Absa Group Limited

Remuneration Report 2023

Malebogo Molokoane

2022 Absa L'Atelier

Gerard Sekoto Award winner

Scan to view the artist full portfolio

Malebogo Molokoane (born 1990) specialises in glass and uses her practice to explore the concealed faces and uses them to convey her message. The meaning of her work shares physical, emotional aspects and engages in intimate conversations whereby human emotions are expressed, to help portray everyone's story. She was the first glass artist to win the Absa L'Atelier.

Featured Artwork

Strength and beauty_2021

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Rose Keanly
Chairman: Absa Group Remuneration Committee

"Our Remuneration Policy was generally positively received by shareholders at our 2023 annual general meeting (AGM). This remains fit for purpose and is unchanged. RemCo continued its focus on remuneration's strategic role in enabling sustainable organisational performance and stakeholder value creation."

I am pleased, on behalf of RemCo and the Board, to present to our shareholders our 2023 Remuneration Report setting out our Remuneration Policy and our remuneration implementation outcomes for 2023, including for executive directors and prescribed officers.

In the context of the progress made on Absa's strategic glidepath and the Group's performance, RemCo continued to focus on balancing shareholder and employee interests over time.

Our Remuneration Policy was generally positively received by shareholders at our 2023 annual general meeting (AGM). This remains fit for purpose and is unchanged. RemCo continued its focus on remuneration's strategic role in enabling sustainable organisational performance and stakeholder value creation.

Shareholder engagement

The Group Chairman and RemCo Chairman engaged extensively with shareholders ahead of our 2023 AGM regarding our Remuneration Policy and our Implementation Report.

At the AGM on 2 June 2023, we received an 86.98% vote in favour of the Remuneration Policy. We received a 67.59% vote in favour of the Implementation Report, which is below the 75% outcome in terms of King IV and the Johannesburg Stock Exchange (JSE) Listings Requirements. Dissenting shareholders were invited to a further engagement on 14 July 2023, where shareholders representing approximately 1.7% of issued Absa Group shares attended a Microsoft Teams call.

As in prior years, we have sought to address feedback received from shareholders in our evolving practices and disclosures, noting that this has sometimes required balancing diverse shareholder views. We thank our shareholders for their feedback.

Based on these engagements, RemCo has considered shareholder inputs and taken the following steps:

Shareholder feedback	Steps taken
Improved disclosure of performance targets and outcomes for executive directors and prescribed officers, and the link to remuneration outcomes.	RemCo has enhanced the Implementation Report, underscoring our commitment to leadership accountability and alignment of executives' incentive outcomes with sustainable long-term shareholder value creation. The 2023 short-term incentive targets and our achievement relative to these are in this Statement, and disclosed in our Implementation Report. We have improved disclosure regarding our 2021 long-term incentive outcomes, and the targets for the 2024 long-term incentive.
Alignment between the short-term incentive pool and headline earnings growth.	In 2021 and 2022 RemCo rebased the on-target short-term incentive pool to be more in line with peers in relation to headline earnings. There was no further rebasing in 2023. RemCo is comfortable with the on-target short-term incentive pool, and that the subsequent performance pool was appropriate for 2023, in respect of the relationship with headline earnings.
Long-term incentive awards to executive directors and prescribed officers should have robust and stretching targets, including both financial and non-financial targets.	RemCo is confident that the 2024 short-term incentive and 2024 long-term incentive scorecards support aligned delivery, robust performance focus and outperformance over the medium- to long-term. For 2024, RemCo has strengthened the threshold for financial performance metrics in the scorecards to at least the prior year's outcome. The metrics and targets in the scorecards align with the relevant short-term and medium-term plans.

Shareholder feedback	Steps taken
The Group Chairman and RemCo Chairman sought shareholders' views on inclusion of Total Shareholder Return (TSR) metrics in incentive schemes.	TSR is a performance metric in our 2021, 2022 and 2023 long-term incentives. RemCo considered the ongoing relevance of this metric having regard to the diverse shareholder views, and has retained it in the 2024 long-term incentive. The appropriateness of TSR as a metric will continue to be reviewed. The TSR in the 2024 long-term incentive has been anchored to pay out only in the event of average performance relative to the selected peer group. There will be no vesting below the on-target level for this metric.
Regard for possible duplication of performance metrics for short-term and long-term incentives.	Our incentive scorecards operate on a complementary basis over the relevant performance periods (one-year and three-years, respectively), and RemCo is comfortable that where overlap occurs, it is appropriate. For 2024 there is a reduction of overlap between the short-term and long-term incentive scorecards, such that: • Return on equity (ROE) and headline earnings measures apply in both arrangements, given their priority. • Cost-to-income ratio applies only in the short-term incentives. • Organisational Health measures remain as customer and digital, colleague and sustainability.
Inclusion of change of control provisions and plan incentive limits in the Remuneration Policy.	The Remuneration Policy includes a summary of the change of control provisions and plan incentive limits in our Share Incentive Plan rules, as approved by shareholders in 2019.

Our Remuneration Policy and the Implementation Report for 2023 will be presented for separate non-binding votes at our AGM on 4 June 2024, with the resolutions included in the *2024 Notice of AGM*.

The RemCo Chairman and Group Chairman will engage extensively with shareholders in advance of the AGM to understand their perspectives on our Policy and Implementation.

