo members (including the Group Chief Executive) have a five-year period from date of appointment to build up this level of personal shareholding, as follows: • By 2021 for those on ExCo in 2016, when the minimum shareholding requirements were introduced. This requirement was achieved. • From the date of their appointment to the ExCo, if this was later than 2016. The Group Chief Executive will have five years from his date of appointment to that role to build up the additional holdings relative to the requirement previously applicable as a member of the ExCo.
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 normal retirement age of 63 years. Notice is not served or paid in lieu of notice on retirement.
Payments on termination	Malus and clawback apply to any short-term and/or long-term incentive arrangements extending beyond the termination date. There are no contractual entitlements to payments on termination other than for contractual notice and unutilised leave.
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 pro-rated for service. Malus and clawback apply for short-term incentive arrangements extending 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, in all cases, be subject to pro-rating 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 fee applicable to the Group Chairman covers chairmanship of the Absa Group and Absa Bank Boards and membership of any board committees (from 1 April 2022);
- Non-executive directors are paid an annual fee (in monthly instalments) for their board membership. Value-Added Tax is paid where it has been levied by the non-executive director, subject to the issue of a valid tax invoice.
- Members of Board committees are paid an annual fee (in monthly instalments) for their committee membership.
- Chairs 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.
- A separate fee for the Lead Independent Director was introduced in 2022, paid as an annual fee (in monthly instalments).
- The Board Finance Committee members are paid per meeting, as these meetings are scheduled as needed.
- The Group Credit Risk Committee members are paid a separate fee for each credit application reviewed.
- Special and *ad hoc* meetings of the Board and committees are remunerated separately 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 2023 to 31 May 2024 are in the Notice of AGM.

Based on the above considerations, a **6%** increase has been proposed for the Chairman, Board fees, and Board Committees.

Implementation Report

Our Implementation Report sets out our remuneration outcomes for 2022. It describes our decision-making context and the implementation enhancements made in 2022. The Implementation Report also sets out the disclosures for our executive directors and prescribed officers, and our Pillar 3 reporting.

The context for our remuneration outcomes

As in 2021, the RemCo considered a shareholder, stakeholder and pay-for-performance view in determining the variable remuneration outcomes for 2022.

Salient features of the Group's performance are set out on pages 1 and 2 of the RemCo Chairman's background statement, with the detail in our **Financial results for the reporting period ended 31 December 2022.**

Overview of our 2022 Implementation Report

We made implementation enhancements in 2022, building on the implementation of our remuneration frameworks in 2021. These are detailed in this Implementation Report and include:

- Extending participation in our long-term incentive arrangements, to increase coverage for scarce and critical skills;
- Enhancing our short-term incentive pool for market competitiveness. We also include our 2022 short-term incentive outcomes;
- Taking additional steps in fair and responsible pay predominantly in respect of fixed pay increases and short-term incentive allocation for more junior employees, as well as addressing pay differentials;
- Overseeing the remuneration implications of the changes in the Group's operating model.

Also included in our Implementation Report are the following:

- Vesting outcome for our 2020 long-term incentive award;
- Release of 2021 short-term incentive deferral (2nd tranche) for disclosed officers;
- The 2022 performance and remuneration outcomes for our executive directors and prescribed officers, which 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.

Extending participation in our long-term incentive arrangements

The RemCo oversaw the extension of participation in our long-term incentive arrangements, to increase coverage for scarce and critical skills, and to align with market practice of peers.

The RemCo approved a total on-target long-term incentive pool of **R1 191 million** for awards to be made on 1 April 2023 (2022: **R731 million**), which was allocated on the following basis:

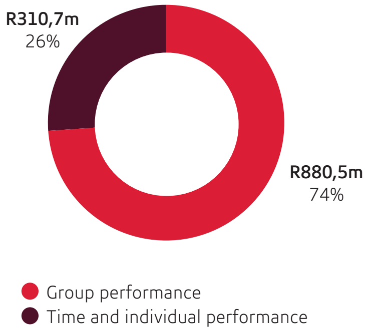
- Awards were made to **16** members of the ExCo, including the three new executives who joined the Group in January 2023. The value at award in respect of these awards is **R125.3 million**. These awards are subject to performance targets on 100% of the award, measured over the 2023 to 2025 performance period.
- **139** awards to those in the strategic cohort below ExCo. The value at award in respect of these awards is **R444.6 million**. The growth in participation at this level reflects the changes in our operating model, the creation of five commercial entities, and the related support structures. Executives in these businesses and functions have accountability for strategic execution over the medium-term and are, therefore, able to influence the strategic performance of the Group. These awards are subject to performance targets on 100% of the award, measured over the 2023 to 2025 performance period.
- **624** awards to those regarded as key talent and holders of scarce and critical skills below ExCo. The total value at award in respect of these awards is **R621.3 million**.
  - These awards are subject to Group performance targets measured over 2023 to 2025 on 50% of the award **(R310.7 million)**.
  - The balance **(R310.7 million)** is subject to time-based vesting underpinned by an individual minimum performance condition applicable for each of the three years of the performance period.

"We made implementation enhancements in 2022, building on the implementation of our remuneration frameworks in 2021."

> *"The RemCo is confident that the extension of participation in the long-term incentives, which is an implementation enhancement, will strengthen the alignment of our senior management, key talent, and holders of scarce and critical skills to deliver our medium- to long-term strategic objectives and the interests of our stakeholders."*

In summary, for awards to be made in April 2023 to all participants, based on the total value-at-award, **R880.5 million (74%)** is exposed to Group performance targets, with the balance of **R310.7 million (26%)** subject to a combination of time and individual performance. This is set out in the chart below:

Value-at-award and proportion of LTI awards exposed to Group Performance targets (2023 LTI)



The RemCo is confident that the extension of participation in the long-term incentives, which is an implementation enhancement, will strengthen the alignment of our senior management, key talent, and holders of scarce and critical skills to deliver our medium- to long-term strategic objectives and the interests of our stakeholders. This also moves the Group closer to market practice in our peers and enhances our employee value proposition.

Our 2022 short-term incentive pool

Enhancing our 2022 short-term incentive pool for market competitiveness

In previous 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 materially 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 2022, the RemCo oversaw further detailed benchmarking of our pools relative to our banking peers. As had been the case in the prior year, the benchmarking was undertaken by an independent adviser.

The outcomes of our analysis indicated that Absa's on-target short-term incentive pool remained behind market levels. Absa was positioned lowest of the big four banking peers in this regard, similar to the outcome observed in 2021, albeit that the gap had narrowed in the prior year. Based on this analysis, and in the context of delivering market-related variable remuneration for market competitive performance and fair and responsible remuneration, the RemCo approved a further market adjustment to the on-target pool.

We will continue to monitor the market competitiveness of our short-term incentive pools, with any potential further adjustments to be considered in the context of balancing stakeholder interests over time.

Building our 2022 on-target short-term incentive pool

Our on-target short-term incentive pool is built on a top-down basis, primarily referenced to our headline earnings. In this regard, we seek to deliver a market-related pool for performance relative to our peer group, taking into account the relative share of earnings allocated to short-term incentives in the context of our relative performance.

Cognisant of the primary reference point to headline earnings, the process followed by the RemCo in approving the performance short-term incentive pool is illustrated below:

1. Our *on-target short-term incentive pool* was reviewed for market competitiveness against our peers' comparable market data points, by reference to a proportion of headline earnings (before taxation and incentives) at the time that decisions are made, and based on historical trends.
2. The RemCo applied a market adjustment based on detailed benchmarking to enhance the on-target short-term incentive pool. In setting the level of market adjustment, the RemCo considered the importance of increasing the share of the pool to be allocated to more junior colleagues, in line with our fair and responsible remuneration imperatives.
3. The on-target pool is adjusted upwards or downwards based on the Group's performance relative to specific financial and non-financial metrics to determine the final Group performance short-term incentive pool. In 2022, as in 2021, our pool was adjusted upwards based on performance.

4. The RemCo reviewed the performance outcomes measured against the short-term incentive scorecard to confirm the 2022 performance short-term incentive pool.

The outcome is set out below.

2022 Short-term incentive outcomes

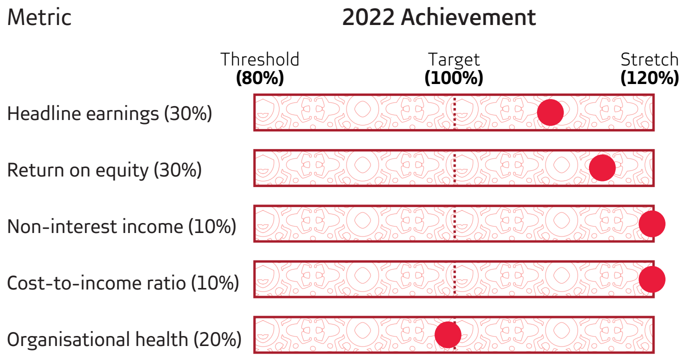
Based on our performance relative to the short-term incentive scorecard on page 10 of the Remuneration Policy, the approved performance short-term incentive pool is **R3 671 million**, in constant currency, reflecting the Group's performance. This represents a 25% year-on-year increase. The year-on-year increase in the pool allocated to employees in our senior population was 19%.

Within this total performance short-term incentive pool, the RemCo oversaw deliberate growth in the share of the short-term incentive pool allocated to more junior levels of the organisation. The share of the pool has increased from **12% (R358.9 million)** of the total pool in 2021 to **15% (R549.3 million)** in 2022, an increase of **53% (R190.4 million)**.

In approving the final short-term incentive performance pool outcome of R3 671 million, the RemCo considered:

- The Group's performance against the 2022 short-term incentive scorecard, which included the pre-determined financial (80% weighting) and non-financial (20% weighting) measures aligned with the Board-approved strategy and medium-term plan, as highlighted in the diagram in the next column;
- The Group's performance relative to the market (based on the latest publicly available information);
- The quality of the Group's earnings and whether any adjustment was required based on the control environment (with inputs from the Group Audit and Compliance Committee). The quality of earnings was determined to be sound. No adjustments regarding the control environment were deemed necessary;
- An assessment by the Group Social, Sustainability and Ethics Committee of the 20% non-financial outcomes (customer, colleague and sustainability) against the agreed short-term incentive scorecard. The approved outcome was marginally below target;
- Consideration of the shareholder experience, and that the Group's relative total shareholder return has been ahead of the major banks.

The 2022 *short-term incentive scorecard* (see page 10 of the Remuneration Report) 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. Our achievement in this regard is set out below:



Normalised non-interest income and cost-to-income ratio were achieved above stretch level, and were capped at 120%.

Application of RemCo discretion

All outcomes were aligned with the agreed parameters for the 2022 short-term incentive. The RemCo considered the pool outcome following application of the performance scorecard to be appropriate. Therefore, it did not apply discretion regarding the application of the performance modifier in respect of the short-term incentive outcomes for 2022.

Executive short-term incentives

The 2022 short-term incentives allocated to our executive directors and prescribed officers for whom disclosures are made in 2022 amount to **R81.5 million**. This reflects the performance of the Group, the growth in the Group pool, and the executives' contribution during the year. The outcomes also reflected the changes in the composition of the Group's executive director and prescribed officer population during the year, including the appointment of four new prescribed officers and several changes at a senior executive leadership level. Individual disclosures are included on pages 25 to 45 of the Implementation Report.

Fair and responsible remuneration

As a leading Pan-African financial services group, our remuneration ambition is to be locally relevant and competitive. Our remuneration frameworks, therefore, aim to deliver a compelling, market-competitive remuneration value proposition, with a strong emphasis on pay-for-performance over the short, medium and long-term. This occurs within our broader employee value proposition to ensure that employee engagement is dealt with holistically across our people value chain.

Implementation of our remuneration frameworks occurs in the context of local market practice and the specific talent imperatives and challenges that exist in these environments, to enable the attraction and retention of talent in highly competitive markets.

The social context of remuneration is a critical lens, and implementing fair and responsible remuneration practices is a key focus area for the RemCo. Our remuneration frameworks and the implementation outcomes are reviewed to be sustainable and affordable, and balance stakeholder interests over time, including achieving appropriate sharing of value over time by stakeholders.

Integrated fair and responsible remuneration actions

Fair and responsible remuneration remained a core focus in 2022. Specific implementation actions reflect our ongoing conscious efforts to strengthen fair pay by investing in the lower levels of the organisation.

We are proud to have invested over **R500 million** in improving our fair and responsible remuneration outcomes over the past two years. This includes fixed remuneration adjustments in 2021 and 2022 and improving the share of the short-term incentive pool allocated to our more junior employees regarding 2022 performance.

Key actions in 2022 were:

- There was deliberate growth in the share of the short-term incentive pool allocated to more junior levels of the organisation. The share of the pool has increased from **12% (R358.9 million)** of the total pool in 2021 to **15% (R549.3 million)** in 2022, an increase of **53% (R190.4 million)**.
- Further, out-of-cycle remuneration increases at an annualised value of approximately **R32 million** on 1 November 2022 in South Africa to increase the fixed remuneration of those paid at the lower end of the peer range. Approximately 1 000 employees up to middle management received this increase. This is in addition to the R290 million allocated in 2021 to improve our fair pay position. The RemCo applied a substantial transformation and diversity lens in assessing outcomes.
- Fixed remuneration increases in our annual pay review have, for several years, been deliberately set at higher levels for more junior employees (typically the bargaining unit) than those for more senior employees. This is again the case for increases to be awarded in the first quarter of 2023 for the coming year, with our bargaining unit staff in South Africa receiving, on average, 8% versus the rest of our employees at 6% (with the average increase applied to ExCo members below the management and senior leader average). Also, our minimum annual cost to company in South Africa will increase to R214 000 with effect from 1 April 2023.
- In ARO, detailed benchmarking of our benefits arrangements was undertaken in 2022 to ensure these are locally relevant and competitive. Where enhancements are required, these are factored into the relevant business plans to ensure sustainable implementation, with appropriate engagement with and support from the local boards. We have also been mindful when approving salary mandates in high-inflation environments to mitigate against the erosive effects of cost-of-living increases on the quality of life of our employees.
- The Group offers a compelling employee value proposition. These include a range of compulsory (including retirement funding, death and disability cover, and medical insurance) and optional benefits (increased retirement contributions, and gap cover). In addition, our financial products for employees responsibly assist them in meeting their broader aspirations, such as home or vehicle ownership.
- We implement initiatives beyond remuneration to support and enable employees. These are detailed in our **Integrated Report** and include employee wellness, funding for education and development opportunities. We provide direct support to employees in instances of disaster, such as the 2022 KwaZulu-Natal flooding.

Further information on our fair and responsible remuneration actions in specific jurisdictions is set out below.

South Africa

Fixed remuneration outcomes

In 2022, we applied a minimum cost to company level of R200 000, 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. Our 2022 salary review continued to prioritise lower-paid employees and those within that cohort. This is consistent with practice over the past several years.

For increases effective **1 April 2023** for South African employees, the RemCo approved the following approach:

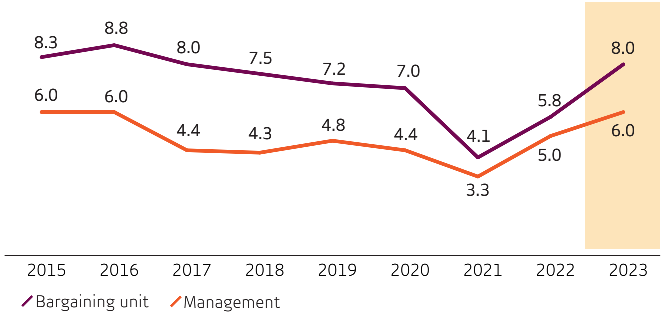
Bargaining unit

- A total increase pool of **8%** was agreed with Sasbo for the bargaining unit. Employees will receive a guaranteed increase of 7%, with 1% to be allocated at management discretion. Those above the preferred maximum of our salary range will receive a once-off payment in lieu of an increase.
- Our minimum cost to company will increase to R214 000 with effect from 1 April 2023.

Management and executives (including executive directors and prescribed officers) may be eligible for an increase, with an average increase pool of **6%**, 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.

The relative increases over a nine-year period are in the table below.

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



Note: Executives and senior managers were not eligible to be considered for an increase in 2021 other than on an exceptional basis. They were eligible to be considered for increases in the normal course for 2022 and 2023.

Absa Regional Operations – fixed remuneration

Our ARO Boards oversee the determination and implementation of fixed remuneration increases in each jurisdiction, with input from the RemCo.

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

Executives 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 RemCo oversight, these are presented to the RemCo. These are also subject to local subsidiary board approval.

We have been mindful when approving 2023 salary mandates in high-inflation environments to mitigate the erosive effects of cost-of-living increases on the quality of life of our employees.