RemCo focus areas

In addition to the shareholder consultations, during 2023 the RemCo focused on the following key priority areas:

- Reviewed the appropriateness of our **total remuneration policy, framework and principles** and their composite parts.
- Improved the **robustness of alignment of scorecards at different levels of the organisation with the outcomes required at Group and Business/Function level,** and **performance management** to strengthen alignment with remuneration outcomes.
- Engaged with the **Chairs of Remuneration/Human Resources Committees** across our African footprint to address matters of pan-African and local relevance.
- Focused on **key talent, scarce and critical skills in the context of our pan-African strategy** and the need for appropriate remuneration underpins to enable talent mobility.
- Made key appointments (including promotions) to **attract and retain top and diverse talent,** and to enable expansion into new markets.
- Evolved **fair and responsible remuneration** and related disclosure across all elements of our human capital value chain, aligned to the Group's strategy.
- Monitored the **emerging regulatory landscape** including the possible implications of the proposed amendments to the South African Companies Act.
- Reviewed developments globally regarding **control function remuneration** to ensure independence of control functions while retaining appropriate alignment with the role control functions play in the delivery of business results.
- Addressed remuneration competitiveness through **regular market benchmarking** of total remuneration and that of senior executives against industry peers, and ensuring appropriate market relativity of our reward offerings.

Operating environment and Group performance overview

Our external environment in 2023 was weaker than expected, particularly in South Africa where infrastructure challenges, high inflation and interest rates weighed on growth prospects. However, Africa regions reported stronger growth, well ahead of South Africa, despite sovereign challenges in some markets. As a result, our financial performance was lower than our expectation, but resilient within the context of this operating environment.

Salient features of our 2023 normalised financial performance:

- **Headline earnings** increased by 1% to R20.9 billion. The Group's net asset value increased by 8% to R142 billion resulting in ROE of 15.3% from 16.4%.
- **Returns remain above cost of equity (COE)**, but lower than our medium-term target of ROE sustainably above 17%.
- The **cost-to-income ratio** increased slightly to 52.1% and remains within our medium-term target of low 50s.
- **Pre-provision profits** increased by 6% to R50.1 billion reflecting revenue growth of 8% to R104.5 billion while operating costs increased by 10% to R54.5 billion.
- **Credit impairments** reflect strain on the South African consumer segment and increased by 13% to R15.5 billion. This resulted in the credit loss ratio increasing to above the top-end of the through-the-cycle range of 75-100bps to end the year on 118bps.
- The **capital and liquidity position** of the Group remains strong with Common Equity Tier 1 (CET1) at 12.5% (upper-end of Board target range of 11%-12.5%) with liquidity ratios well above regulatory requirements.

Further detail regarding the Group's performance and its medium-term outlook are set out in our *Annual Financial Statements* and our *Integrated Report*.

2023 Short-term incentive outcomes

Our on-target short-term incentive pool is built on a top-down basis, which includes reference to a pay-out ratio relative to our headline earnings after taxation and before incentives.

RemCo approved a Group performance short-term incentive pool of **R3.56 billion,** reflecting the Group's performance relative to the RemCo-approved scorecard. This is **91%** of the approved on-target pool of **R3.94 billion.** This represents a **3% year-on-year decrease in the pool,** aligned with the Group's overall performance for 2023, and to our normalised headline earnings growth of 1%. This is considered a fair and balanced outcome in the context of a challenging operating environment.

Prior to 2023, RemCo did extensive work on the Group's short-term incentives, including reviewing the competitiveness of the on-target short-term incentive pool relative to market. While our pay-out ratio of the short-term incentive pool relative to headline earnings remains at the lower end of the market, RemCo is comfortable that this is at the right level in the context of our current absolute and relative performance.

The table below sets out an overview of the Group's financial and non-financial performance relative to the target outcomes used in the determination of the 2023 short-term incentive pool, with further detail on pages 25 and 26 of our Implementation Report:

Measure	Weight	Target	Actual 2023 performance	Weighted modifier
Headline earnings	30%	R23.4bn	**R21.1bn**	24.9%
ROE	30%	17.0%	**15.5%**	25.7%
Capital lite revenues (in constant currency)	10%	R61.5bn	**R61.4bn**	10.0%
Cost-to-income ratio	10%	52.2%	**51.9%**	10.3%
Organisational Health (see below)	20%	8.0/10	**8.0/10**	20.0%
Weighted outcome				**91.0%**

All achieved measures are shown on a normalised basis adjusted for the B-BBEE costs to align with the basis on which the targets were set. Note that the actual 2023 performance outcomes in the above table are therefore not consistent with the 2023 performance results discussed elsewhere in our 2023 Reporting Suite.

The Social, Sustainability and Ethics Committee (SSEC) assesses the outcomes relative to the non-financial targets. Organisational Health was assessed as on-target (8.0/10), giving rise to a 20% outcome for this metric. In this regard:

Measure	Weight	2023 Score	Highlights
Customer and Digital	5%	8.00/10	• Transactional customer numbers, customer primacy (for CIB), and customer satisfaction reflect strong progress on prior year and above target. • Strong progress made in respect of Digitally Active Customers, largely in line with target.
Colleague	5%	8.50/10	• Strong colleague value proposition, as indicated by improvement in our Employee Engagement Index, our employment equity score, and percentage of Women in Leadership.
Sustainability	10%	7.75/10	• CIB and Relationship Banking met or exceeded sustainability-linked financing targets; the slowdown in affordable housing production impacted delivery. • Absa continues to perform well in the external ESG benchmark ratings.
Total	**20%**	**8.00/10**	**20% vesting outcome on Organisational Health, relative to an on-target outcome at this level.**

The RemCo supports the view that organisational health is a good predictor of future organisational performance, and as such continues, in conjunction with the SSEC, to focus on this as a core component of our short-term incentive scorecard.

In approving the final short-term incentive performance pool outcome of **R3.56 billion**, RemCo considered:

- The Group's position, which is at the lower end of peer outcomes based on publicly available information. The RemCo considered this outcome, and the context reflected in this result including the impact of Ghana hyper-inflation and the effect of the structural hedge which dampened earnings and returns in the near term.
- Application of oversight in ensuring that remuneration outcomes for Group Executive Committee (ExCo) members and individuals within the RemCo remit reflected Group and individual performance outcomes. The 2023 pool for the disclosed officers (for individuals included in the disclosures in both 2022 and 2023) was down 25% relative to 2022, reflecting alignment with performance.
- Vertical fairness of the pool distribution. In this regard, the share of the pool allocated to more junior colleagues remained stable at 15% in 2023, and in line with the fair and responsible remuneration shift made in this regard in 2022.
- The returns experienced by shareholders.

Through a process of robust discussion, RemCo is comfortable that the 2023 short-term incentive outcomes are fair and balanced, reflecting accountability for performance, fair and responsible remuneration, and shareholder value creation.

Vesting outcomes for the 2021 long-term incentive award

Our 2021 long-term incentive will vest in April 2024 at **93.9%** of the on-target award, based on performance against the applicable Group performance metrics.

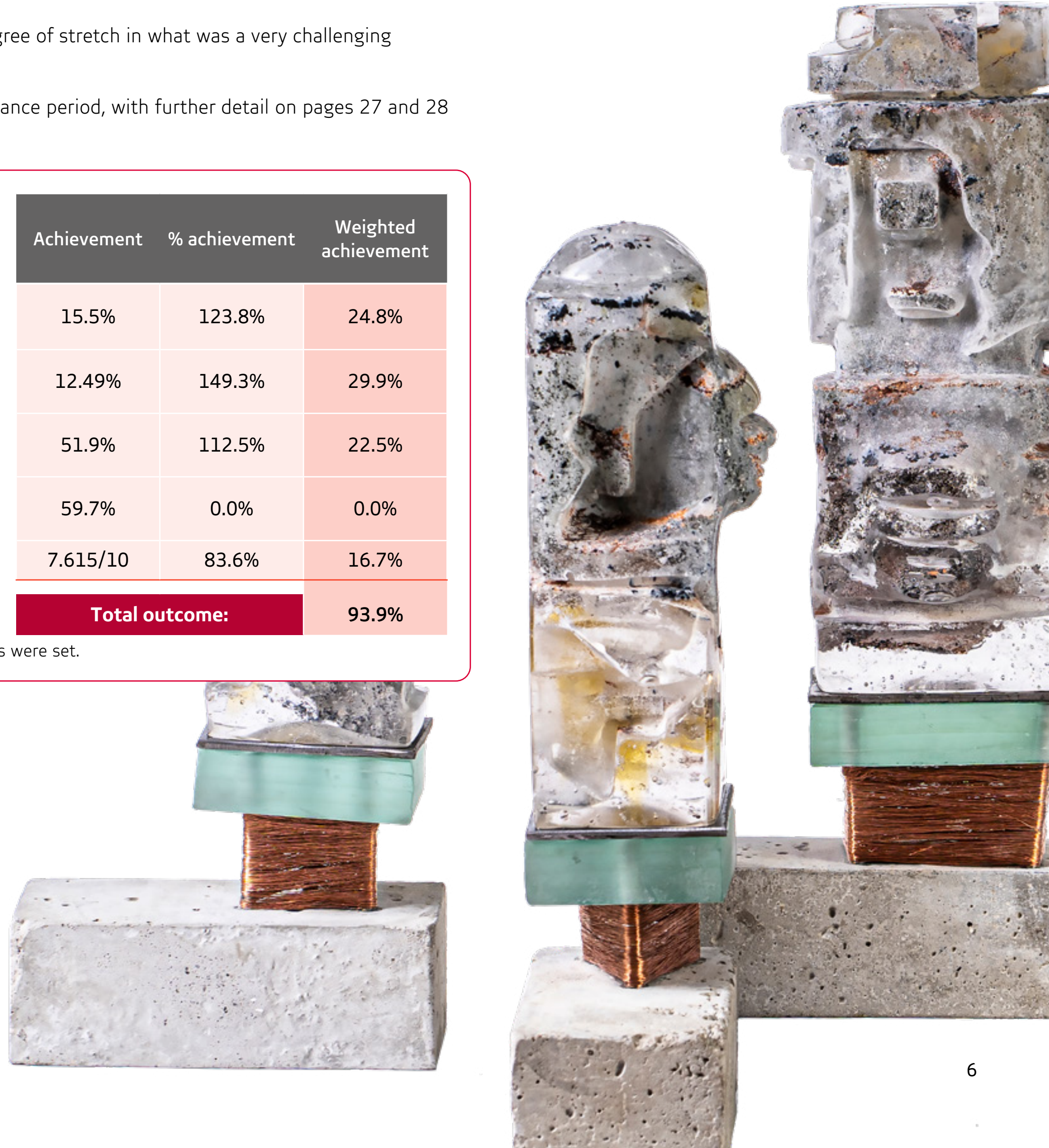
The performance metrics for the 2021 long-term incentive were approved within the highly challenging and uncertain operating context of the Covid-19 pandemic. The metrics chosen reflect the Group's key priorities at the time, which were preservation of capital, delivering shareholder returns, managing costs and protecting the organisational health (comprised of customer, colleague and control) of the Group.

RemCo has reflected on the performance against these metrics, and is comfortable that these included the right degree of stretch in what was a very challenging operating context, and that most of the key targets were achieved.

The table below provides an overview of the outcomes of the performance metrics set for the 2021 – 2023 performance period, with further detail on pages 27 and 28 of our Implementation Report:

Measures	Weighting	Threshold (15%) adjustment to target	Target (100%)	Stretch (150%) adjustment to target	Achievement	% achievement	Weighted achievement
Normalised ROE (for the period ended 31 December 2023)	20%	≥ COE -1%	≥ COE	≥ COE +2%	15.5%	123.8%	24.8%
IFRS CET1 (as reported at 31 December 2023)	20%	CET1 ≥ 11.0%	CET1 ≥ 11.75%	CET1 ≥ 12.5%	12.49%	149.3%	29.9%
Normalised cost-to-income ratio (as reported at 31 December 2023)	20%	≤ 55.0%	≤ 52.5%	≤ 50.0%	51.9%	112.5%	22.5%
TSR (1 January 2021 – 31 December 2023)	20%	Absa TSR < 5% lower	TSR ≥ Average peer group	Absa TSR > 10% higher	59.7%	0.0%	0.0%
Organisational Health	20%	6/10	8/10	10/10	7.615/10	83.6%	16.7%
					Total outcome:		**93.9%**

All achieved measures are shown on a normalised basis adjusted for the B-BBEE costs to align with the basis on which the targets were set.