We comply with or exceed relevant minimum salary determinations (including those determined based on collective bargaining outcomes) in all our markets, ensuring that our company minimum fixed remuneration is appropriately benchmarked to peers and the broader market.

Overseeing the remuneration implications of the changes in the Group's operating model

Initiated by the new Group Chief Executive and supported by the Board, the Group implemented a revised operating model in 2022, aligned to the re-anchored Group strategy. This included the creation of five commercial clusters (Retail and Business Banking ARO (RBB ARO); Corporate and Investment Banking (operating on a Pan-African basis), Everyday Banking, Product Solutions Cluster, and Relationship Banking) supported by appropriately capacitated enabling functions and independent control functions. Detail of the changes is in the Integrated Annual Report.

The RemCo oversaw the remuneration implications of the changes to the Group's operating model and the composition of the executive director, prescribed officer, ExCo and MRT populations. This included:

- Approving the remuneration of new ExCo members and MRTs, with oversight over remuneration adjustments for appointments into senior management roles;
- Exercising oversight over the broader cost impact of the changes to the organisational architecture and resultant appointments at middle and senior management to ensure this was appropriate and sustainable. The cost implications are appropriately included in the Group's medium-term plan.

The above was considered in the context of the total cost of remuneration (and its component parts) and its impact on the Group's overall cost base and financial performance, including fair and responsible remuneration.

Impact of changes to the operating model and the resultant senior leadership appointments on our remuneration disclosures (current and future)

The changes in the organisational structure and shape pursuant to implementing the revised operating model, and the associated changes at a senior leadership level, will result in some fluidity year-on-year in our remuneration reporting. This is based on changes (including entry and exits) in the respective disclosed categories within our Remuneration Report and related reporting. This has the following implications: :

- The *individual disclosures for executive directors and prescribed officers* include remuneration outcomes for different incumbents on a year-to-year basis and include remuneration that is pro-rated or based on interim appointments. Given the transitions that have occurred regarding our disclosed officers, this makes year-on-year comparisons at both an aggregate and individual level challenging. The disclosures will stabilise over the next two years to enable more meaningful like-for-like comparisons. The individual disclosures are on pages 22 to 58 of the Implementation Report.
- The aggregate remuneration for our ExCo (including executive directors and prescribed officers) is in the *Key Management Personnel (KMP)* notes to the Annual Financial Statements. There has been some variability regarding senior leadership composition over the past one-to-two years, which has impacted the consistency of the KMP reporting. The remaining ExCo vacancies were filled effective January 2023. This will enable the stabilising of the reporting of KMP remuneration. However, there will still be some variability in the reported outcomes over the next two years as the effects of vacancies, pro-rating and interim appointments normalise.

Individuals included in the disclosures outlined above are in the population falling within the RemCo remit. The RemCo will accordingly continue to exercise its oversight regarding remuneration outcomes to ensure that our implementation is sustainable, in the best interests of stakeholders, and ensures appropriately competitive remuneration for competitive market performance in the context of significant competition for executive talent across our markets.

Vesting outcomes for the 2020 long-term incentive award

The Absa Group 2020 long-term incentive will partially vest in April 2023 for the three-year performance period ending on 31 December 2022.

The 2020 long-term incentive awards were made in terms of the Share Incentive Plan (SIP) rules, approved by shareholders at the 2019 AGM. These govern awards made from 2020 onward, with the rules of the Long-Term Incentive Plan (LTIP) applying for awards prior to this.

In terms of the SIP rules, awards were made at the on-target value (100% of the value at award) and are subject to moderation based on the Group performance targets. Awards can be moderated downwards (including to zero) or upwards (to a maximum of 150% of the on-target award) based on performance target outcomes.

The period covered by the assessment was challenging amidst the heightened uncertainty presented by the Covid pandemic and South Africa's social unrest in July 2021. During this period, the Group balanced growth with resilience and prioritised support for employees, customers and communities, a contribution for which the Group was recognised externally. The organisation has emerged from this period in a strong position, both financially and from an organisational health perspective. This provides a strong foundation as the Group focuses on "outperformance" over the next horizon. Notably, the progress achieved has also been recognised by shareholders, with the Group's relative total shareholder ahead of the major banks.

The vesting outcome for the **2020 long-term incentiv**e is at **68.5%** of the on-target value of the award, based on the achievement of the Group performance targets, as follows:

Measures	Weight	Threshold 15%	Target 100%	Stretch 150%	Achievement	% Achievement	Weighted Achievement
Normalised return on equity (Simple annual average 2020 – 2022)	30%	≥ 17.08%	≥ 18.58%	≥ 20.58%	13.2	0%	0%
Normalised headline earnings per share (Constant currency Compound Annual Growth Rate 2020 – 2022)	30%	≥ 6.7%	≥ 10.7%	≥ 14.7%	7.7%	36.6%	11.0%
Normalised cost-to-income ratio Reported in the 2022 full year financial statements	30%	≤ 56.5%	≤ 54.5%	≤ 52.5%	51.5%	150%	45%
Organisational health	10%	At the discretion of the RemCo based on the assessment of People, Customer and Control environment			9/10	125%	12.5%
						Total	68.5%

PwC, the Group's joint external auditors, provided a factual findings report to the RemCO on the metrics' outcomes.

The organisational health outcome was assessed over the three-year performance period. During this period the Group successfully delivered on Separation from Barclays, dealt with the impact of the COVID-19 pandemic, and underwent multiple changes of leadership. During the period, the Group made significant progress in respect of organisational health measures that were assessed.

Disclosure of vesting outcomes for executive directors and prescribed officers

The 2020 long-term incentive, which will vest at **68.5%** of the on-target award for the performance period ending 31 December 2022, is included in single-figure remuneration for 2022 for executive directors and prescribed officers on pages 25 to 49. 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 1 April 2023, 2024 and 2025) 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. *For 2022, as applied in our 2021 disclosures, values are reported using the 31 December 2022 share price of R193.90, as the Annual Financial Statements publication date was before the vesting date.*

Release of 2021 short-term incentive deferrals (2nd tranche) for disclosed officers

As previously disclosed and aligned with the South African Prudential Authority's Guidance Notes 4 of 2020 and 3 of 2021, short-term incentive awards made regarding 2020 performance to disclosed officers 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 remains above the minimum of the Board's target range, the safety and soundness check is satisfied for 2022.

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). Vesting of the second tranche of the deferral will therefore take place in April 2023.

The remaining tranche still to vest in April 2024 will be subject to the safety and soundness validation at the end of 2023.

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 2022, no malus or clawback actions were applied for current or past executive directors and prescribed officers.

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 of 31 December 2022, all ExCo members are on track, with reference to the future vesting profile of unvested awards, to meet the minimum shareholding requirements over the stipulated five-year time frame from their date of appointment to ExCo. For those for whom this was required during 2022 (Arrie Rautenbach, Jason Quinn and Charles Russon), holdings on 31 December 2022 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 in the adjacent column. The holdings as of 31 December 2022 are above the minimum shareholding requirements as a multiple of cost to company for the Group Chief Executive, the Group Financial Director and the Chief Executive: CIB. For the new prescribed officers: Faisal Mkhize, Geoffrey Lee, and Cowyk Fox, all of whom are in the five-year period provided to build to the minimum shareholding requirements, are on track to meet the requirements.

Saviour Chibiya, a Zambian national, is prohibited by local Zambian legislation from holding foreign equity. Therefore, he participates in the Absa share incentive arrangements (in respect of both deferred short-term incentives and long-term incentives) on a notional (phantom) basis. To align with the Group's minimum shareholding requirements, Saviour will be required to hold, on an unencumbered basis, the cash equivalent of the requisite Absa Group shareholding. He will have five years from the date of appointment to ExCo to reach the required level of cash holding, which will be marked to market on a biannual basis. The shareholding for Saviour is, therefore, currently listed as zero.

Name	Role as at 31 December 2022	Number of shares	Required holdings as a multiple of cost to company	Value of holdings as a multiple of cost to company
Arrie Rautenbach	Group Chief Executive	218 412	3.0	4.28
Jason Quinn	Group Financial Director	99 814	1.5	2.77
Charles Russon	Chief Executive, CIB	150 669	1.5	4.64
Faisal Mkhize	Chief Executive, Relationship Banking	13 658	1.5	0.46
Cowyk Fox	Chief Executive, Everyday Banking	27 205	1.5	0.92
Geoffrey Lee	Chief Executive, Product Solutions	3 434	1.5	0.12

Note: **Saviour Chibiya** does not hold Absa Group Limited shares given the restriction on Zambian nationals owning foreign equity.

Cost to company

The following cost to company increases have been awarded, effective 1 April 2023, to executive directors and prescribed officers to ensure that fixed remuneration remains competitive relative to peers:

Name	Role	Revised cost to company – effective 1 April 2023	% Increase	Cost to company – April 2022
Arrie Rautenbach	Group Chief Executive	10 400 000	5.1	9 900 000
Jason Quinn	Group Financial Director	7 350 000	5.0	7 000 000
Charles Russon[1]	Chief Executive, CIB	6 750 000	7.1	6 300 000
Faisal Mkhize[2]	Chief Executive, Relationship Banking	5 750 000	–	5 750 000
Cowyk Fox[2]	Chief Executive, Everyday Banking	5 750 000	–	5 750 000
Geoffrey Lee[2]	Chief Executive, Product Solutions	5 750 000	–	5 750 000

1 Charles' cost to company is being increased to improve market competitiveness relative to peers.

2 Faisal Mkhize, Cowyk Fox and Geoffrey Lee were appointed to the respective roles on 1 July 2022 and the value under 2022 is as at their appointment date. No increase will be applicable in 2023.

Saviour Chibiya is currently on international assignment arrangements and is transitioning to local Zambian terms. His new basic salary, on conclusion of this process, which is expected to be in Q2 2023, will be the Zambian Kwacha equivalent of R4.1m. He will also be entitled to local Zambian benefits as applicable to senior executives in the local 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:

		2022 awarded remuneration	2022 single-figure remuneration	Corresponding payment/vesting period: 2022	2023	2024	2025	2026	
Cost to company and any other guaranteed remuneration paid in 2022.		✓	✓	■					Once-off payments such as leave encashment and international assignment benefits 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 2022, comprising:	Cash short-term incentive	✓	✓		■				Cash bonuses paid in March 2023 for 2022 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 2023.		✓			Performance period	Performance period	Performance period	100%	
Total awarded remuneration		✓							
Long-term incentive awards for which the performance period ends in 2022.			✓	■					The value of vesting of the 2020 long-term incentive award which will vest in April* (in equal tranches in 2023, 2024 and 2025), is included. This is based on the 31 December 2022 share price for disclosure purposes, with the actual value being determined on vesting date.
Dividend-equivalents and service credits received in 2022 regarding awards vesting *during* the year.			✓	■					
Total single-figure remuneration			✓						

* For Punki Modise, Faisal Mkhize, Cowyk Fox and Geoffrey Lee, the award vests in April 2023.

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 2022 is included in the chart. The individual disclosures are on pages 25 to 49. 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 2022 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 leadership role during the year. These decisions are outlined on the pages that follow.

Disclosures for executives who left the Group in 2021 or 2022 are included in the combined tables on pages 46 to 49.

Arrie Rautenbach
Group Chief Executive

Arrie was appointed as Group Chief Executive on 29 March 2022. His transition into the role of Group Chief Executive has been seamless, and his single-minded focus on results has driven delivery across the board.

Arrie has been decisive about advancing key strategic imperatives that fostered organisational stability, enabled the Group to weather economic headwinds, and maintain momentum on the main metrics of both financial and non-financial performance.

Performance and remuneration outcome

Group financial performance

Our Group performance is set out in our **Financial results for the reporting period ended 31 December 2022**.

Salient features of the **Group's** performance are:

Metric		2022 Outcome
Year-on-year movement		
Headline earnings	↑	13%
Pre-provision profits	↑	25%
Non-interest income	↑	18%
Key ratios		
Return on equity	↑	16.6%
Cost-to-income ratio	↓	51.5%

Performance commentary

An overview of the Group's performance against key elements of our Balanced Scorecard is in our **Integrated Report**.

Under Arrie's leadership, the Group saw strong delivery of its short-term plans, particularly in respect of financial performance. However, there is still room for improvement on some of the key scorecard metrics.

Within a very short space of time after his appointment, Arrie delivered a refined Group strategy, along with a reconfigured Group operating model for optimal execution of our client-centric approach. He has been collaborative with the ExCo, senior management and employees, as evidenced by the completion of the Absa Group Purpose Statement that will drive everything we do.

ExCo has been expanded to reflect the changed Group operating model, which included the creation of five commercial entities, and the related support structures. Critical positions have been filled, resulting in a fully-constituted ExCo for the first time in three years. ExCo is also reflective of our transformation, diversity and inclusion imperatives. While there has been progress generally on the transformation, diversity and inclusion front, there remain areas that require attention, in particular in regard to a more-structured succession planning process.

An ESG strategy is in place and there is excellent alignment between Board and ExCo ambitions in this regard, and agreement on the three key Absa Group ESG priorities (see our **Integrated Report** for more information). Notable progress has been made on developing a detailed plan, indicators and a roadmap, with this to be further refined.

There has been encouraging traction on culture as reflected in Employee Experience Index, Job Satisfaction mean score and Employee Sentiment score in our Employee Engagement Survey. This will continue to be an area of focus in 2023. Our practices in terms of talent management and leadership training are strengthening, supporting Absa's ambition of being an employer of choice for top talent, and those with scarce and critical skills.

Arrie has been deliberate about enhancing cohesion across management levels and aligning with the Board, which has fast-tracked delivery. His outreach efforts across our presence markets have been noticeable and well-received. This has extended to external stakeholders, and feedback on his personal visibility and positioning of Absa has been encouraging. However, there is work to be done on both brand and marketing.

The control environment improved this year, which is a culmination of efforts by senior management and the Group as a whole over the last several years. There was sustained attention to this during 2022.

This was Arrie's first year as CEO, in an organisation that has undergone considerable change in recent times, and against a backdrop of a tough operating environment.

Arrie held the roles of Chief Executive: RBB and Interim Group Chief People Officer concurrently for the first quarter of the year.

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 2022/2023 pay review, based on the relative market rate for his role, his performance as Group Chief Executive and, for the first quarter of the year, Chief Executive: RBB and Interim Group Chief People Officer:

Arrie's total *2022 awarded remuneration* of **R44.78m** is detailed below and in the combined tables on page 46:

- **Fixed remuneration**
  - The fixed remuneration paid to **Arrie** during 2022 was **R9.28m**.
  - **Arrie's** annual cost to company from the date of his appointment as Group Chief Executive on 29 March 2022 was **R9.9m** per annum.
  - This will increase to R10.4m (5.1%) with effect from 1 April 2023, to ensure that his fixed remuneration remains aligned to that of peers in the market.
  - **Arrie** did not receive an adjustment to his fixed remuneration in respect of the dual roles fulfilled prior to his appointment as Group Chief Executive, with recognition in this regard addressed in his short-term incentive award.
- The **short-term incentive** of **R18.5m** (relative to a full-year on-target short-term incentive award of R15m) was determined based on **Arrie's** performance primarily as Group Chief Executive, in the context of Group performance and the increase in the Group performance short-term incentive pool. It is noted that **Arrie** concurrently fulfilled the roles of Chief Executive: RBB and Interim Group Chief People Officer during the first quarter of 2022 (for which no fixed remuneration adjustment was made), which was also considered in determining his short-term incentive.
- The **long-term incentive** of **R17m** (value at award) to be awarded in April 2023 at the on-target level included in **Arrie's** total remuneration mix, determined at the time of his appointment as Group Chief Executive. This award, which is subject in full to Group performance targets measured over the three-year performance period (2023-2025) and continued employment, aligns with the creation of shareholder value over the long-term. The Group performance targets are on pages 10 and 11 of the Remuneration Policy.

Arrie Rautenbach[7]

Awarded remuneration	2022 R	2021 R
Salary	**8 689 014**	6 444 479
Medical aid	**167 556**	161 892
Retirement benefits	**185 596**	158 651
Other employee benefits	**232 918**	494 316
Total fixed remuneration	**9 275 084**	**7 259 338**
Non-deferred cash award[1]	**9 750 000**	6 750 000
Deferred share award[2]	**8 750 000**	5 750 000
Total short-term incentive[3]	**18 500 00**	**12 500 000**
Face value of long term incentive award (on target award)[4]	**17 000 000**	**17 000 000**
Other payments[5]	**–**	**2 007 617**
Total awarded remuneration[6]	**44 775 084**	**38 766 955**

1 This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2022 and March 2023 in respect of prior year performance.

2 This is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2022 for the 2021 short-term incentive award, and will be granted in April 2023 for 2022.

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).

4 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. This is the 'on-target' value of the award. The 2021 award 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.