Our Organisational Health outcome was assessed by the SSEC as marginally below target (7.615/10), resulting in a vesting outcome for this metric at 16.7% relative to a target of 20%. In this regard:

Measure		Weight	2023 Score	Highlights
Customer, Colleague and Control	Customer	**10%**	**7.00/10**	• While there has been improvement in customer numbers, customer primacy in CIB, and product holding metrics, the overall outcomes fell short of the anticipated three-year performance.
	Colleague		**8.00/10**	• Strong improvement in the Employee Experience Index over the period, supported by the launch of the Absa eKhaya Colleague Share Scheme.
	Control		**7.67/10**	• The Control Environment was measured over each of the three performance years. While the second and third year achieved target, the first year's outcome was below target.
Sustainability	Digital transformation	**10%**	**6.50/10**	• The Group has delivered increasing levels of digital adoption and improved system sustainability, however, performance targets were not fully achieved, in particular in ARO RBB.
	Transformation, Diversity and Inclusion		**8.00/10**	• The Group has maintained a Level 1 Broad-Based Black Economic Empowerment (B-BBEE) rating, consistently throughout the performance period.
	Environmental sustainability		**8.50/10**	• Our loan exposure in climate-sensitive sectors was better than target at the end of the performance period. • CIB lending was ahead of cumulative financing targets set since 2021. • Energy consumption and carbon emission outcomes for Absa were on-track over the performance period.
Total		**20%**	**7.615/10**	**16.7% vesting outcome on Organisational Health, marginally below the on-target outcome at this level.**

An independent auditor provided a factual findings report to RemCo on the metrics' outcomes.

Our 2024 long-term incentives

RemCo approved the performance metrics and targets for the 2024 long-term incentives in the context of the Board-approved strategy and plan. The metrics include a combination of financial and non-financial targets, which are:

2024 long-term incentive

Number of shares awarded	✖	Performance share modifier	=	Number of shares vesting
April 2024		Performance period: 1 January 2024 – 31 December 2026		April 2027

Measures	Weight	Outcomes		
		Threshold (15%)	Target (100% = Medium Term Plan)	Stretch (150%)
ROE (Average over the period 2024 - 2026)	35%	≥ COE	≥ COE +2.5%	≥ COE +5%
Headline earnings per share (HEPS) (Compound annual growth rate for 2024 – 2026 in constant currency)	35%	≥ SA nominal[1] GDP +2.5%	≥ SA nominal[1] GDP +8.5%	≥ SA nominal[1] GDP +13.5%
TSR (TSR peer group consists of six major SA banks including Absa, weighted by market capitalisation)	10%	N/A	TSR ≥ Average peer group	Absa TSR ≥ 10% higher
Organisational Health (Consisting of customer and digital, colleague and sustainability)	20%	6/10	8/10	10/10

The outcome may by subject to possible modification (neutral to downward) based on an assessment of the Control Environment

[1] Nominal GDP = Real Gross Domestic Product (GDP) + Inflation.

In approving the Group performance targets for the 2024 long-term incentive awards, we considered the following:

- Alignment of target measures and metrics with the core priorities set out in our 2024 – 2026 medium-term plan.
- For 2024, RemCo has strengthened the threshold for financial performance metrics in the scorecard to at least the prior period's outcome.
- Impact of possible overlap in the short-term incentive and long-term incentive scorecards, and reviewed the measures accordingly. This led to the removal of the cost-to-income ratio from the long-term incentive scorecard, which is now based on four key measures.
- A greater weighting has been applied to ROE and HEPS in the 2024 award to further emphasise the strong link between these measures and shareholder value creation. 70% of the vesting outcome will be determined, in equal parts, based on the outcomes of these two measures.
- For TSR, the 2024 long-term incentive scorecard results in no vesting if TSR is lower than the peer average. An "on-target" outcome will apply where Absa is in line with the peer average.
- 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 the sustainability scorecard measures. The Organisational Health measures include:
  - Customer and digital based on customer numbers at the end of the performance period, tracked relative to the annual balanced scorecard against progress of interim milestones that deliver our medium-term ambition.
  - Colleague based on our Employee Engagement Index.
  - Sustainability measured relative to our sustainable financing targets, reduction in Scope 1 and 2 carbon emissions, and progress on Scope 3 financed emissions glidepath.
- The outcome may be subject to possible modification (neutral to downward) based on an assessment of the Control Environment.

Fair and responsible remuneration

Fair and responsible remuneration remained a core focus for the Group in 2023, building on the actions taken in 2022. Our implementation outcomes continue to reflect ongoing conscious decisions to strengthen fair pay by investing in the more junior levels of the organisation and addressing pay differentials where applicable. This ensures that our overall remuneration offering, including our employee benefit suite, is appropriate, sustainable and fair.