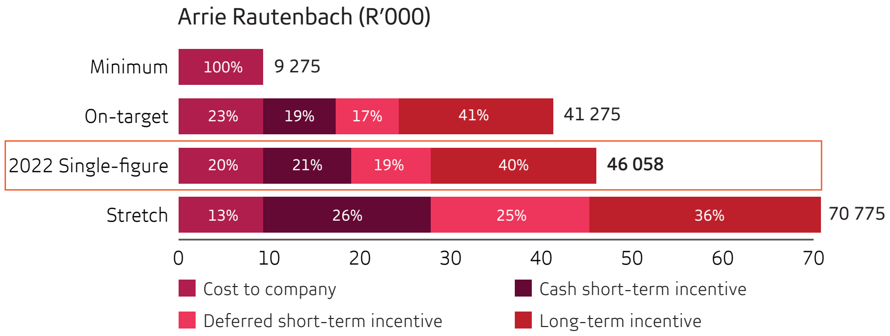
5 'Other payments' reflect the encashment of leave as a consequence of changes to our leave policy.

6 Total awarded remuneration includes the fixed remuneration paid during 2022, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2023 and a deferred share award granted in April 2023), and the face value of the long-term incentive to be granted in April 2023. Amounts disclosed in 2021 follow the same principle.

7 Arrie was appointed as Group Chief Executive and executive director on 29 March 2022, and was the Chief Executive: Retail and Business Banking and a prescribed officer prior to that. His awarded remuneration for 2022 is disclosed in full in the executive director disclosures, for ease of reference. His 2021 awarded remuneration was included in the prescribed officer table in the 2021 disclosures, and is reflected in the executive director table for ease of comparison.

Single-figure remuneration relative to on-target remuneration mix potential

Arrie was awarded the following ***single-figure remuneration*** in 2022. The remuneration mix potential in the chart is shown as a percentage of total remuneration, based on the on-target remuneration mix potential scenarios applicable to his role as ***Group Chief Executive***.



Arrie's 2022 single-figure remuneration of **R46.06m** includes:

- Fixed remuneration of **R9.28m** received during 2022.
- Short-term incentive of **R18.5m** received for 2022 performance, with deferral applying to 50% of the amount that exceeds R1m.
  - The cash portion of **R9.75m** will be paid in March 2023.
  - The deferred award of **R8.75m** will be released in equal tranches on the first, second and third anniversaries of the date of the award.
- Vesting awards at a total value of **R18.28m**, consisting of:
  - The *illustrative value* **(R17.31m)** to be received in respect of the vesting of the 2020 long-term incentive award (for the three-year performance period ended 31 December 2022), as follows:
    - This is determined based on a vesting outcome of **68.5%** of the on-target award 2020 award, and calculated using the Absa Group Limited share price on 31 December 2022 of R193.90.
    - The *full illustrative value of the award* that is to vest is included in the 2022 single-figure remuneration, notwithstanding that the award will be released in equal tranches in April 2023, April 2024 and April 2025. Release of future tranches is not subject to further performance conditions, however, it is subject to continued employment, and malus and clawback provisions.
    - The illustrative value of the total vesting includes material growth in the Absa Group share price during the period, from an award value of R92.08 on 1 April 2020, to R193.90 on 31 December 2022. The growth in value of the long-term incentive award based on share price appreciation is aligned with the growth in value experienced by shareholders over the same period.
    - The *actual value* that accrues to **Arrie** over the vesting period will be based on the share price on the vesting date of each tranche, in April 2023, April 2024 and April 2025. It will also include dividend equivalents that may be released as dividend shares with each tranche, based to the number of shares that will vest.
  - The value **(R0.98m)** of dividend equivalents received during 2022, in respect of other vesting awards. These are set out in the share-based tables on page 50.

The detail of the ***single-figure remuneration*** is in the combined tables on page 47.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 24.

Jason Quinn
Group Financial Director

Jason provided credible, consistent and stable leadership to the Group in 2022, both as Interim Group Chief Executive (January to March 2022) and as Group Financial Director (April to December 2022). During the year, he delivered very strongly in terms of financial performance and on other aspects of the Group scorecard.

Jason continued to provide a stabilising influence for customers, colleagues and other stakeholders, and was instrumental in ensuring a seamless transition of leadership at the top of the organisation. Jason's contribution continues to enable the ExCo to drive sustainable high levels of performance, ensuring that the Group delivered very strong results for 2022.

Performance and remuneration outcome

Group financial performance

Our Group performance is set out in our **Financial results for the reporting period ended 31 December 2022**.

Salient features of the **Group's** performance are:

Metric		2022 Outcome
Year-on-year movement		
Headline earnings	↑	13%
Pre-provision profits	↑	25%
Non-interest income	↑	18%
Key ratios		
Return on equity	↑	16.6%
Cost-to-income ratio	↓	51.5%

Performance commentary

Highlights of Group Finance's strategic delivery in 2022 included:

Strategy and Operating Model

- Group Finance played a critical role in realigning the organisational operating model construct within the Group financial reporting structures and provided commercial partnering and support to our newly formed commercial clusters, displaying agility in the alignment.
- Group Finance played a strong supportive role in the Group strategy process.
- Group Finance remained focused on balancing risk and control, and delivered financial integrity in sound and accurate financial results, actively reaffirming engagement with investors and the market. It further demonstrated group-wide leadership in supporting critical initiatives, including the configuration of systems for large scale business implementations.
- Our Corporate Insurance portfolio was reviewed and updated to address the changing risk environment.
- Our Corporate Development area continued to provide unwavering strategic advice in support of Group-wide initiatives, including our developing B-BBEE transaction.
- The Group Finance Programme Management Office (PMO) model was successfully integrated, with both Group Finance and Risk optimally utilising their strategic investment programme spend.
- Continued progress was made to respond to the growing regulatory change requirements and ensure that compliance remained a top priority.

Sustainability

- Group Finance drove a consistent and measurable approach to maintaining a sustainable control environment and sound ESG efforts.
- Positive impacts were made by Group Finance across ESG, and include workplace readiness, workforce demand planning and corporate property portfolio optimisation. Restacking of corporate buildings is underway.
- Reduced water, carbon emission, energy consumption and waste environmental impacts have far exceeded targets. Commendable sustainability and climate change reporting ratings were delivered.

People

- Group Finance continued to take deliberate action in attracting, retaining and upskilling employees to enable them to 'bring possibilities to life'.
- Critical skills were identified, positioning the Function to address future gaps.
- The transformation journey continued with deliberate action to diversify and strengthen talent pools, including an enhanced process for senior management appointments.
- The Group Finance Employee Experience Index improved relative to 2021.

Remuneration outcomes

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

Awarded remuneration

The following remuneration was awarded to **Jason** by the RemCo in the 2022/2023 pay review, based on the relative market rate for his role, and his performance as Interim Group Chief Executive for the first quarter of the year and Group Financial Director for the last three quarters:

Jason's total *2022 awarded remuneration* of **R34.75m** is detailed below and in the combined tables on page 46:

- **Fixed remuneration**
  - The fixed remuneration paid to **Jason** during 2022 was **R6.75m**.
  - **Jason's** annual cost to company from 1 April 2022 was **R7m** per annum.
  - This will increase to R7.35m (5%) with effect from 1 April 2023, to ensure that his fixed remuneration remains aligned to that of peers in the market.
  - **Jason** did not receive an adjustment to his fixed remuneration in respect of his role as Interim Group Chief Executive during 2021 and for the first quarter of this year, with recognition in this regard addressed in his short-term incentive award.
- The **short-term incentive** of **R15m** was determined based on **Jason's** performance as Interim Group Chief Executive (three months) and Group Finance Director (nine months), in the context of Group performance and the increase in the Group performance short-term incentive pool.
  - The 2022 award of **R15m**, relative to an on-target award in his total remuneration mix potential of R11m, reflects the Group and **Jason's** performance, with consideration for the fact that there was no increase in **Jason's** fixed remuneration in respect of his role as Interim Group Chief Executive.
  - The 2022 award is a decrease relative the award made for 2021 performance, which was reflective of his significant contribution in the role of Interim Group Chief Executive for nine months and no increase in his fixed remuneration for this role.
- The **long-term incentive** of **R13m** (value at award) to be awarded in April 2023. This is above the indicative on-target level (R10m) in **Jason's** total remuneration mix potential as it applies to his role as Group Finance Director.
  - This award aligns with the Board's objective of incentivising Jason's future performance and the creation of shareholder value over the medium- to long-term.
  - The award is subject in full to Group performance targets measured over the three-year performance period (2023-2025) and continued employment. The Group performance targets are on pages 10 and 11 of the Remuneration Policy.

Jason Quinn

Awarded remuneration	2022 R	2021 R
Salary	**6 098 485**	5 418 952
Medical aid	**123 804**	119 604
Retirement benefits	**462 660**	411 749
Other employee benefits	**67 380**	59 008
Total fixed remuneration	**6 752 329**	**6 009 313**
Non-deferred cash award[1]	**8 000 000**	9 000 000
Deferred share award[2]	**7 000 000**	8 000 000
Total short-term incentive[3]	**15 000 000**	**17 000 000**
Face value of long term incentive award (on target award)[4]	**13 000 000**	**12 500 000**
Total awarded remuneration[5]	**34 752 329**	**35 509 313**

[1] This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2022 and March 2023 in respect of prior year performance.

[2] This is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2022 for the 2021 short-term incentive award, and will be granted in April 2023 for 2022.

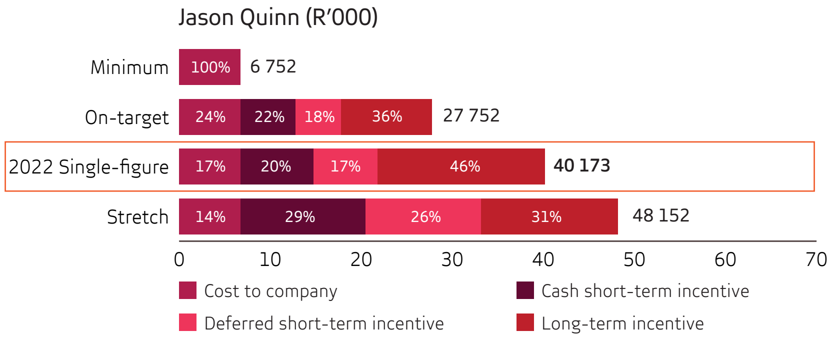
[3] Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's remuneration policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period (three years).

[4] 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. This is the 'on-target' value of the award.

[5] Total awarded remuneration includes the fixed remuneration paid during 2022, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2023 and a deferred share award granted in April 2023), and the face value of the long-term incentive to be granted in April 2023. Amounts disclosed in 2021 follow the same principle.

Single-figure remuneration relative to on-target remuneration mix potential

Jason was awarded the following ***single-figure remuneration in 2022***. The remuneration mix potential in the chart is shown as a percentage of total remuneration, based on the remuneration mix potential structure applicable to his role as ***Group Financial Director***.



Jason's 2022 single-figure remuneration of **R40.17m** includes:

- Fixed remuneration of **R6.75m** received during 2022.
- Short-term incentive of **R15m** received for 2022 performance, with deferral applying to 50% of the amount that exceeds R1m.
  - The cash portion of **R8m** will be paid in March 2023.
  - The deferred award of **R7m** will be released in equal tranches on the first, second and third anniversaries of the date of the award.
- Vesting awards at a total value of **R18.42m**, consisting of:
  - The *illustrative value* **(R17.31m)** to be received in respect of the vesting of the 2020 long-term incentive award (for the three-year performance period ended 31 December 2022), as follows:
    - This is determined based on a vesting outcome of **68.5%** of the on-target award 2020 award, and calculated using the Absa Group Limited share price on 31 December 2022 of R193.90.
    - The *full illustrative value of the award* that is to vest is included in the 2022 single-figure remuneration, notwithstanding that the award will be released in equal tranches in April 2023, April 2024 and April 2025. Release of future tranches is not subject to further performance conditions, however, it is subject to continued employment, and malus and clawback provisions.
    - The illustrative value of the total vesting includes material growth in the Absa Group share price during the period, from an award value of R92.08 on 1 April 2020, to R193.90 on 31 December 2022. The growth in value of the long-term incentive award based on share price appreciation is aligned with the growth in value experienced by shareholders over the same period.
    - The *actual value* that accrues to **Jason** over the vesting period will be based on the share price on the vesting date of each tranche, in April 2023, April 2024 and April 2025. It will also include dividend equivalents that may be released as dividend shares with each tranche based to the number of shares that will vest.
    - The value **(R1.11m)** of dividend equivalents and/or service credits received during 2022, in respect of other vesting awards. These are set out in the share-based and cash-based tables on pages 50 and 57 respectively.

The detail of the ***single-figure remuneration*** is in the combined tables on page 47.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 24.

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

Charles is one of the longest-serving members of the ExCo team, bringing to the table a sound mix of functional and commercial experience. The CIB business has continued to show strong performance under his leadership, and he contributes extensively at a Group franchise level.

Charles has strong Pan-African experience.

Performance and remuneration outcome

CIB's financial performance

Our Group performance and the performance of CIB is set out in our **Financial results for the reporting period ended 31 December 2022**.

Salient features of the **CIB** results are:

Metric	2022 Outcome
Year-on-year movement	
Headline earnings	9%
Pre-provision profits	13%
Revenue	12%
Non-interest income	11%
Key ratios	
Return on regulatory capital	21.4%
Cost-to-income ratio	46.7%

Additional performance commentary

The following non-financial performance was delivered by CIB:

Strategy and Operating Model

- The operating model changes to align with CIB's Pan-African strategy continue to evolve, to enable appropriate integration across geography and product.

Customer and Digital

- CIB SA narrowly missed its customer primacy targets with CIB ARO having achieved its primacy targets.
- Overall experience on the Client Composite Score improved year on year off the back of four consecutive years of strong Customer Experience (CX) growth. Given the significant changes implemented as part of the digital banking strategy across the continent, CIB saw a marginal decline in ARO client experience performance.
- The focus on New-to-Bank (NTB) Client acquisitions resulted in CIB exceeding its new to bank targets in CIB SA and CIB ARO.
- Client Franchise Contribution, Deposits and Foreign Exchange (FX):
  - In line with very strong revenue performance, our client franchise contribution met its Pan-Africa targets.
  - The 2022 deposits (excluding tax and loan) growth target was achieved.
  - Both SA and ARO delivered in excess of full year FX targets.
- In terms of Digital Migrations (SA) & Digitally Active Customers (Pan-Africa):
  - As at the end of 2022, 100% of the CIB ARO client base had been migrated onto Absa Access.
  - In SA, there was a meaningful growth year-on-year on the Online Digital Customers migrated, though it still lags target due to prioritising ARO migrations.
  - There is consistent growth in the number of digitally active customers Pan-Africa.

Sustainability

- Sustainable Financing outcomes were delivered at target despite significant delays experienced in renewables financing in 2022.
- CIB delivered several market-first transactions in the sustainability space and will continue to innovate and expand its product offering.

People

- Participation in the CIB Employee Experience Survey exceeded its target. The Employee Experience Index score improved, surpassing target. This is a notable shift in CIB, and suggests that the programmes and initiatives being implemented across the business are having the desired impact.
- There was strong performance across Transformation, Diversity and Inclusion, and Sustainability measures.

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 2022/2023 pay review, based on the relative market rate for his role as Chief Executive: CIB, and his performance in the role during 2022:

Charles's *total 2022 awarded remuneration* of **R31.23m** is detailed below and in the combined tables on page 48:

- **Fixed remuneration**
  - The fixed remuneration paid to **Charles** during 2022 was **R6.23m**.
  - **Charles'** annual cost to company from 1 April 2022 was **R6.3m** per annum.
  - This will increase to R6.75m (7.1%) with effect from 1 April 2023, to improve the competitiveness of **Charles'** fixed remuneration relative to that of peers in the market.
- The **short-term incentive** of **R14m** was determined based on Charles's performance as Chief Executive: CIB, in the context of Group and CIB performance and the increase in the Group performance short-term incentive pool.
  - This award is aligned with the on-target short-term incentive award in **Charles'** total remuneration mix potential, notwithstanding that CIB and **Charles** have delivered outperformance in 2022.
  - The award was set at this level with a view to balancing total remuneration more in favour of long-term awards, as set out below.
- The **long-term incentive** of **R11m** (value at award) to be awarded in April 2023. This is above the indicative on-target level (R7m) in **Charles'** total remuneration mix potential as it applies to his role as Chief Executive: CIB.
  - This award aligns with the Board's objective of rebalancing the mix of short-term and long-term incentives for **Charles**, thereby increasing emphasis on incentivising **Charles'** future performance and the creation of shareholder value over the medium- to long-term.
  - The award is subject in full to Group performance targets measured over the three-year performance period (2023-2025) and continued employment. The Group performance targets are on pages 10 and 11 of the Remuneration Policy.