- Again in our fixed remuneration increases, more junior colleagues in most instances received higher percentage increases on average than management.
- More junior colleagues continue to share appropriately in the short-term incentive pool, after enhancements made in this regard in 2022. The share of the pool allocated to more junior colleagues in 2023 remained stable at 15% of the pool, notwithstanding the overall reduction in the pool.
- Working with the SSEC, ensuring fair and responsible outcomes at each stage of the human capital value chain, including recruitment, appointment, promotions, performance management and remuneration, to ensure a solid and sustainable foundation for fair and responsible remuneration.
- Reviewing and addressing pay differentials across race, gender and role remains a key focus in our remuneration processes.
- We enhanced our pay differential disclosures in the context of the evolving regulatory environment, to include the highest and lowest paid employee, the ratio between the highest-paid 5% of employees and the lowest-paid 5%, and the average and median total remuneration. This is set out on page 30 of the Implementation Report.
  - This is the first year in which we make these disclosures, and we will continue to look for ways to evolve and improve these.
  - In future, this will also be viewed in the context of the emerging regulatory requirements around remuneration disclosure and the emergence of industry benchmarks in this regard.
  - Our disclosures include only our South African employee population with a full year of service in 2023, due to differences in market conditions and remuneration rates, and effects of exchange rates across all our jurisdictions.

Absa eKhaya Colleague Share Scheme

The B-BBEE share scheme for employees (the Absa eKhaya Colleague Share Scheme) was launched on 1 September 2023. The Absa eKhaya Colleague Share Scheme will provide employees in South Africa with an equity ownership interest in Absa Group. Employees in participating ARO and other international operations entities have been given the opportunity to participate, subject to local entity circumstances and approvals, in the eKhaya Colleague Phantom Share Scheme, which is the cash equivalent of that implemented in South Africa.

The B-BBEE scheme was formulated to, among others:

- Empower and enable opportunities for our employees and communities.
- Drive transformation, socioeconomic development and community upliftment.
- Be an active force for good.
- Recognise the valued role that all employees play in the Group's success.
- Help employees share in the Group's growth.

Executive transitions

Jason Quinn resigned from the Group on 21 November 2023 and ceased to be an executive director on 22 November 2023. In March 2022, as part of the transitional arrangements to the new Group Chief Executive, and aligned with the commercial imperative to ensure continuity and stability at senior executive level, the Board entered into a retention agreement with Jason upon his return to the Group Financial Director role. In terms of this retention arrangement, and subsequent exit terms, he forfeited 50% of all outstanding deferred short-term incentive awards and 100% of all long-term incentive awards on the date of notice of his resignation. The awards subject to eligible leaver status will remain in the Share Incentive Plan and will vest on their normal vesting dates.

The Group appreciates the contribution made by Jason during his time with the organisation.

Chris Snyman was appointed as Interim Group Financial Director and an executive director on 22 November 2023. His fixed remuneration was not adjusted pursuant to his interim appointment.

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.

Access to information and advisers

Members of 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 remuneration framework, local and international market practices, control function remuneration, and executive remuneration. The advice provided to 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, Willis Towers Watson, Vasdex Associates, Mercer, and KornFerry.

Several enabling and control functions within the Group, including Group Human Capital, Group Finance, Risk, Compliance and Internal Audit, provide supporting information and documentation to RemCo. 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.

Changes in RemCo membership

Alex Darko stepped down from RemCo at the 2023 AGM, consequent to his retirement from the Board. We are grateful to Alex for his contribution to RemCo over the past several years, including as RemCo Chairman.

Peter Mageza joined RemCo on 1 August 2023. Peter is a seasoned senior executive and we are already benefitting from his contribution.

Conclusion

Our 2023 remuneration implementation decisions represent a fair and balanced outcome based on the Group's absolute and relative performance, are appropriately aligned with shareholder and stakeholder interests over the long-term, and are sustainable.

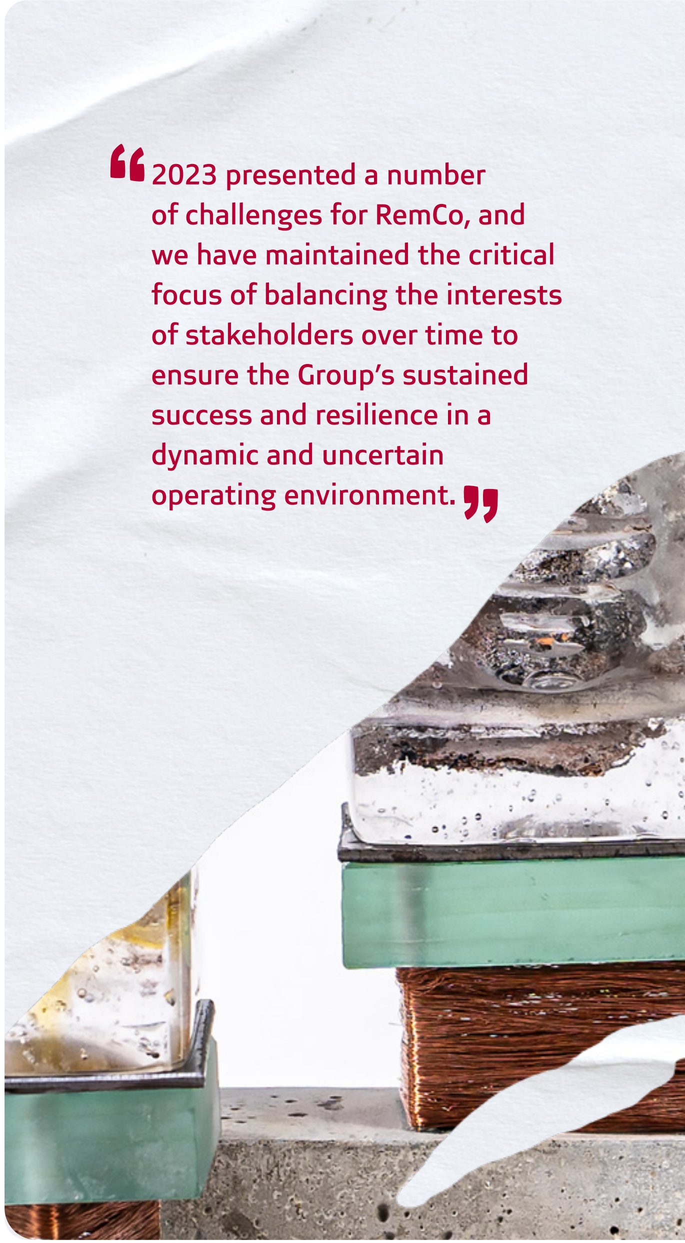
Building on the work done in 2023, RemCo will focus on the following in 2024:

- Ongoing shareholder engagement.
- Group and executive short-term and long-term incentive scorecards, aligned to the Board-approved short-term and medium-term plans.
- Key talent, scarce and critical skills and talent mobility, supporting our pan-African strategy.
- Ensuring appropriate remuneration mix at all levels, including evolving control function remuneration.
- Fair and responsible remuneration and our disclosures in this regard.
- Dealing with changes in the regulatory environment and their implications.

I appreciate the continued efforts of RemCo to oversee our remuneration framework, and make remuneration implementation decisions in the context of the delivery of the Group's strategic ambitions, and aligned with the interests of our stakeholders. 2023 presented a number of challenges for RemCo, and we have maintained the critical focus of balancing the interests of stakeholders over time to ensure the Group's sustained success and resilience in a dynamic and uncertain operating environment.

Rose Keanly

Chairman: Absa Group Remuneration Committee



Remuneration Policy

Remuneration Policy

"The RemCo made no Remuneration Policy changes in 2023, and we are confident that it remains fit for purpose. We will continue to regularly review the Policy to ensure shareholder alignment and market relativity."

Our remuneration philosophy underpins our Strategy and Purpose, 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 2023, and we are confident that it remains fit for purpose. We will continue to regularly review the Policy to ensure shareholder alignment and market relativity.

This Remuneration Policy addresses the following main topics:

- Fair and responsible remuneration;
- Our remuneration principles;
- 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.

Fair and responsible remuneration

We are committed to delivering fair, responsible, externally competitive, and internally equitable remuneration in alignment with our overall Group Strategy and Purpose. This occurs within the context of ensuring that our business remains sustainable, and where we seek to ensure fair and responsible remuneration outcomes at each stage of our human capital value chain.

There is a broadened focus on fair and responsible remuneration, ensuring alignment of fair and responsible remuneration (a downstream outcome of a range of strategic, tactical and operational decisions) with the Group's Strategy and Purpose, and with the Human Capital Strategy. In this regard, and working with the SSEC, there is a comprehensive focus on ensuring fair and responsible remuneration outcomes at each stage of the human capital value chain, including recruitment, appointment, promotions, performance management and remuneration. This provides a solid and sustainable foundation for ensuring fair and responsible remuneration outcomes. This is also an important component of the Group's culture transformation set out in the *Integrated Report*.

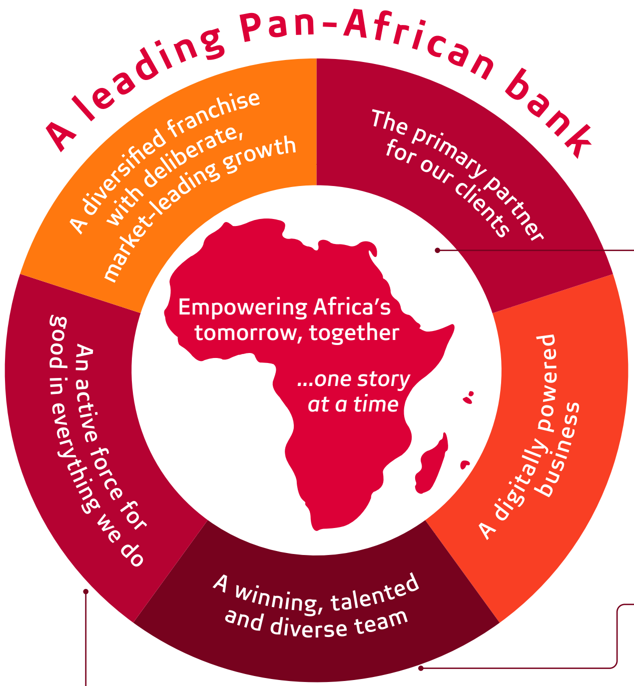
Our remuneration principles

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.

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.

This is illustrated below:



At Absa, our fair and responsible remuneration ambitions are **framed within the context of our Strategy and Purpose.**

We aim to deliver fair, responsible and sustainable total remuneration outcomes that are **underpinned and informed by the consistent implementation of transformative and competitive people practices,** which are **aligned with our broader ESG commitments.**

Fair remuneration is:

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

We consider executive remuneration alongside the broader employee population's remuneration to ensure fairness and consistency across the Group.

Fair remuneration

Responsible remuneration

Responsible remuneration is:

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

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

1 → 2 → 3

Other aspects of our fair and responsible remuneration approach include:

- 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 (DAC), and the RemCo would consider the remuneration implications.
- Other Board committees, which include: the Group Audit and Compliance Committee (GACC); the SSEC; the Board Finance Committee (BFC); and the Group Risk and Capital Management Committee (GRCMC), 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).

Our fair and responsible remuneration outcomes are on pages 29 and 30 of the Implementation Report.

Our approach to performance management *(MyContribution)*

Our approach to performance management is an integral part of our short-term planning and strategy execution process. The cascading of the Group strategy across all levels of the organisation improves alignment between business priorities and colleague contributions.

By aligning business priorities, team goals, and individual objectives, we strive for every employee to understand how their daily work contributes to business success, and ultimately the outperformance ambition of the organisation.

In 2023, we continued emphasis on:

- Aligning performance objectives to business priorities;
- Regular performance check-in conversations between employees and managers that create opportunities to discuss performance against objectives; and
- Adopting a coach-focused approach to performance conversations that focus on strengths, development feedback, and actions to improve.

Where performance levels do not meet the requirements, at any time in the year, a performance improvement plan (Back-on-Track plan) is initiated with a clear intent to assist the employee to substantially remediate performance to the required standards. In addition, ongoing efforts focus on building the skill and capability of employees and managers to meaningfully participate in the performance management process.