Charles Russon

Awarded remuneration	2022 R	2021 R
Salary	5 763 388	5 585 822
Medical aid	209 508	202 428
Retirement benefits	192 301	162 055
Other employee benefits	62 132	59 008
Total fixed remuneration	**6 227 329**	**6 009 313**
Non-deferred cash award[1]	7 500 000	6 750 000
Deferred share award[2]	6 500 000	5 750 000
Total short-term incentive[3]	**14 000 000**	**12 500 000**
Face value of long term incentive award (on target award)[4]	**11 000 000**	**10 000 000**
Total awarded remuneration[5]	**31 227 329**	**28 509 313**

[1] This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2022 and March 2023 in respect of prior year performance.

[2] This is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2022 for the 2021 short-term incentive award, and will be granted in April 2023 for 2022.

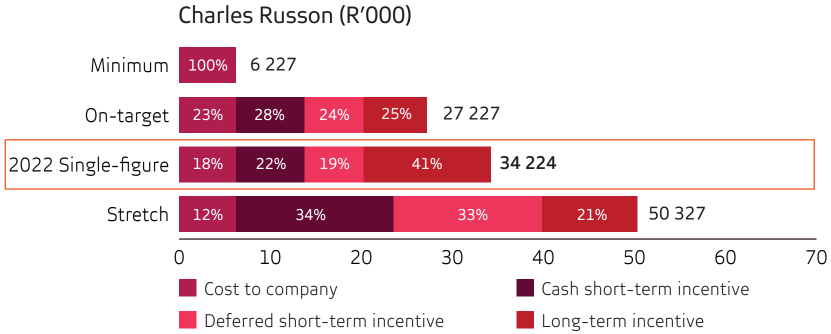
[3] Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's remuneration policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period (three years).

[4] 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. This is the 'on-target' value of the award.

[5] Total awarded remuneration for 2022 includes the fixed remuneration paid during 2022, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2023 and a deferred share award granted in April 2023), and the face value of the long-term incentive to be granted in April 2023. Amounts disclosed in 2021 follow the same principle.

Single-figure remuneration relative to on-target remuneration mix potential

Charles was awarded the following ***single-figure remuneration in 2022***. The remuneration mix in the chart is shown as a percentage of total remuneration, based on the remuneration structure applicable to his role as ***Chief Executive: CIB***.



Charles' 2022 single-figure remuneration of **R34.22m** includes:

- Fixed remuneration of **R6.23m** received during 2022.
- Short-term incentive of **R14m** received for 2022 performance, with deferral applying to 50% of the amount that exceeds R1m.
  - The cash portion of **R7.5m** will be paid in March 2023.
  - The deferred award of **R6.5m** will be released in equal tranches on the first, second and third anniversaries of the date of the award.
- Vesting awards at a total value of **R14m,** consisting of:
  - The *illustrative value* **(R13.2m)** to be received in respect of the vesting of the 2020 long-term incentive award (for the three-year performance period ended 31 December 2022), as follows:
    - This is determined based on a vesting outcome of **68.5%** of the on-target award 2020 award, and calculated using the Absa Group Limited share price on 31 December 2022 of R193.90.
    - The *full illustrative value of the award* that is to vest is included in the 2022 single-figure remuneration, notwithstanding that the award will be released in equal tranches in April 2023, April 2024 and April 2025. Release of future tranches is not subject to further performance conditions, however, it is subject to continued employment, and malus and clawback provisions.
    - The illustrative value of the total vesting includes material growth in the Absa Group share price during the period, from an award value of R92.08 on 1 April 2020, to R193.90 on 31 December 2022. The growth in value of the long-term incentive award based on share price appreciation is aligned with the growth in value experienced by shareholders over the same period.
    - The actual value that accrues to **Charles** over the vesting period will be based on the share price on the vesting date of each tranche, in April 2023, April 2024 and April 2025. It will also include dividend equivalents that may be released as dividend shares with each tranche based to the number of shares that will vest.
  - The value **(R0.80m)** of dividend equivalents and/or service credits received during 2022, in respect of other vesting awards. These are set out in the share-based and cash-based tables on pages 51 and 57 respectively.

The detail of the ***single-figure remuneration*** is in the combined tables on page 49.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 24.

Faisal Mkhize
Chief Executive:
Relationship Banking

Faisal was appointed to the Group ExCo and as a prescribed officer in July 2022, taking up the role of Chief Executive: Relationship Banking. He is a highly experienced commercial leader having held executive positions within the previous Retail and Business Banking franchise.

Performance and remuneration outcome

Relationship Banking's financial performance

Our Group performance and the performance of Relationship Banking is set out in our **Financial results for the reporting period ended 31 December 2022**.

Salient features of the **Relationship Banking** results are:

Metric	2022 Outcome
Year-on-year movement	
Headline earnings	8%
Pre-provision profits	4%
Revenue	5%
Non-interest income	3%
Key ratios	
Return on regulatory capital	27.2%
Cost-to-income ratio	54.9%

Additional performance commentary

The following non-financial performance was delivered by Relationship Banking:

Strategy and Operating Model

- The alignment of the Relationship Banking operating model to Client segments was successfully completed, with the positive impact of this change already evident in the production performance within the specialised lending space and in Private Wealth.

Customer and Digital

- Client experience showed good improvements in the first half of 2022 as a result of improved operational efficiency
- Lead indicators on the operations and the enablement environment are trending positively, which reflects the stabilisation of the Relationship Banking business.
- Complaints management enhancements have resulted in improved complaints resolution turnaround and quality engagement for clients
- Relationship Banking has drawn on its market share strengths to become the industry leader in the Agriculture Sector, while work is being done to broaden the Small and Medium Enterprise value proposition to be even more inclusive of the informal market.

Sustainability

- The Relationship Banking ESG agenda is firmly entrenched into the daily business activity.
- Strong performance was noted on renewable finance, which delivered to the 2022 short-term plan.

People

- Relationship Banking's Employee Experience Index improved significantly, markedly above target, as focused employee initiatives implemented at the end of 2021 took effect.
- Leadership of Relationship Banking was capacitated with experienced and diverse commercial and functional leaders.

Remuneration outcomes

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

Awarded remuneration

The following remuneration was awarded to **Faisal** by the RemCo in the 2022/2023 pay review, based on the relative market rate for his role, and his performance as Chief Executive: Relationship Banking for six months of the year and as a senior executive in the Retail and Business Banking cluster in the first half of the year:

Faisal's total *2022 awarded remuneration* of **R18.38m** is detailed below and in the combined tables on page 48:

- **Fixed remuneration**
  - The fixed remuneration paid to **Faisal** during 2022 was **R2.88m**. This is pro-rated for the six months during which **Faisal** was a prescribed officer.
  - **Faisal's** annual cost to company from the date of his appointment as Chief Executive: Relationship Banking on 1 July 2022 was **R5.75m** per annum.
  - This is appropriately benchmarked relative to peers, based on the recency of **Faisal's** appointment and will not be adjusted in April 2023. The RemCo will continue to monitor the relative competitiveness of **Faisal's** cost to company to ensure that his fixed remuneration remains aligned to that of peers in the market.
- The **short-term incentive** of **R7m** was determined based on **Faisal's** performance as Chief Executive: Relationship Banking for six months of the year and as a senior executive in the Retail and Business Banking cluster in the first half of the year. Accordingly, the award reflects a pro-rated award, cognisant of the scope of the respective roles. This award is therefore below the on-target short-term incentive of R9m applicable in **Faisal's** total remuneration mix potential as Chief Executive: Relationship Banking, which will apply as the reference point for on-target performance in 2023.
- The **long-term incentive** of **R8.5m** (value at award) to be awarded in April 2023 at the on-target level in **Faisal's** total remuneration mix determined at the time of his appointment as Chief Executive: Relationship Banking. This award, which is subject in full to Group performance targets measured over the three-year performance period (2023-2025) and continued employment, aligns with the creation of shareholder value over the long-term. The Group performance targets are on pages 10 and 11 of the Remuneration Policy.
- **Faisal's** on-target remuneration mix potential is further described in the section below.

Faisal Mkhize[6]

Awarded remuneration	2022 R
Salary	2 543 235
Medical aid	55 710
Retirement benefits	196 991
Other employee benefits	79 064
Total fixed remuneration	**2 875 000**
Non-deferred cash award[1]	4 000 000
Deferred share award[2]	3 000 000
Total short-term incentive[3]	**7 000 000**
Face value of long term incentive award (on target award)[4]	**8 500 000**
Total awarded remuneration[5]	**18 375 000**

[1] This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2022 and March 2023 in respect of prior year performance.

[2] This is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2022 for the 2021 short-term incentive award, and will be granted in April 2023 for 2022.

[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).

[4] 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. This is the 'on-target' value of the award.

[5] Total awarded remuneration for 2022 includes the fixed remuneration paid during 2022, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2023 and a deferred share award granted in April 2023), and the face value of the long-term incentive to be granted in April 2023. Amounts disclosed in 2021 follow the same principle.

[6] Faisal was appointed as a prescribed officer on 1 July 2022. His fixed remuneration has been pro-rated from appointment date, with short-term incentives and long-term incentives shown at full value.

Single-figure remuneration relative to on-target remuneration mix potential

Faisal was awarded the following ***single-figure remuneration in 2022***.

Faisal's 2022 single-figure remuneration of **R14.89m** includes:

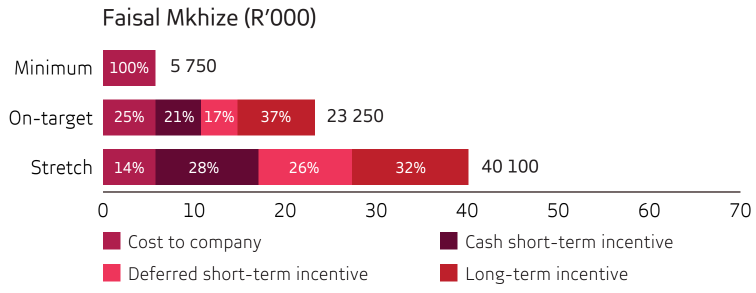
- Fixed remuneration of **R2.88m** received during 2022. This is pro-rated for the six months spent as a prescribed officer.
- Short-term incentive of **R7m** received for 2022 performance, with deferral applying to 50% of the amount that exceeds R1m.
  - The cash portion of **R4m** will be paid in March 2023.
  - The deferred award of **R3m** will be released in equal tranches on the first, second and third anniversaries of the date of the award.
- Vesting awards at a total value of **R5.01m**, consisting of:
  - The *illustrative value* **(R4.69m)** to be received in respect of the vesting of the 2020 long-term incentive award (for the three-year performance period ended 31 December 2022), as follows:
    - This is determined based on a vesting outcome of **68.5%** of the on-target award 2020 award, and calculated using the Absa Group Limited share price on 31 December 2022 of R193.90.
    - The *full illustrative value of the award* that is to vest is included in the 2022 single-figure remuneration, as the award for **Faisal** vests in a single tranche on the third anniversary of the date of grant. His award was made prior to his appointment to ExCo and as a prescribed officer.
    - The illustrative value of the total vesting includes material growth in the Absa Group share price during the period, from an award value of R92.08 on 1 April 2020, to R193.90 on 31 December 2022. The growth in value of the long-term incentive award based on share price appreciation is aligned with the growth in value experienced by shareholders over the same period.
    - The actual value that accrues to **Faisal** in April 2023 will be based on the share price on the vesting date. It will also include dividend equivalents that may be released as dividend shares based to the number of shares that will vest.
  - The value **(R0.32m)** of dividend equivalents and/or service credits received during 2022, in respect of other vesting awards. These are set out in the share-based and cash-based tables on pages 52 and 57 respectively.

The detail of the single-figure remuneration is in the combined tables on page 49.

Faisal's on-target remuneration mix potential

Upon Faisal's appointment to as Chief Executive: Relationship Banking, the RemCo approved an on-target remuneration mix for his role. This is set out below, and will form the basis, from 2023, for comparing actual single-figure remuneration relative to the remuneration mix potential scenarios.

The remuneration mix potential in the chart is shown as a percentage of total remuneration, based on the remuneration mix potential structure applicable to his role as ***Chief Executive: Relationship Banking***. The detail of the ***single-figure remuneration*** is in the combined tables on page 49.



The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 24.

Cowyk Fox
Chief Executive: Everyday Banking

Cowyk was appointed as Chief Executive: Everyday Banking on 1 July 2022, joining the ExCo and becoming a prescribed officer. He is a highly experienced commercial and functional leader with experience across the Group. The Everyday Banking business continues to show strong competitive performance momentum under his leadership. This business was significantly expanded by bringing the channels alongside product.

Performance and remuneration outcome

Everyday Banking's financial performance

Our Group performance and the performance of Everyday Banking is set out in our **Financial results for the reporting period ended 31 December 2022.**

Salient features of the **Everyday Banking** results are:

Metric	2022 Outcome
Year-on-year movement	
Headline earnings	0%
Pre-provision profits	17%
Revenue	10%
Non-interest income	9%
Key ratios	
Return on regulatory capital	32%
Cost-to-income ratio	52.5%

Additional performance commentary

The following non-financial performance was delivered by Everyday Banking:

Strategy and Operating Model

- The alignment of the Everyday Banking operating model within the Group operating model is starting to deliver results.

Customer and Digital

- The drive for digital adoption continued to pay off, as the number of digitally registered customers and digitally active customers increased. In its first year, Absa ID had 2 million enrolments and Absa Advantage had 500,000 signups.
- The use of Absa ID and the Abby Chatbot led to a material reduction in the volume of calls to call centres.
- Over three quarters of customers in the core segment now bank fully digitally and remotely. Absa (Everyday Banking) was recognised globally, with 12 digital banking awards, as well as pioneering hyper-personalisation campaigns on Marketing Cloud, which received an award from Salesforce.
- Digital channels were online for over 99% of the time in 2022, enabling an uninterrupted banking experience for our customers.
- Absa was one of the first in the industry to launch Google Wallet (an Android product similar to ApplePay), further expanding the payment options available to customers. The business also added Tax-Free, Notice Select, Investor Plus, and Dynamic Fixed Deposits to the App and thus made the full suite of savings and investment products available on the App.
- The customer base increased, substantially achieving target, with the Value and Young Adult segments experiencing the most growth due to the business's effective proposition and pricing strategies. After experiencing a downturn due to the COVID-19 pandemic, the primary customer base was stable in 2022.
- The Customer Experience Index continues to strengthen.
- Value-for-money customer promise initiatives delivered an improvement in Transactional Customer Experience (CX) and in pricing Net Sentiment on social media.
- Absa was placed second in the banking industry in the DataEQ (formerly Brandseye) rankings, bolstered by engagement initiatives such as We Do More Wednesdays. Complaints handling also performed significantly above target.

Sustainability

- Everyday Banking has set the foundation for accelerated entry-level and inclusive banking segment acquisition through on-the-ground community-based marketing efforts and customer-centric pricing enhancements.
- Everyday Banking, in partnership with Home Loans, successfully launched an integrated and simple sustainable energy solution, helping customers manage their electricity challenges as they contend with persistent load-shedding and the rising cost of electricity.

People

- Everyday Banking's Employee Experience Index score surpassed the 2022 target, indicating a general enhancement in the experience of our employees.
- Women in Leadership representation also improved.

Remuneration outcomes

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

Awarded remuneration

The following remuneration was awarded to **Cowyk** by the RemCo in the 2022/2023 pay review, based on the relative market rate for his role, and his performance as Chief Executive: Everyday Banking for six months of the year and as a senior executive in the Retail and Business Banking cluster in the first half of the year:

Cowyks's total ***2022 awarded remuneration*** of **R18.48m** is detailed below and in the combined tables on page 48:

- **Fixed remuneration**
  - The fixed remuneration paid to Cowyk during 2022 was **R2.98m**. This is pro-rated for the six months during which Cowyk was a prescribed officer.
  - **Cowyk's** annual cost to company from the date of his appointment as Chief Executive: Everyday Banking on 1 July 2022 was **R5.75m** per annum.
  - This is appropriately benchmarked relative to peers, based on the recency of **Cowyk's** appointment and will not be adjusted in April 2023. The RemCo will continue to monitor the relative competitiveness of **Cowyk's** cost to company to ensure that his fixed remuneration remains aligned to that of peers in the market.
- The **short-term incentive** of **R7m** was determined based on **Cowyk's** performance as Chief Executive: Everyday Banking for six months of the year and as a senior executive in the Retail and Business Banking cluster in the first half of the year. Accordingly, the award reflects a pro-rated value, cognisant of the scope of the respective roles. This award is therefore below the on-target short-term incentive of R9m applicable in **Cowyk's** total remuneration mix potential as Chief Executive: Everyday Banking, which will apply as the reference point for on-target performance in 2023.
- The **long-term incentive** of **R8.5m** (value at award) to be awarded in April 2023 at the on-target level in **Cowyk's** total remuneration mix determined at the time of his appointment as Chief Executive: Relationship Banking. This award, which is subject in full to Group performance targets measured over the three-year performance period (2023-2025) and continued employment, aligns with the creation of shareholder value over the long-term. The Group performance targets are on pages 10 and 11 of the Remuneration Policy.
- **Cowyk's** on-target remuneration mix potential is further described in the section below.

Cowyk Fox[6]

Awarded remuneration	2022 R
Salary	2 478 656
Medical aid	104 754
Retirement benefits	99 769
Other employee benefits	293 380
Total fixed remuneration	**2 976 559**
Non-deferred cash award[1]	4 000 000
Deferred share award[2]	3 000 000
Total short-term incentive[3]	**7 000 000**
Face value of long term incentive award (on target award)[4]	**8 500 000**
Total awarded remuneration[5]	**18 476 559**

[1] This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2022 and March 2023 in respect of prior year performance.

[2] This is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2022 for the 2021 short-term incentive award, and will be granted in April 2023 for 2022.

[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).

[4] 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. This is the 'on-target' value of the award.

[5] Total awarded remuneration for 2022 includes the fixed remuneration paid during 2022, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2023 and a deferred share award granted in April 2023), and the face value of the long-term incentive to be granted in April 2023. Amounts disclosed in 2021 follow the same principle.

[6] Cowyk was appointed as a prescribed officer on 1 July 2022. His fixed remuneration has been pro-rated from appointment date, with short-term incentives and long-term incentives shown at full value.

Single-figure remuneration

Cowyk was awarded the following ***single-figure remuneration in 2022***.

Cowyk's 2022 single-figure remuneration of **R15.75m** includes:

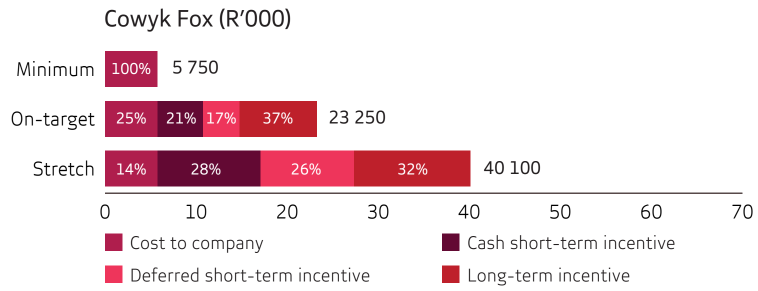
- Fixed remuneration of **R2.98m** received during 2022. This is pro-rated for the six months spent as a prescribed officer.
- Short-term incentive of **R7m** received for 2022 performance, with deferral applying to 50% of the amount that exceeds R1m.
  - The cash portion of **R4m** will be paid in March 2023.
  - The deferred award of **R3m** will be released in equal tranches on the first, second and third anniversaries of the date of the award.
- Vesting awards at a total value of **R5.78m**, consisting of:
  - The *illustrative value* **(R5.37m)** to be received in respect of the vesting of the 2020 long-term incentive award (for the three-year performance period ended 31 December 2022), as follows:
    - This is determined based on a vesting outcome of **68.5%** of the on-target award 2020 award, and calculated using the Absa Group Limited share price on 31 December 2022 of R193.90.
    - The *full illustrative value of the award* that is to vest is included in the 2022 single-figure remuneration, as the award for **Cowyk** vests in a single tranche on the third anniversary of the date of grant. His award was made prior to his appointment to ExCo and as a prescribed officer.
    - The illustrative value of the total vesting includes material growth in the Absa Group share price during the period, from an award value of R92.08 on 1 April 2020, to R193.90 on 31 December 2022. The growth in value of the long-term incentive award based on share price appreciation is aligned with the growth in value experienced by shareholders over the same period.
    - The *actual value* that accrues to **Cowyk** in April 2023 will be based on the share price on the vesting date. It will also include dividend equivalents that may be released as dividend shares based to the number of shares that will vest.
  - The value **(R0.41m)** of dividend equivalents and/or service credits received during 2022, in respect of other vesting awards. These are set out in the share-based and cash-based tables on pages 52 and 57 respectively.

The detail of the **single-figure remuneration** is in the combined tables on page 49.

Cowyk's on-target remuneration mix

Upon **Cowyk's** appointment as Chief Executive: Everyday Banking, the RemCo approved an on-target remuneration mix potential for his role. This is set out below, and will form the basis, from 2023, for comparing actual single-figure remuneration relative to the remuneration mix potential scenarios.

The remuneration mix potential in the chart is shown as a percentage of total remuneration, based on the remuneration mix potential structure applicable to his role as ***Chief Executive: Everyday Banking***. The detail of the ***single-figure remuneration*** is in the combined tables on page 49.



The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 24.

Geoffrey Lee
Chief Executive: Product Solutions Cluster

Geoffrey was appointed as Chief Executive: Product Solutions Cluster, on 1 July 2022, whereupon he joined the ExCo and became a prescribed officer. Geoffrey is a highly experienced commercial leader and contributes across the franchise. Geoffrey is also Chief Executive of Absa Financial Services, which is situated with the Product Solutions Cluster.

Performance and remuneration outcome

Product Solutions Cluster's financial performance

Our Group performance and the performance of Product Solutions Cluster is set out in our **Financial results for the reporting period ended 31 December 2022**.

Salient features of the **Product Solutions Cluster** results are:

Metric		2022 Outcome
Year-on-year movement		
Headline earnings	↑	26%
Pre-provision profits	↑	42%
Revenue	↑	25%
Non-interest income	↑	60%
Key ratios		
Return on regulatory capital	↑	16.2%
Cost-to-income ratio	↓	44.8%

Additional performance commentary

The following non-financial performance was delivered by Product Solutions Cluster:

Strategy and Operating Model

- Product Solutions Cluster's performance was underpinned by consistent strategy execution, which sustained the underlying business momentum and supported growth sustainably and consistently across the cluster.
- The lending businesses maintained growth momentum, notwithstanding the weaker macro environment and supply chain challenges.
- The Life and Non-life Insurance business reported healthy underlying growth as it continues to deliver on the integrated bancassurance model.
- The sale of the Investment Management business to Sanlam Investment Holdings was successfully concluded during the latter part of 2022.
- Embedded Value has increased, primarily due to premium growth, lower claims experience and the release of Covid-19 specific reserves. The value of in-force business increased, supported by the growth in the in-force book.

Customer and Digital

- First-time home buyer market share for new mortgages registered over the past 12 months increased during the year and relative to the prior year.
- Increasing digital adoption for the digital sales capability, with growth in new mortgages registered over the past 12 months rising relative to the prior year, with Digital applications increased year-on-year.
- Credit Life strike rates continued to improve as customer journeys are integrated and new products are launched. Integration of the Instant Life digital on-boarding and claims process into the bank branches assisted with growth in this product.
- The Non-life insurance business has implemented an integrated operating model with the Vehicle Asset Finance business leading to a material increase in the Activate product premium year-on-year.
- Housed 6 898 households through the R2bn loan secured from the International Finance Corporation, as the business continues to play an active role in the affordable housing market.
- Absa Life was rated number one in the Life insurance industry for customer satisfaction based on the South African Customer Satisfaction Index (SA-csi) Consulta survey.
- The embedded value of new business (EVNB) increased from higher new business volumes. The business experienced continued strong uptake of funeral, digital and fully underwritten life products by the Absa customer base, which assisted with new business growth.

Sustainability

- Home Loans, in partnership with Everyday Banking, successfully launched an integrated and simple sustainable energy solution, helping customers manage their electricity challenges as they contend with persistent loadshedding and the rising cost of electricity

People

- The Product Solutions Cluster Employee Experience Index score improved broadly in line with target, on the back of deliberate focus on the embedment of target culture across all businesses.
- Retention of succession talent remained within appetite and target.
- Significant progress made on the transformation agenda at all levels, importantly in respect of Women in Leadership.
- Through collaboration with the broader Group, Product Solutions Cluster optimised its contribution to the Group's Skills Development scorecard measures.

Remuneration outcomes

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

Awarded remuneration

The following remuneration was awarded to **Geoffrey** by the RemCo in the 2022/2023 pay review, based on the relative market rate for his role, and his performance as Chief Executive: Product Solutions Cluster for six months of the year and as a senior executive in the Retail and Business Banking cluster in the first half of the year:

Geoffrey's total *2022 awarded remuneration* of **R18.38m** is detailed below and in the combined tables on page 48:

- **Fixed remuneration**
  - The fixed remuneration paid to **Geoffrey** during 2022 was **R2.88m**. This is pro-rated for the six months during which Geoffrey was a prescribed officer.
  - **Geoffrey's** annual cost to company from the date of his appointment as Chief Executive: Product Solutions Cluster on 1 July 2022 was **R5.75m** per annum.
  - This is appropriately benchmarked relative to peers, based on the recency of **Geoffrey's** appointment and will not be adjusted in April 2023. The RemCo will continue to monitor the relative competitiveness of **Geoffrey's** cost to company to ensure that his fixed remuneration remains aligned to that of peers in the market.
- The **short-term incentive** of **R7m** was determined based on **Geoffrey's** performance as Chief Executive, Product Solutions Cluster for six months of the year and as a senior executive in the Retail and Business Banking cluster in the first half of the year. Accordingly, the award reflects a pro-rated award, cognisant of the scope of the respective roles. This award is therefore below the on-target short-term incentive of R9m applicable in **Geoffrey's** total remuneration mix potential as Chief Executive: Product Solutions Cluster, which will apply as the reference point for on-target performance in 2023.
- The **long-term incentive** of **R8.5m** (value at award) to be awarded in April 2023 at the on-target level in **Geoffrey's** total remuneration mix determined at the time of his appointment as Chief Executive: Product Solutions Cluster. This award, which is subject in full to Group performance targets measured over the three-year performance period (2023–2025) and continued employment, aligns with the creation of shareholder value over the long-term. The Group performance targets are on pages 10 and 11 of the Remuneration Policy.
- **Geoffrey's** on-target remuneration mix potential is further described below.

Geoffrey Lee[6]

Awarded remuneration	2022 R
Salary	2 625 901
Medical aid	94 266
Retirement benefits	107 639
Other employee benefits	19 664
Total fixed remuneration	**2 874 470**
Non-deferred cash award[1]	4 000 000
Deferred share award[2]	3 000 000
Total short-term incentive[3]	**7 000 000**
Face value of long term incentive award (on target award)[4]	**8 500 000**
Total awarded remuneration[5]	**18 374 470**

1 This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2022 and March 2023 in respect of prior year performance.

2 This is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2022 for the 2021 short-term incentive award, and will be granted in April 2023 for 2022.

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).

4 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. This is the 'on-target' value of the award.

5 Total awarded remuneration for 2022 includes the fixed remuneration paid during 2022, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2023 and a deferred share award granted in April 2023), and the face value of the long-term incentive to be granted in April 2023. Amounts disclosed in 2021 follow the same principle.

6 Geoffrey was appointed as a prescribed officer on 1 July 2022. His fixed remuneration has been pro-rated from appointment date, with short-term incentives and long-term incentives shown at full value.

Single-figure remuneration

Geoffrey was awarded the following **single-figure remuneration in 2022**.

Geoffrey's 2022 single-figure remuneration of **R14.93m** includes:

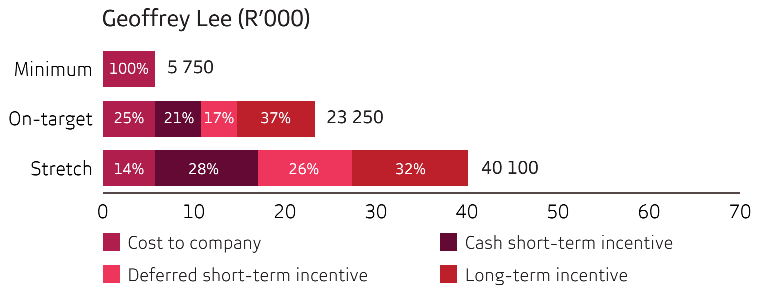
- Fixed remuneration of **R2.88m** received during 2022. This is pro-rated for the six months spent as a prescribed officer.
- Short-term incentive of **R7m** received for 2022 performance, with deferral applying to 50% of the amount that exceeds R1m.
  - The cash portion of **R4m** will be paid in March 2023.
  - The deferred award of **R3m** will be released in equal tranches on the first, second and third anniversaries of the date of the award.
- Vesting awards at a total value of **R5.06m,** consisting of:
  - The *illustrative value* **(R4.69m)** to be received in respect of the vesting of the 2020 long-term incentive award (for the three-year performance period ended 31 December 2022), as follows:
    - This is determined based on a vesting outcome of **68.5%** of the on-target award 2020 award, and calculated using the Absa Group Limited share price on 31 December 2022 of R193.90.
    - The *full illustrative value of the award* that is to vest is included in the 2022 single-figure remuneration, as the award for **Geoffrey** vests in a single tranche on the third anniversary of the date of grant. His award was made prior to his appointment as a prescribed officer.
    - The illustrative value of the total vesting includes material growth in the Absa Group share price during the period, from an award value of R92.08 on 1 April 2020, to R193.90 on 31 December 2022. The growth in value of the long-term incentive award based on share price appreciation is aligned with the growth in value experienced by shareholders over the same period.
    - The *actual value* that accrues to **Geoffrey** in April 2023 will be based on the share price on the vesting date. It will also include dividend equivalents that may be released as dividend shares, based to the number of shares that will vest.
  - The value **(R0.37m)** of dividend equivalents and/or service credits received during 2022, in respect of other vesting awards. These are set out in the share-based and cash-based tables on pages 53 and 57 respectively.

The detail of the single-figure remuneration is in the combined tables on page 49.

Geoffrey's on-target remuneration mix potential

Upon **Geoffrey's** appointment to as Chief Executive: Product Solutions Cluster, the RemCo approved an on-target remuneration mix for his role. This is set out below, and will form the basis, from 2023, for comparing actual single-figure remuneration relative to the remuneration mix scenarios.

The remuneration mix in the chart is shown as a percentage of total remuneration, based on the remuneration structure applicable to his role as ***Chief Executive: Product Solutions Cluster***. The detail of the ***single-figure remuneration*** is in the combined tables on page 49.



The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 24.

Saviour Chibiya
Chief Executive: Absa Regional Operations (RBB ARO)

Saviour's role transitioned in 2022 to include P&L accountability for the RBB ARO business. He became a prescribed officer on 1 July 2022.

Saviour's strength is senior stakeholder management, which is critical across the complex operating environments within the RBB ARO businesses. The RBB ARO business has shown a strong rebound in financial performance. However the sovereign debt issue in Ghana impacted materially on ARO and Group performance.

Performance and remuneration outcome

ARO's financial performance

Our Group performance and the performance of Absa Regional Operations is set out in our **Financial results for the reporting period ended 31 December 2022**.

Salient features of the **RBB ARO** results are:

Metric		2022 Outcome
Year-on-year movement		
Headline earnings	↑	>100%
Pre-provision profits	↑	30%
Revenue	↑	19%
Non-interest income	↑	27%
Key ratios		
Return on regulatory capital	↑	10.5%
Cost-to-income ratio	↓	70.6%

Additional performance commentary

The following non-financial performance was delivered by RBB ARO:

Strategy and Operating Model

The RBB ARO operating model is settling well. This operates on a complementary basis with our CIB Pan-African operating model.

Customer and Digital

- New product developments such as micro-lending offerings expanded RBB ARO's traditional banking reach, while innovative developments in servicing channels, such as Abby and ChatBanking, allowed for digital customer care and a reduced cost to service.
- Digital payment capabilities have allowed penetration into attractive revenue pools and cross-board payments.
- In terms of Digital activity Customers:
  - Business bank digitally active customers increased compared to prior year, better than plan.
  - Retail increased compared to prior year, however the outcome was marginally below plan.
- Digital activity continues to increase, reflecting the tremendous efforts across countries in driving the digital banking journey through registration and reactivation campaigns.

Sustainability

- Through Agency Banking, RBB ARO has significantly increased the physical footprint in certain of our markets into areas where we have not previously been present.
- RBB ARO is targeting a new customer base locationally and improving physical channels' service through conveniently located agents.

People

- The RBB ARO Employee Experience Index improved through a deliberate focus on initiatives driven on CARE and GROWTH.
- Employee Sentiment, Job satisfaction and Advocacy (eNPS) improved.
- Representation of Women in Senior Leadership as well as Middle Management improved.