Our performance evaluation approach considers both performance against objectives and the demonstration of behaviours aligned to the Absa Way Code of Ethics and, going forward, our Purpose and Values. Leadership teams review, through consistency checks, performance ratings at various levels of the organisation to ensure a fair and equitable outcome that reflects the performance of the business.

Individual performance is a critical input into short-term incentive decisions, as aligned with our remuneration philosophy, specifically the pay-for-performance principle. Employees are typically ineligible to receive short-term incentive awards where full-year individual performance falls below expectations.

Elements of total remuneration

We included the following remuneration elements in the composition of our total remuneration package in 2023:

	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 a minimum individual performance requirement over the vesting period. Vesting[1] of awards takes place, subject to achievement of the Group performance targets as described above and continued employment, on the third anniversary of the award date for all participants. Dividend equivalents (where dividends have been declared) may apply on vesting, but only in respect of the number of shares vesting after applying the relevant Group performance targets.	Roles that can directly influence the delivery of the strategy over the medium-term, or without whom there is a direct risk to execution; those 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.

On 1 September 2023 (following shareholder approval at the Extraordinary General Meeting in June 2023), the Group implemented the Absa eKhaya Colleague Share Scheme, a B-BBEE employee ownership scheme, with awards in the form of trust units (linked to Absa Group shares) in South Africa or phantom shares in participating jurisdictions and made to all eligible employees. The Absa eKhaya Colleague Share Scheme will vest after a period of five years. Further detail of the eKhaya Colleague Share Scheme is set out in the *Integrated Report*.

Approach to variable remuneration

Our short-term incentives

Our **on-target short-term incentive pool** is built on a top-down basis, which includes reference to a pay-out ratio relative to our headline earnings after taxation and before incentives. 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 annually for market competitiveness against our peers' comparable market data points, by reference to a proportion of headline earnings after taxation and before incentives at the time that decisions are made, and based on historical trends.

Our **performance short-term incentive pool** is determined based on achievement relative to a Board-approved scorecard of metrics aligned with our short-term plan. The approach is described in further detail below, with the outcomes for 2023 described on pages 25 and 26 of the Implementation Report

Determination and allocation of our performance short-term incentive pool

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:

2023 On-target pool ✖ ***Performance modifier*** = ***2023 Performance pool***

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 2023 are performance differentiated, aligned with our pay-for-performance principle of delivering on our strategic priorities in 2023.

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 as approved by the Board for the relevant financial year.

The 2023 short-term incentive scorecard composition, used to determine the Group's 2023 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
Headline earnings	30%
ROE	30%
Capital-lite revenues (constant currency)	10%
Cost-to-income ratio	10%
Organisational Health	20%

Customer and Digital	Colleague	Sustainability

Control environment (potentially adjusting factor)

All measures are on a normalised basis adjusted for B-BBEE costs to align with the basis upon which the targets were set.

Other considerations

The RemCo considers the following in approving the final pools:

- Organisational Health as determined by the SSEC.
- Quality of earnings and control environment assessments conducted by the GACC.
- The returns experienced by shareholders.

Based on this approach, our pool outcomes are on pages 25 and 26 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.

The long-term incentive arrangements, for awards to be made in April 2024, 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 architecture and 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 a minimum individual performance condition over the vesting period. 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 individual performance over the vesting period:

- 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 meeting the minimum acceptable performance standards for their role for each of the three performance years within the performance period.

2024 Long-term incentive: Group performance targets

In proposing the performance conditions and targets for the Group's 2024 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;
- Driving improved long-term performance that delivers sustainable shareholder value; and
- Maintaining, 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.

In approving the Group performance targets for the 2024 long-term incentive awards, we considered the following:

- Alignment of target measures and metrics with the core priorities set out in our 2024 – 2026 medium-term plan.
- Strengthening the threshold for financial performance metrics in the scorecard to at least the prior period's outcome.
- RemCo considered the impact of possible overlap in the short-term incentive and long-term incentive scorecards, and reviewed the measures accordingly. This led to the removal of the cost-to-income ratio from the long-term incentive scorecard, which is now based on four key measures.
- A greater weighting has been applied to ROE and HEPS in the 2024 award to further emphasise the strong link between these measures and shareholder value creation. 70% of the vesting outcome will be determined, in equal parts, based on the outcomes of these two measures.

2024 long-term incentive

Number of shares awarded	×	Performance share modifier	=	Number of shares vesting
April 2024		Performance period: 1 January 2024 – 31 December 2026		April 2027

Measures	Weight	Outcomes		
		Threshold (15%)	Target (100% = Medium Term Plan)	Stretch (150%)
ROE (Average over the period 2024 - 2026)	35%	≥ COE	≥ COE +2.5%	≥ COE +5%
HEPS (Compound annual growth rate for 2024 – 2026 in constant currency)	35%	≥ SA nominal[1] GDP +2.5%	≥ SA nominal[1] GDP +8.5%	≥ SA nominal[1] GDP +13.5%
TSR (TSR peer group consists of six major SA banks including Absa, weighted by market capitalisation)	10%	N/A	TSR ≥ Average peer group	Absa TSR ≥ 10% higher
Organisational Health (Consisting of customer and digital, colleague and sustainability)	20%	6/10	8/10	10/10

The outcome may by subject to possible modification (neutral to downward) based on an assessment of the Control Environment

[1] Nominal GDP = Real Gross Domestic Product (GDP) + Inflation.