Remuneration outcomes

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

Awarded remuneration

The following remuneration was awarded to **Saviour** by the RemCo in the 2022/2023 pay review, based on the relative market rate for his role, and his performance as Chief Executive: RBB ARO. The role changed during 2022, assuming P&L accountability for the RBB ARO business and becoming a prescribed officer on 1 July 2022.

Saviour's total *2022 awarded remuneration* of **R18.40m** is detailed below and in the combined tables on page 48:

- **Fixed remuneration**
  - The fixed remuneration paid to **Saviour** during 2022 was **R2.42m** in salary and benefits. He also received **R0.48m** in expatriate benefits related to his international assignment in South Africa These amounts are pro-rated for the six months during which **Saviour** was a prescribed officer.
  - **Saviour** is in the process of localising his employment arrangements in Zambia. His basic salary on localisation, which is expected to be completed in the second quarter of 2023, will be paid in Zambian Kwacha, with a South African Rand (ZAR) equivalent of approximately R4.1m. In addition, he will receive local benefits aligned to Zambian market practice for senior executives, which include, among others, housing, vehicle benefits and international medical cover given that he is required to travel extensively on business.
  - This is appropriately benchmarked and will not be adjusted in April 2023. The RemCo will continue to monitor the relative competitiveness of **Saviour's** basic salary and benefits to ensure that his fixed remuneration remains aligned to that of peers in the market.
- The **short-term incentive** of **R7m** was determined based on **Saviour's** performance as Chief Executive, ARO (RBB), with P&L accountability for the second half of the year, during which he was a prescribed officer.
- The **long-term incentive** of **R8.5m** (value at award) to be awarded in April 2023 at the on-target level in Saviour's total remuneration mix. This award, which is subject in full to Group performance targets measured over the three-year performance period (2023-2025) and continued employment, aligns with the creation of shareholder value over the long-term. The Group performance targets are on pages 10 and 11 of the Remuneration Policy.
- **Saviour's** on-target remuneration mix potential is further described below.

Saviour Chibiya[7]

Awarded remuneration	**2022 R**
Salary	2 040 976
Medical aid	116 879
Other employee benefits	258 000
Total fixed remuneration	**2 415 855**
Non-deferred cash award[1]	4 000 000
Deferred share award[2]	3 000 000
Total short-term incentive[3]	**7 000 000**
Face value of long term incentive award (on target award)[4]	**8 500 000**
Other payments[5]	**481 291**
Total awarded remuneration[6]	**18 397 146**

1 This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2022 and March 2023 in respect of prior year performance.

2 This is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2022 for the 2021 short-term incentive award, and will be granted in April 2023 for 2022.

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).

4 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. This is the 'on-target' value of the award.

5 Saviour's expatriate benefits have been included under 'Other payments'.

6 Total awarded remuneration for 2022 includes the fixed remuneration paid during 2022, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2023 and a deferred share award granted in April 2023), and the face value of the long-term incentive to be granted in April 2023. Amounts disclosed in 2021 follow the same principle.

7 Saviour was appointed as a prescribed officer on 1 July 2022. His fixed remuneration, and expatriate benefits shown under 'Other payments' have been pro-rated from appointment date, with short-term incentives and long-term incentives shown at full value.

Single-figure remuneration

Saviour was awarded the following ***single-figure remuneration in 2022***.

Saviour's 2022 single-figure remuneration of **R13.42m** includes:

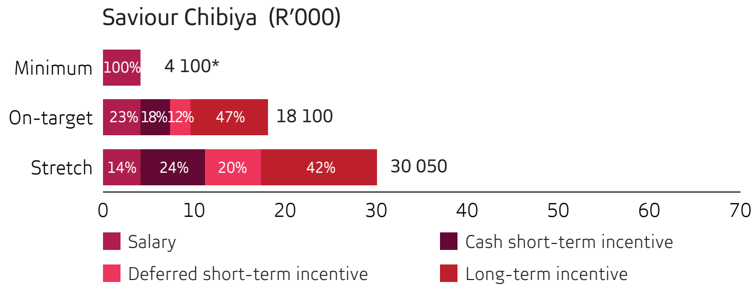
- Basic salary and benefits of **R2.42m** received during 2022. This is pro-rated for the six months spent as a prescribed officer. In addition, he received **R0.48m** in expatriate benefits related to his international assignment in South Africa.
- Short-term incentive of **R7m** received for 2022 performance, with deferral applying to 50% of the amount that exceeds R1m.
  - The cash portion of **R4m** will be paid in March 2023.
  - The deferred award of **R3m** will be released in equal tranches on the first, second and third anniversaries of the date of the award.
- Vesting awards at a total value of **R3.52m,** consisting of:
  - The illustrative value **(R3.21m)** to be received in respect of the vesting of the 2020 long-term incentive award (for the three-year performance period ended 31 December 2022), as follows:
    - This is determined based on a vesting outcome of **68.5%** of the on-target award 2020 award, and calculated using the Absa Group Limited share price on 31 December 2022 of R193.90.
    - The *full illustrative value of the award* that is to vest is included in the 2022 single-figure remuneration, as the award for Saviour vests in a single tranche on the third anniversary of the date of grant. His award was made prior to his appointment as a prescribed officer.
    - The illustrative value of the total vesting includes material growth in the Absa Group share price during the period, from an award value of R92.08 on 1 April 2020, to R193.90 on 31 December 2022. The growth in value of the long-term incentive award based on share price appreciation is aligned with the growth in value experienced by shareholders over the same period.
    - The *actual value* that accrues to **Saviour** in April 2023 will be based on the share price on the vesting date. It will also include dividend equivalents that may be released as dividend shares, based to the number of shares that will vest.
  - The value **(R0.31m)** of dividend equivalents and/or service credits received during 2022, in respect of other vesting awards. These are set out in the share-based and cash-based tables on pages 53 and 57 respectively.
- **Saviour** participates in Absa Group employee share plans on a notional basis give the Zambian regulatory restrictions on holding foreign equity. Awards are vested in cash.

The detail of the ***single-figure remuneration*** is in the combined tables on page 49.

Saviour's on-target remuneration mix potential

The illustrative on-target remuneration mix for Saviour, based on his ZAR-equivalent basic salary in the contemplated Zambian localisation. This will form the basis, from 2023, for comparing actual single-figure remuneration relative to the remuneration mix scenarios.

The remuneration mix in the chart is shown as a percentage of total remuneration, based on the remuneration structure applicable to his role as **Chief Executive: RBB ARO**.



* Minimum reflected as basic salary only. In addition, Saviour will receive local benefits aligned to Zambian market practice for senior executives, which include, among others, housing, vehicle benefits and international medical cover given that he is required to travel extensively on business.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 24.

Executive directors and prescribed officers: remuneration tables

Combined tables for 2022 total remuneration

Executive directors Awarded remuneration	Arrie Rautenbach[7] 2022 R	 2021 R	Jason Quinn 2022 R	 2021 R	Daniel Mminele[8] 2022 R	 2021 R	Peter Matlare[9] 2022 R	 2021 R	Total 2022 R	 2021 R
Salary	**8 689 014**	6 444 479	**6 098 485**	5 418 952	–	2 922 288	–	1 617 039	**14 787 499**	16 402 758
Medical aid	**167 556**	161 892	**123 804**	119 604	–	–	–	55 632	**291 360**	337 128
Retirement benefits	**185 596**	158 651	**462 660**	411 749	–	51 466	–	89 621	**648 256**	711 487
Other employee benefits	**232 918**	494 316	**67 380**	59 008	–	26 247	–	7 726	**300 298**	587 297
Total fixed remuneration	**9 275 084**	7 259 338	**6 752 329**	6 009 313	–	3 000 001	–	1 770 018	**16 027 413**	18 038 670
Non-deferred cash award[1]	**9 750 000**	6 750 000	**8 000 000**	9 000 000		–		–	**17 750 000**	15 750 000
Deferred share award[2]	**8 750 000**	5 750 000	**7 000 000**	8 000 000	–	–	–	–	**15 750 000**	13 750 000
Total short-term incentive[3]	**18 500 000**	12 500 000	**15 000 000**	17 000 000	–	–	–	–	**33 500 000**	29 500 000
Face value of long-term incentive award (on-target award)[4]	**17 000 000**	17 000 000	**13 000 000**	12 500 000	–	–	–		**30 000 000**	29 500 000
Other payments[5]	–	2 007 617	–	–	–	30 466 273	–	893 316	–	33 367 206
Total awarded remuneration[6]	**44 775 084**	38 766 955	**34 752 329**	35 509 313	–	33 466 274	–	2 663 334	**79 527 413**	110 405 876

1 This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2022 and March 2023 in respect of prior year performance.

2 This is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2022 for the 2021 short-term incentive award, and will be granted in April 2023 for 2022 performance.

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).

4 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. This is the 'on-target' value of the award.

5 'Other payments' reflect all payments made to Daniel Mminele on termination of employment (see note 8) and, for other executive directors and prescribed officers, the encashment of leave as a consequence of changes to our leave policy. For Peter Matlare, the payment was in respect of accrued leave to the date of his passing, excluding any death benefit due from Group benefit funds.

6 Total awarded remuneration for 2022 includes the fixed remuneration paid during 2022, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2023 and a deferred share award granted in April 2023), and the face value of the long-term incentive to be granted in April 2023. Amounts disclosed in 2021 follow the same principle.

7 Arrie Rautenbach was appointed as Group Chief Executive and executive director on 29 March 2022, and was the Chief Executive: Retail and Business Banking and a prescribed officer prior to that. His total awarded remuneration for 2022 is disclosed in full in the executive director disclosures, for ease of reference. His 2021 total awarded remuneration was included in the prescribed officer table in the 2021 disclosures, and is included in this table for ease of comparison.

8 Daniel Mminele stepped down as an executive director on 20 April 2021 and ceased being an employee on 30 April 2021. All remuneration paid to him in 2021 was included in the 2021 disclosures. This included separation payments, contractual notice payments and leave payments which are shown as 'Other payments'.

9 In light of the passing of Peter Matlare on 7 March 2021, his 2021 fixed remuneration was pro-rated for time in service.

Executive directors and prescribed officers: remuneration tables *continued*

Combined tables for 2022 total remuneration *continued*

	Arrie Rautenbach[7]		Jason Quinn		Daniel Mminele[8]		Peter Matlare[9]		Total	
Executive directors Single-figure remuneration	**2022 R**	**2021 R**	**2022 R**	**2021 R**	**2022 R**	**2021 R**	**2022 R**	**2021 R**	**2022 R**	**2021 R**
Salary	**8 689 014**	6 444 479	**6 098 485**	5 418 952	**–**	2 922 288	**–**	1 617 039	**14 787 499**	16 402 758
Medical aid	**167 556**	161 892	**123 804**	119 604	**–**	–	**–**	55 632	**291 360**	337 128
Retirement benefits	**185 596**	158 651	**462 660**	411 749	**–**	51 466	**–**	89 621	**648 256**	711 487
Other employee benefits	**232 918**	494 316	**67 380**	59 008	**–**	26 247	**–**	7 726	**300 298**	587 297
Total fixed remuneration	**9 275 084**	7 259 338	**6 752 329**	6 009 313	**–**	3 000 001	**–**	1 770 018	**16 027 413**	18 038 670
Non-deferred cash award[1]	**9 750 000**	6 750 000	**8 000 000**	9 000 000		–		–	**17 750 000**	15 750 000
Deferred share award[2]	**8 750 000**	5 750 000	**7 000 000**	8 000 000	**–**	–	**–**	–	**15 750 000**	13 750 000
Total short-term incentive[3]	**18 500 000**	12 500 000	**15 000 000**	17 000 000	**–**	–	**–**	–	**33 500 000**	29 500 000
Value of vested long-term incentives	**17 306 932**	2 803 482	**17 306 932**	2 735 115		–		2 079 592	**34 613 864**	7 618 189
Dividend equivalents/service credits received on vesting awards	**975 639**	654 991	**1 113 502**	611 062		–		1 599 258	**2 089 141**	2 865 311
Total long-term incentives[4]	**18 282 571**	3 458 473	**18 420 434**	3 346 177	**–**	–	**–**	3 678 850	**36 703 005**	10 483 500
Other payments[5]	**–**	2 007 617	**–**	–	**–**	30 466 273	**–**	893 316	**–**	33 367 206
Total single-figure remuneration[6]	**46 057 655**	25 225 428	**40 172 763**	26 355 490	**–**	33 466 274	**–**	6 342 184	**86 230 418**	91 389 376

1 This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2022 and March 2023 in respect of prior year performance.

2 This is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2022 for the 2021 short-term incentive award, and will be granted in April 2023 for 2022.

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).

4 The 2020 long-term incentive, which vests in respect of the performance period ending 31 December 2022, is included in the 2022 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 2023, 2024 and 2025) 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). For the purpose of the 2022 and 2021 disclosure, values are reported using the 31 December share price for the respective years, adjusted for the performance target outcomes as the publication date of the Annual Financial Statements was before the vesting date in each instance. 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.

5 Other payments' reflect all payments made to Daniel Mminele on termination of employment (see note 8) and for other executive directors and prescribed officers, 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, excluding any death benefit due from Group benefit funds.

6 Total single figure remuneration includes, for each year respectively, the fixed remuneration paid during 2021 and 2022, short-term incentives in respect of 2021 and 2022 performance (consisting of a cash award paid in March 2022 and March 2023, and a deferred share award granted in April 2022 and April 2023), long-term incentive awards (consisting of the full value of vested long-term incentives, notwithstanding that this is released in three vesting tranches in 2023, 2024 and 2025, and dividend equivalents/service credits received on the vesting dates) and payments reflected as 'Other Payments'.

7 Arrie Rautenbach was appointed as Group Chief Executive and executive director on 29 March 2022, and was the Chief Executive: Retail and Business Banking and a prescribed officer prior to that. His single figure remuneration for 2022 is disclosed in full in the executive director disclosures, for ease of reference. His 2021 single figure remuneration was included in the prescribed officer table in the 2021 disclosures, and is reflected in this table for ease of comparison.

8 Daniel Mminele stepped down as an executive director on 20 April 2021 and ceased being an employee on 30 April 2021. All remuneration paid to him in 2021 was included in the 2021 disclosures. This included separation payments, contractual notice payments and leave payments which are shown as 'Other payments'. Both short-term incentives and long-term incentives were shown at full value.

9 In light of the passing of Peter Matlare on 7 March 2021, his 2021 fixed remuneration was pro-rated for time in service.

Executive directors and prescribed officers: remuneration tables *continued*

Combined tables for 2022 total remuneration *continued*

	Charles Russon		Punki Modise[7]		Faisal Mkhize[8]		Cowyk Fox[8]		Geoffrey Lee[8]		Saviour Chibiya[8,9]		Total	
Prescribed officers Awarded remuneration	**2022 R**	**2021 R**	**2022 R**	**2021 R**	**2022 R**	**2021 R**	**2022 R**	**2021 R**	**2022 R**	**2021 R**	**2022 R**	**2021 R**	**2022 R**	**2021 R**
Salary	**5 763 388**	5 585 822	**1 624 045**	1 866 091	**2 543 235**	–	**2 478 656**	–	**2 652 901**	–	**2 040 976**	–	**17 103 201**	7 451 913
Medical aid	**209 508**	202 428	**108 194**	156 811	**55 710**	–	**104 754**	–	**94 266**	–	**116 879**	–	**689 311**	359 239
Retirement benefits	**192 301**	162 055	**137 037**	159 877	**196 991**	–	**99 769**	–	**107 639**	–	**–**	–	**733 737**	321 932
Other employee benefits	**62 132**	59 008	**181 193**	210 403	**79 064**	–	**293 380**	–	**19 664**	–	**258 000**	–	**893 433**	269 411
Total fixed remuneration	**6 227 329**	6 009 313	**2 050 469**	2 393 182	**2 875 000**	–	**2 976 559**	–	**2 874 470**	–	**2 415 855**	–	**19 419 682**	8 402 495
Non-deferred cash award[1]	**7 500 000**	6 750 000	**3 500 000**	5 500 000	**4 000 000**	–	**4 000 000**	–	**4 000 000**	–	**4 000 000**	–	**27 000 000**	12 250 000
Deferred share award[2]	**6 500 000**	5 750 000	**2 500 000**	4 500 000	**3 000 000**	–	**3 000 000**	–	**3 000 000**	–	**3 000 000**	–	**21 000 000**	10 250 000
Total short-term incentive[3]	**14 000 000**	12 500 000	**6 000 000**	10 000 000	**7 000 000**	–	**7 000 000**	–	**7 000 000**	–	**7 000 000**	–	**48 000 000**	22 500 000
Face value of long-term incentive award (on-target award)[4]	**11 000 000**	10 000 000	**8 000 000**	10 000 000	**8 500 000**	–	**8 500 000**	–	**8 500 000**	–	**8 500 000**	–	**53 000 000**	20 000 000
Other payments[5]	**–**		**–**	816 546	**–**	–	**–**	–	**–**	–	**481 291**	–	**481 291**	816 546
Total awarded remuneration[6]	**31 227 329**	28 509 313	**16 050 469**	23 209 728	**18 375 000**	–	**18 476 559**	–	**18 374 470**	–	**18 397 146**	–	**120 900 973**	51 719 041

1 This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2022 and March 2023 in respect of prior year performance.

2 This is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2022 for the 2021 short-term incentive award, and will be granted in April 2023 for 2022 performance.

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).

4 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. This is the 'on-target' value of the award.

5 'Other payments' reflect the encashment of leave as a consequence of changes to our leave policy. See note 9 regarding Saviour Chibiya's 'Other payments'.

6 Total awarded remuneration for 2022 includes the fixed remuneration paid during 2022, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2023 and a deferred share award granted in April 2023), and the face value of the long-term incentive to be granted in April 2023. Amounts disclosed in 2021 follow the same principle. See notes 7 and 8 regarding the pro-ration of fixed remuneration for individuals who were not in their roles for the full year.

7 Punki Modise was appointed as the Interim Financial Director and executive director on 23 April 2021 until 28 March 2022. She was subsequently appointed as Interim Chief Executive: Retail and Business Banking and prescribed officer from 29 March 2022 until 30 June 2022. Her remuneration disclosures for 2022 and the comparative 2021 disclosures are all set out in this table for ease of reference and comparison. Her fixed remuneration is pro-rated for the period served as an executive director and a prescribed officer during each year, with the short-term incentive and long-term incentive shown at full value.

8 As a result of the Board-approved changes to the Group operating model, four new prescribed officers were appointed on 1 July 2022. Their fixed remuneration has been pro-rated from appointment date, with short-term incentives and long-term incentives shown at full value.

9 Saviour Chibiya's expatriate benefits have been included under 'Other payments'.

Executive directors and prescribed officers: remuneration tables *continued*

Combined tables for 2022 total remuneration *continued*

Prescribed officers Single-figure remuneration	Charles Russon 2022 R	Charles Russon 2021 R	Punki Modise[7] 2022 R	Punki Modise[7] 2021 R	Faisal Mkhize[8] 2022 R	Faisal Mkhize[8] 2021 R	Cowyk Fox[8] 2022 R	Cowyk Fox[8] 2021 R	Geoffrey Lee[8] 2022 R	Geoffrey Lee[8] 2021 R	Saviour Chibiya[8,9] 2022 R	Saviour Chibiya[8,9] 2021 R	Total 2022 R	Total 2021 R
Salary	5 763 388	5 585 822	1 624 045	1 866 091	2 543 235	–	2 478 656	–	2 652 901	–	2 040 976	–	17 103 201	7 451 913
Medical aid	209 508	202 428	108 194	156 811	55 710	–	104 754	–	94 266	–	116 879	–	689 311	359 239
Retirement benefits	192 301	162 055	137 037	159 877	196 991	–	99 769	–	107 639	–	–	–	733 737	321 932
Other employee benefits	62 132	59 008	181 193	210 403	79 064	–	293 380	–	19 664	–	258 000	–	893 433	269 411
Total fixed remuneration	6 227 329	6 009 313	2 050 469	2 393 182	2 875 000	–	2 976 559	–	2 874 470	–	2 415 855	–	19 419 682	8 402 495
Non-deferred cash award[1]	7 500 000	6 750 000	3 500 000	5 500 000	4 000 000	–	4 000 000	–	4 000 000	–	4 000 000	–	27 000 000	12 250 000
Deferred share award[2]	6 500 000	5 750 000	2 500 000	4 500 000	3 000 000	–	3 000 000	–	3 000 000	–	3 000 000	–	21 000 000	10 250 000
Total short-term incentive[3]	14 000 000	12 500 000	6 000 000	10 000 000	7 000 000	–	7 000 000	–	7 000 000	–	7 000 000	–	48 000 000	22 500 000
Value of vested long-term incentives	13 196 640	1 914 565	4 326 685	786 762	4 687 339	–	5 365 213	–	4 687 339	–	3 210 402	–	35 473 618	2 701 327
Dividend equivalents/service credits received on vesting awards	800 410	450 541	286 851	100 700	323 895	–	412 308	–	368 333	–	310 205	–	2 502 002	551 241
Total long-term incentives[4]	13 997 050	2 365 106	4 613 536	887 462	5 011 234	–	5 777 521	–	5 055 672	–	3 520 607	–	37 975 620	3 252 568
Other payments[5]	–	–	–	816 546	–	–	–	–	–	–	481 291	–	481 291	816 546
Total single-figure remuneration[6]	34 224 379	20 874 419	12 664 005	14 097 190	14 886 234	–	15 754 080	–	14 930 142	–	13 417 753	–	105 876 593	34 971 609

1 This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2022 and March 2023 in respect of prior year performance.

2 This is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2022 for the 2021 short-term incentive award, and will be granted in April 2023 for 2022 performance.

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).

4 The 2020 long-term incentive, which vests in respect of the performance period ending 31 December 2022, is included in the 2022 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 2023, 2024 and 2025 for Charles Russon, and on 18 March 2023 for Punki Modise, Faisal Mkhize, Cowyk Fox, Geoff Lee and Saviour Chibiya) 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). For the purpose of the 2022 and 2021 disclosure, values are reported using the 31 December share price for the respective years, as the publication date of the Annual Financial Statements was before the vesting date in each instance.

5 'Other payments' reflect the encashment of leave as a consequence of changes to our leave policy. See note 9 regarding Saviour Chibiya's 'Other payments'.

6 Total single figure remuneration includes, for each year respectively, the fixed remuneration paid during 2021 and 2022, short-term incentives in respect of 2021 and 2022 performance (consisting of a cash award paid in March 2022 and March 2023, and a deferred share award granted in April 2022 and April 2023), long-term incentive awards (consisting of the value of vested long-term incentives and dividend equivalents/service credits received on the vesting dates) and payments reflected as 'Other Payments'. See notes 7 and 8 regarding the proration of fixed remuneration for individuals who were not in their roles for the full year.

7 Punki Modise was appointed as Interim Financial Director and executive director on 23 April 2021 until 28 March 2022. She was subsequently appointed as Interim Chief Executive: Retail and Business Banking and prescribed officer from 29 March 2022 until 30 June 2022. Her remuneration disclosures for 2022 and the comparative 2021 disclosures are all set out in this table for ease of reference and comparison. Her fixed remuneration is pro-rated for the period served as an executive director and a prescribed officer during each year. The short-term incentive, the vesting value of her 2020 long-term incentive, and dividend equivalents and service credits are shown at full value.

8 As a result of the Board-approved changes to the Group operating model, four new prescribed officers were appointed on 1 July 2022. Their fixed remuneration has been pro-rated from appointment date. Their short-term incentives, the vesting value of their 2020 long-term incentive, and dividend equivalents and service credits are shown at full value.

9 Saviour Chibiya's expatriate benefits have been included under 'Other payments'.

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).

	2022										
	Number of shares under award at 1 January 2022	Number of shares/cash awarded during 2022	Share price on award R	Number of shares/cash released during 2022	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 2022	Number of shares under award/option at 31 December 2022	Last scheduled vesting date	Fair value of unvested awards at 31 December 2022[5]
Executive directors											
Arrie Rautenbach[1]											
Share value plan 2019 – 2021	10 878	–	–	10 878	185.93	2 022 547	353 639	–	–	2022/03/18	–
Share incentive plan deferral 2020 – 2023	39 821	–	–	19 910	191.00	3 802 810	371 113	–	19 911	2023/04/01	3 860 743
Share incentive plan deferral 2021 – 2024	37 664	–	–	12 555	191.00	2 398 005	51 570	–	25 109	2024/04/01	4 868 635
Long-term incentive award 2019[2]	88 780	–	–	6 131	185.93	1 139 937	199 317	70 387	12 262	2024/03/18	2 377 602
Share incentive plan performance 2020[3]	130 321	–	–	–	–	–	–	–	130 321	2025/04/01	25 269 242
Share incentive plan performance 2021[3]	80 430	–	–	–	–	–	–	–	80 430	2026/04/01	15 595 377
Share incentive plan deferral 2022 – 2025	–	31 972	179.84	–	–	–	–	–	31 972	2025/04/01	6 199 371
Share incentive plan performance 2022[4]	–	94 528	179.84	–	–	–	–	–	94 528	2025/04/01	18 328 979
Total	387 894	126 500		49 474		9 363 299	975 639	70 387	394 533		76 499 949
Jason Quinn											
Share value plan 2019 – 2021	5 676	–	–	5 676	185.93	1 055 339	184 628	–	–	2022/03/18	–
Share incentive plan deferral 2020 – 2023	41 631	–	–	20 815	191.00	3 975 665	387 921	–	20 816	2023/04/01	4 036 222
Share incentive plan deferral 2021 – 2024	37 664	–	–	12 555	191.00	2 398 005	51 570	–	25 109	2024/04/01	4 868 635
Long-term incentive award 2019[2]	86 615	–	–	5 981	185.93	1 112 047	194 483	68 670	11 964	2024/03/18	2 319 820
Share incentive plan performance 2020[3]	130 321	–	–	–	–	–	–	–	130 321	2025/04/01	25 269 242
Share incentive plan performance 2021[3]	78 468	–	–	–	–	–	–	–	78 468	2026/04/01	15 214 945
Share incentive plan deferral 2022 – 2025	–	44 483	179.84	–	–	–	–	–	44 483	2025/04/01	8 625 254
Share incentive plan performance 2022[4]	–	69 506	179.84	–	–	–	–	–	69 506	2025/04/01	13 477 213
Total	380 375	113 989		45 027		8 541 056	818 602	68 670	380 667		73 811 331

1 Arrie Rautenbach's outstanding share-based long-term awards include awards received as a prescribed officer since 9 April 2018 and before his appointment as CEO and an executive director on 29 March 2022.
2 The number of shares that vested was based on the measurement of the predetermined performance conditions linked to the performance awards.
3 For all executive directors, the awards will vest over a five-year period.
4 For all executive directors, the 2022 Share Incentive Plan Performance award will vest over a three-year period.
5 The fair value of the awards is calculated based on the number of shares multiplied by the closing share price on 31 December 2022 (R193.90). For the 2020, 2021 and 2022 Share Incentive Plan Performance awards, the fair value is calculated prior to the application of Group performance conditions, which will be tested at the end of the relevant performance period to determine the vesting outcome. 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*

2022

	Number of shares under award at 1 January 2022	Number of shares/cash awarded during 2022	Share price on award R	Number of shares/cash released during 2022	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 2022	Number of shares under award/option at 31 December 2022	Last scheduled vesting date	Fair value of unvested awards at 31 December 2022[5]
Prescribed officers											
Charles Russon											
Share value plan 2019 – 2021	4 020	–	–	4 020	185.93	747 439	130 709	–	–	2022/03/18	–
Share incentive plan deferral 2020 – 2023	30 227	–	–	15 114	191.00	2 886 774	281 725	–	15 113	2023/04/01	2 930 411
Share incentive plan deferral 2021 – 2024	31 387	–	–	10 462	191.00	1 998 242	42 975	–	20 925	2024/04/01	4 057 358
Long-term incentive award 2019[1]	60 630	–	–	4 187	185.93	778 489	136 101	48 069	8 374	2024/03/18	1 623 719
Share incentive plan performance 2020[2]	99 370	–	–	–	–	–	–	–	99 370	2025/04/01	19 267 843
Share incentive plan performance 2021[2]	54 927	–	–	–	–	–	–	–	54 927	2026/04/01	10 650 345
Share incentive plan deferral 2022 – 2025	–	31 972	179.84	–	–	–	–	–	31 972	2025/04/01	6 199 371
Share incentive plan performance 2022[3]	–	55 604	179.84	–	–	–	–	–	55 604	2025/04/01	10 781 616
Total	**280 561**	**87 576**		**33 783**		6 410 944	591 510	**48 069**	**286 285**		**55 510 663**
Punki Modise[4]											
Share value plan 2019 – 2021	871	–	–	871	185.93	161 945	28 261	–	–	2022/03/18	–
Share incentive plan deferral 2020 – 2023	6 661	–	–	3 330	191.00	636 030	62 075	–	3 331	2023/04/01	645 881
Share incentive plan deferral 2021 – 2024	980	–	–	327	191.00	62 457	1 337	–	653	2024/04/01	126 617
Long-term incentive award 2019[1]	24 915	–	–	5 162	178.10	919 352	149 960	19 753	–	2022/09/02	–
Share incentive plan performance 2020	32 580	–	–	–	–	–	–	–	32 580	2023/04/01	6 317 262
Share incentive plan performance 2021	25 109	–	–	–	–	–	–	–	25 109	2024/04/01	4 868 635
Share incentive plan deferral 2022 – 2025	–	25 022	179.84	–	–	–	–	–	25 022	2025/04/01	4 851 766
Share incentive plan performance 2022[5]	–	55 604	179.84	–	–	–	–	–	55 604	2025/04/01	10 781 616
Total	**91 116**	**80 626**		**9 690**		1 779 784	241 633	**19 753**	**142 299**		**27 591 777**

1 The number of shares that vested was based on the measurement of the predetermined performance conditions linked to the performance awards.

2 Charles Russon's 2020 and 2021 Share Plan Incentive Performance awards will vest over a five-year period.

3 Charles Russon's 2022 Share Incentive Plan Performance award will vest over a three-year period.

4 Punki Modise ceased to be an executive director on 29 March 2022, after which she became a prescribed officer until 30 June 2022. Punki 's outstanding share-based long-term awards include awards received prior to becoming an executive director on 23 April 2021. Punki Modise`s 2019 Long Term Incentive award vested based on the measurement of the predetermined performance conditions over a three-year period. The 2020 and 2021 Share Plan Incentive Performance awards vest over a three-year period as they were made prior to her becoming an executive director and a prescribed officer. The 2022 Share Plan Incentive Performance award will also vest over a three-year period as it was made subsequent to her executive directorship coming to an end.

5 The fair value of the awards is calculated based on the number of shares multiplied by the closing share price on 31 December 2022 (R193.90). For the 2020, 2021 and 2022 Share Incentive Plan Performance awards, the fair value is calculated prior to the application of Group performance conditions, which will be tested at the end of the relevant performance period to determine the vesting outcome. 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*

2022

	Number of shares under award at 1 January 2022	Number of shares/cash awarded during 2022	Share price on award R	Number of shares/cash released during 2022	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 2022	Number of shares under award/option at 31 December 2022	Last scheduled vesting date	Fair value of unvested awards at 31 December 2022[3]
Faisal Mkhize[1]											
Share value plan 2019 – 2021	743	–	–	743	185.93	138 146	23 985	–	–	2022/03/18	–
Share incentive plan deferral 2020 – 2023	10 860	–	–	5 430	191.00	1 037 130	101 230	–	5 430	2023/04/01	1 052 877
Share incentive plan deferral 2021 – 2024	3 138	–	–	1 046	191.00	199 786	4 202	–	2 092	2024/04/01	405 639
Long-term incentive award 2019[2]	25 911	–	–	5 368	178.10	956 041	155 838	20 543	–	2022/09/02	–
Share incentive plan performance 2020	35 295	–	–	–	–	–	–	–	35 295	2023/04/01	6 843 701
Share incentive plan performance 2021	26 679	–	–	–	–	–	–	–	26 679	2024/04/01	5 173 058
Share incentive plan deferral 2022 – 2025	–	8 340	179.84	–	–	–	–	–	8 340	2025/04/01	1 617 126
Share incentive plan performance 2022	–	22 241	179.84	–	–	–	–	–	22 241	2025/04/01	4 312 530
Share incentive plan performance 2022	–	24 536	183.40	–	–	–	–	–	24 536	2025/09/01	4 757 530
Total	102 626	55 117		12 587		2 331 103	285 255	20 543	124 613		24 162 461
Cowyk Fox[1]											
Share value plan 2019 – 2021	1 892	–	–	1 892	185.93	351 780	61 543	–	–	2022/03/18	–
Share incentive plan deferral 2020 – 2023	12 098	–	–	6 049	191.00	1 155 359	112 690	–	6 049	2023/04/01	1 172 901
Share incentive plan deferral 2021 – 2024	3 923	–	–	1 308	191.00	249 828	5 348	–	2 615	2024/04/01	507 049
Long-term incentive award 2019[2]	19 953	–	–	4 134	185.93	768 635	134 427	15 819	–	2022/03/18	–
Share incentive plan performance 2020	40 400	–	–	–	–	–	–	–	40 400	2023/04/01	7 833 560
Share incentive plan performance 2021	29 817	–	–	–	–	–	–	–	29 817	2024/04/01	5 781 516
Share incentive plan deferral 2022 – 2025	–	9 035	179.84	–	–	–	–	–	9 035	2025/04/01	1 751 887
Share incentive plan performance 2022	–	22 241	179.84	–	–	–	–	–	22 241	2025/04/01	4 312 530
Share incentive plan performance 2022	–	24 536	183.40	–	–	–	–	–	24 536	2025/09/01	4 757 530
Total	108 083	55 812		13 383		2 525 602	314 008	15 819	134 693		26 116 973

[1] Faisal Mkhize's, Cowyk Fox's and Geoffrey Lee's outstanding share-based long-term awards include awards received prior to becoming prescribed officers on 1 July 2022. The 2020 and 2021 Share Plan Incentive Performance awards will vest over a three-year period as they were made prior to them becoming prescribed officers.

[2] The number of shares that vested was based on the measurement of the predetermined performance conditions linked to the performance awards.

[3] The fair value of the awards is calculated based on the number of shares multiplied by the closing share price on 31 December 2022 (R193.90). For the 2020, 2021 and 2022 Share Incentive Plan Performance awards, the fair value is calculated prior to the application of Group performance conditions, which will be tested at the end of the relevant performance period to determine the vesting outcome. 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*

	2022										
	Number of shares under award at 1 January 2022	Number of shares/cash awarded during 2022	Share price on award R	Number of shares/cash released during 2022	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 2022	Number of shares under award/ option at 31 December 2022	Last scheduled vesting date	Fair value of unvested awards at 31 December 2022[3]
Geoffrey Lee[1]											
Share value plan 2019 – 2021	1 135	–	–	1 135	185.93	211 031	36 814	–	–	2022/03/18	–
Share incentive plan deferral 2020 – 2023	11 946	–	–	5 973	191.00	1 140 843	111 353	–	5 973	2023/04/01	1 158 165
Share incentive plan deferral 2021 – 2024	3 923	–	–	1 308	191.00	249 828	5 348	–	2 615	2024/04/01	507 049
Long-term incentive award 2019[2]	25 911	–	–	5 368	178.10	956 041	155 837	20 543	–	2022/09/02	–
Share incentive plan performance 2020	35 295	–	–	–	–	–	–	–	35 295	2023/04/01	6 843 701
Share incentive plan performance 2021	26 679	–	–	–	–	–	–	–	26 679	2024/04/01	5 173 058
Share incentive plan deferral 2022 – 2025	–	9 730	179.84	–	–	–	–	–	9 730	2025/04/01	1 886 647
Share incentive plan performance 2022	–	22 241	179.84	–	–	–	–	–	22 241	2025/04/01	4 312 530
Share incentive plan performance 2022	–	24 536	183.40	–	–	–	–	–	24 536	2025/09/01	4 757 530
Total	**104 889**	**56 507**		**13 784**		2 557 743	309 353	**20 543**	**127 069**		**24 638 680**
Saviour Chibiya[4]											
Share value plan 2019 – 2021	1 093	–	–	1 093	184.65	201 822	35 268	–	–	2022/03/18	–
Share incentive plan deferral 2020 – 2023	8 326	–	–	4 163	191.00	795 133	77 546	–	4 163	2023/04/01	807 206
Share incentive plan deferral 2021 – 2024	4 315	–	–	1 438	191.00	274 658	5 921	–	2 877	2024/04/01	557 850
Long-term incentive award 2019[2]	22 387	–	–	4 638	178.10	826 028	134 644	17 749	–	2022/09/02	–
Share incentive plan notional performance 2020	24 175	–	–	–	–	–	–	–	24 175	2023/04/01	4 687 533
Share incentive plan notional performance 2021	30 602	–	–	–	–	–	–	–	30 602	2024/04/01	5 933 728
Share incentive plan notional deferral 2022 – 2025	–	11 120	179.84	–	–	–	–	–	11 120	2025/04/01	2 156 168
Share incentive plan notional performance 2022	–	33 362	179.84	–	–	–	–	–	33 362	2025/04/01	6 468 892
Total	**90 898**	**44 482**		**11 332**		2 097 641	253 379	**17 749**	**106 299**		**20 611 377**

1 Faisal Mkhize's, Cowyk Fox's and Geoffrey Lee's outstanding share-based long-term awards include awards received prior to becoming prescribed officers on 1 July 2022. The 2020 and 2021 Share Plan Incentive Performance awards will vest over a three-year period as they were made prior to them becoming prescribed officers.

2 The number of shares that vested was based on the measurement of the predetermined performance conditions linked to the performance awards.

3 The fair value of the awards is calculated based on the number of shares multiplied by the closing share price on 31 December 2022 (R193.90). For the 2020, 2021 and 2022 Share Incentive Plan Performance awards, the fair value is calculated prior to the application of Group performance conditions, which will be tested at the end of the relevant performance period to determine the vesting outcome. Dividend equivalents may apply at the time of vesting on the number of shares that vest.

4 Saviour Chibiya's outstanding notional share-based long-term awards include awards received prior to becoming a prescribed officer on 1 July 2022. The 2019 Phantom Long Term Incentive award vested based on the measurement of the predetermined performance conditions over a three-year performance period. The 2020 and 2021 Notional Share Plan Incentive Performance awards will vest over a three-year period as they were made prior to him becoming a prescribed officer.

Directors' and prescribed officers' remuneration *continued*

Outstanding share-based long-term incentives *continued*

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

	2021										
	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	162 902	–	–	–	–	–	–	162 902	–	2025/04/01	–
Share incentive plan performance 2021	–	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

1 Daniel Mminele ceased to be an Executive Director on 15 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 linked 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*

	2021											
	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[1,3] R
Punki Modise[1]											
Share value plan 2018 – 2020[2]	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] 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.

[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] 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*

	2021										
	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
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 precribed officer 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 now vest over three years.

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

	2022											
	Value under award at 1 January 2022 R	Maximum potential value at 1 January 2022 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 2022 R	Maximum potential value at 31 December 2022 R	Last scheduled vesting date
Executive directors												
Jason Quinn												
Cash value plan 2019 – 2021	**983 000**	**1 277 900**	–	983 000	–	–	–	294 900	–			2022/03/18
Total	**983 000**	**1 277 900**	–	983 000	–	–	–	294 900	–			
Prescribed officers												
Charles Russon												
Cash value plan 2019 – 2021	**696 334**	**905 234**	–	696 334	–	–	–	208 900	–			2022/03/18
Total	**696 334**	**905 234**	–	696 334	–	–	–	208 900	–			
Punki Modise[1]												
Cash value plan 2019 – 2021	**150 726**	**195 944**	–	150 726	–	–	–	45 218	–			2022/03/18
Total	**150 726**	**195 944**	–	150 726	–	–	–	45 218	–			
Faisal Mkhize[2]												
Cash value plan 2019 – 2021	**128 800**	**167 440**	–	128 800	–	–	–	38 640	–			2022/03/18
Cash value plan (MRT) 2021	**1 400 000**	**1 400 000**	–	1 400 000	–	–	–	–	–			2022/04/01
Total	**1 528 800**	**1 567 440**	–	1 528 800	–	–	–	38 640	–			
Cowyk Fox[2]												
Cash value plan 2019 – 2021	**327 666**	**425 966**	–	327 666	–	–	–	98 300	–			2022/03/18
Cash value plan (MRT) 2021	**1 500 000**	**1 500 000**	–	1 500 000	–	–	–	–	–			2022/04/01
Total	**1 827 666**	**1 925 966**	–	1 827 666	–	–	–	98 300	–			
Geoffrey Lee[2]												
Cash value plan 2019 – 2021	**196 600**	**255 580**	–	196 600	–	–	–	58 980	–			2022/03/18
Cash value plan (MRT) 2021	**1 500 000**	**1 500 000**	–	1 500 000	–	–	–	–	–			2022/04/01
Total	**1 696 600**	**1 755 580**	–	1 696 600	–	–	–	58 980	–			
Saviour Chibiya[3]												
Cash value plan 2019 – 2021	**189 419**	**246 245**	–	189 419	–	–	–	56 826	–			2022/03/18
Cash value plan (MRT) 2021	**1 550 000**	**1 550 000**	–	1 550 000	–	–	–	–	–			2022/04/01
Total	**1 739 419**	**1 796 245**	–	1 739 419	–	–	–	56 826	–			

[1] Punki Modise's outstanding cash-based long-term awards include awards received prior to becoming an executive director for the period 23 April 2021 to 29 March 2022.
[2] Faisal Mkhize's, Cowyk Fox's and Geoffrey Lee's outstanding cash-based long-term awards include awards received prior to becoming prescribed officers on 1 July 2022.
[3] Saviour Chibiya's outstanding cash-based long-term awards include awards received prior to becoming a prescribed officer on 1 July 2022.

Directors' and prescribed officers' remuneration *continued*

Outstanding cash-based long-term awards *continued*

	2021											
	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 scheduled 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-executive directors' fees

Non-executive directors' fees paid during 2022

Directors	Group Board R	Group Board committees and sub-committees R	Subsidiary boards, committees and trusts: Absa Bank R	Subsidiary boards, committees and trusts: Absa Financial Services R	Subsidiary boards, committees and trusts: Other R	2022 Total[13] R	2021 Total[13] R
Alex Darko[1]	730 993	1 357 896	103 300	–	–	**2 192 189**	2 255 669
Dhanasagree (Daisy) Naidoo[2]	705 762	898 793	–	1 278 750	–	**2 883 305**	2 549 847
Francis Okomo-Okello[1, 3]	730 993	678 142	103 300	–	89 558	**1 601 993**	1 971 912
Fulvio Tonelli[4]	730 993	1 033 028	–	–	551 043	**2 315 064**	1 976 831
Ihron Rensburg[3]	730 993	496 256	–	–	76 543	**1 303 792**	1 550 923
John Cummins[5]	730 993	647 626	–	–	–	**1 378 619**	159 671
Mark Merson[1, 6]	74 633	107 653	8 608	–	807 217	**998 111**	3 407 614
Nonhlanhla Mjoli-Mncube[1,7]	870 993	662 250	94 692	–	–	**1 627 935**	1 365 207
René van Wyk[1, 8]	730 993	1 901 584	94 692	–	–	**2 727 269**	1 816 203
Rose Keanly[1, 9]	730 993	1 236 177	94 692	676 100	–	**2 737 962**	2 362 253
Sello Moloko[10, 12]	5 239 575	345 083	25 825	–	–	**5 610 483**	126 974
Swithin Munyantwali	730 993	566 482	–	–	–	**1 297 475**	1 435 581
Tasneem Abdool-Samad[1]	730 993	1 776 650	103 300	815 450	–	**3 426 393**	3 495 595
Wendy Lucas-Bull (Chairman)[11]	1 679 125	–	–	–	–	**1 679 125**	6 627 100
Total	15 149 025	11 707 620	628 409	2 770 300	1 524 361	**31 779 715**	31 101 380

[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] Daisy Naidoo resigned from the AFS Board on 28 November 2022.

[3] Francis Okomo-Okello and Ihron Rensburg were trustees of the Absa Foundation Trust and paid for attendances until 31 October 2022. The Absa Africa Foundation Advisory Board was established in Q3 of 2022 as a sub-committee of the SSEC. Francis Okomo-Okello was appointed as a member and Chairman and Ihron Rensburg as a member of the Absa Africa Foundation Advisory Board (reported under Other).

[4] Fulvio Tonelli is a director on Absa Bank Kenya PLC board and member of their Audit and Risk Committee as well as their Credit Risk Committee (reported under Other).

[5] John Cummins joined the Information Technology Committee (ITC) on 1 July 2022.

[6] Mark Merson resigned from the Group and Bank boards on 31 January 2022, but remained as Chairman of the Absa Securities United Kingdom Limited, a subsidiary of Absa Group Limited (reported under Other).

[7] Nhlanhla Mjoli-Mncube was appointed as the Lead Independent Director (LID) and joined the Bank Board and DAC on 8 February 2022; and was appointed as Chairman of the Board Finance Committee (BFC) and member of the Group Credit Risk Committee (GCRC) on 1 July 2022. The LID fees are included under the Group fee.

[8] René van Wyk was appointed as Chairman of the GRCMC and GCRC, and joined the Bank Board and DAC on 1 February 2022; and stepped down from the BFC Chairmanship on 1 July 2022 (remained a member).

[9] Rose Keanly was appointed as Chairman of RemCo and joined the Bank Board and DAC, and stepped down from GRCMC on 8 February 2022.

[10] Sello Moloko was appointed as Chairman of the Group and Bank boards on 1 April 2022.

[11] Wendy Lucas-Bull retired from the Group and Bank boards effective 31 March 2022.

[12] The fee applicable to Sello Moloko, the Group Chairman, covers chairmanship of the Absa Group and Absa Bank boards as well as membership of any board committees (from 1 April 2022); and prior to that, separate fees were paid for membership of the boards and relevant board committees.

[13] 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 2022, a total of 14 individuals were classified as senior managers and 61 individuals as other material risk. There were no material changes in 2022 to the methodology to classify material risk takers.

The Pillar 3 reporting includes all individuals who hold material risk taker roles during the year, which includes pro–rating and possible overlap in roles. Also included are additions to or removals from the list of roles deemed to be material risk takers, based on the application of our material risk taker approach from time to time.

Remuneration awarded during the financial year [REM1]

Aggregate remuneration for senior managers and material risk takers		2022 Senior managers Rm	2022 Other material risk takers Rm
Fixed remuneration	*Number of employees*	***14***	***61***
	Total fixed remuneration	**72**	**273**
	Of which: cash based[1]	72	273
	Of which: deferred	–	–
	Of which: shares or other share linked instruments[3]	–	–
	Of which: deferred	–	–
	Of which: other forms	–	–
	Of which: deferred	–	–
Variable remuneration	*Number of employees*	***14***	***61***
	Total variable remuneration	**201**	**447**
	Of which: cash based[2]	60	159
	Of which: deferred	–	–
	Of which: shares or other share linked instruments[3]	141	288
	Of which: deferred	141	288
	Of which: other forms	–	–
	Of which: deferred	–	–
Total remuneration		**273**	**720**

1 Total fixed remuneration for this disclosure includes the full value of leave encashments, where applicable.
2 This includes, for 2022, the cash bonus payable in March 2023 in respect of performance for the 2022 financial year.
3 Includes, for 2022, the Share Incentive Plan awards made during the 2022 financial year and deferred short–term incentives in respect of the 2022 financial year made in April 2023. All awards are subject to continued service and malus and clawback provisions.

Basel Pillar 3 remuneration disclosures [REMA] continued

Special payments [REM2]

	2022					
	Guaranteed bonus		Sign–on awards		Severance payments[1]	
	Number of employees	Total amounts Rm	Number of employees	Total amounts Rm	Number of employees	Total amounts Rm
Senior management	–	–	–	–	–	–
Other material risk takers	–	–	–	–	–	–

Deferred remuneration [REM3]

	2022				
Deferred and retained remuneration	Total amount of outstanding deferred remuneration as at the end December 2022 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]	0.12	0.12	1.2	–	14
Shares[5]	439	439	5.2	(75)	54
Cash linked instruments	–	–	–	–	–
Other	–	–	–	–	–
Other material risk takers					
Cash[4]			2.4	–	44
Shares[5]	903	903	14.8	(160)	135
Cash linked instruments	–	–	–	–	–
Other	–	–	–	–	–
Total	1 342	1 342	24	(235)	247

[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, Share Incentive Plan (deferred) and Long-Term Incentive plan respectively.

[3] Ex post implicit adjustments were determined using each individual's award dates, award values, measurement of the pre-determined performance conditions for the performance period ending 31 December 2021 and the vesting dates. The RemCo approved the performance conditions for the 2019 long term incentive award were measured for the three-year performance period ending December 2021. The amount reflected therefore represents the value of awards that lapsed in March and September 2022 due to partial fulfilment of the 2019 long-term incentive plan performance conditions. The value reflected includes the full forfeiture amount for both senior management and material risk takers, notwithstanding that the vesting period applicable to senior managers for these awards is five years. The 2022 disclosure reflect the adjustments based on the time-based pro-ration applied on performance conditions of one eligible leaver's 2021 and 2022 Share Incentive Plan performance awards, vesting April 2023 and 2024 respectively, due to his notice of termination of service on 1 June 2022.

[4] Includes the last tranche of the Cash Value Plan vested 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 vested in April 2022, subject to continued service, malus and clawback (for all material risk takers, including executive directors and prescribed officers) provisions. The reporting includes adjustments for three additional employees due to terminations and new appointments within specific positions.

[5] Includes the Share Incentive Plan, Share Value Plan, Share Incentive Plan (deferred) and long-term incentive plan awards. The reporting includes adjustments for four additional employees due to terminations and new appointments within specific positions.

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