- For the financial measures:
  - COE has consistently been used as the threshold level for the ROE measurement.
  - HEPS growth – The threshold of SA nominal GDP + 2,5% was set with reference to a level of headline earnings that delivers the above-ROE outcome.
  - RemCo therefore considers the selection and calibration of the core financial measures to be appropriate.
- For TSR, the 2024 long-term incentive scorecard results in no vesting if TSR is lower than the peer average. An "on-target" outcome will apply where the Absa TSR is in line with the peer average.
- 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 the sustainability scorecard measures. The Organisational Health measures include:
  - Customer and digital based on customer numbers at the end of the performance period, tracked relative to the annual balanced scorecard against progress of interim milestones that deliver our medium-term ambition.
  - Colleague based on our Employee Engagement Index.
  - Sustainability measured relative to our sustainable financing targets, reduction in Scope 1 and 2 carbon emissions, and progress on Scope 3 financed emissions glidepath.
- The outcome may be subject to possible modification (neutral to downward) based on an assessment of the Control Environment.

Change of control provisions and Share Incentive Plan limits

Our Share Incentive Plan rules, approved by shareholders at the 2019 AGM, include appropriate change of control and share incentive plan limits. These are summarised below:

Change of control provisions

The following change of control provisions are included, under which our deferred short-term incentive and long-term incentive awards are made.

Subject to the RemCo determining otherwise, if an offer is made which, if implemented, may directly result in a change of control of the Group occurring before the vesting date of any particular award and which will result in:

- the shares ceasing to be listed on the JSE; or
- the majority of operations of the Group being merged with those of another company or companies; or
- the Share Incentive Plan being terminated by the RemCo in terms of the rules,

a portion of the award held by the participant will vest on the change of control date.

In exercising its discretion to calculate the portion of the Award which will vest, the RemCo may consider the number of complete months from the award date to the change of control date and whether, and the extent to which, the performance target(s) or any other conditions imposed have been satisfied.

The portion of the award that does not vest as a result of the change of control will, except on the termination of the Share Incentive Plan as envisaged in the rules (in which case it will lapse) continue to be subject to the terms and conditions of the relevant award letter, unless the RemCo determines that the terms of the award letter are no longer appropriate. In this case the RemCo will make such adjustment to the number of each participant's awards, or convert such awards into awards in respect of shares in one or more other companies, provided the participants are no worse off. The RemCo may also vary the performance condition(s) relating to the performance awards in accordance with the provisions set out in this regard in the rules.

Share Incentive Plan limits

The **maximum number of shares which may, at any time, be settled to all participants** must not exceed 42 387 534 shares, which represents approximately 5% of the issued shares as at the date of the adoption of the 2019 Share Incentive Plan. This limit includes:

- Shares held by a subsidiary or a trust established by the Group in a treasury account and which have been utilised by the Group or an Employer Company within the Group in settlement of the Share Incentive Plan;
- The actual number of shares allotted and issued by the Group in settlement of the Share Incentive Plan.
- The limit excludes:
  - Shares purchased in the market;
  - Conditional shares which have been issued or held in treasury prior to the vesting date and which are not subsequently settled to a participant as a result of forfeiture or lapsing; and
  - Any Share Incentive Plan awards which have been settled in cash.

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

The **maximum number of shares which may at any time be settled to any single participant** shall not exceed 4 238 753 shares. This represents approximately 0.5% of the number of issued shares at the date of adoption of the Share Incentive Plan.

The rules set out provision for the RemCo to adjust the number of shares (without prior shareholder approval in a general meeting) available for the schemes and at individual level to take account of matters such as sub-division or consolidation of shares, capitalisation issues, special dividends, rights issues or reduction of capital in the company. The rules provide for appropriate oversight of any adjustments by the Group's auditors or any other independent advisor acceptable to the JSE. There is a requirement that any adjustment must be reported in the Group's annual financial statements in the year in which the adjustment is made.

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%, subject to adjustment based on the quality of available market data) 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 companies. We use several surveys to inform our benchmarking, including Mercer, Willis Towers Watson, 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.

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. Also considered are emerging market trends and developments regarding remuneration, which may not reflect in published surveys. 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 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.

In our ARO operations, final decisions regarding remuneration, including salary mandate, short-term incentive 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 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

Membership includes all members of the ExCo. 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 , and the GOI standards for our insurance businesses.

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, financial and non-financial incentive targets, 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.

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, and risk employees (and, within our insurance businesses, those in actuarial control functions) are considered independently by the Group function head based on individual 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 DAC provides input on the performance of the Group Chief Executive 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 material risk takers is subject to RemCo approval.

Addressing future risks in remuneration outcomes

We apply a three-year planning process, which aligns with our strategic objectives, risk appetite and capital planning. The Board approves the outcomes of this process. This forward-looking view of the strategic, financial, and risk and return outcomes allows the Board and the RemCo to assess potential remuneration outcomes, 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 the need to meet Group performance targets (see pages 17 and 18 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.

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 material risk taker from 1 January 2015. In 2019, the RemCo broadened the application of the clawback provisions to apply to all employees.

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

- The Group suffers a material risk management failure, considering the individual's involvement and responsibility for that incident; and/or
- The business unit in which the employee is employed has suffered a material failure 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.

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. 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;
- 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.
  - Information Technology Committee – 2.25 times the standard fee (from June 2024).
  - All other committees – 2 times the standard fee.
- The Lead Independent Director is paid a separate annual fee (in monthlyinstalments).
- 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 (generally an increase of 4%) for the period from 1 June 2024 to 31 May 2025 are in the Notice of AGM.

Implementation Report

Implementation Report

"The RemCo considered a shareholder, stakeholder and pay-for-performance view in determining the variable remuneration outcomes for 2023. The RemCo was particularly conscious of ensuring a balance of stakeholder interests over the short-, medium- and long-term."

Our Implementation Report sets out our remuneration outcomes for 2023 and our decision-making context. The Implementation Report sets out the disclosures for our executive directors and prescribed officers, and our Pillar 3 reporting.

The context for our remuneration outcomes

The RemCo considered a shareholder, stakeholder and pay-for-performance view in determining the variable remuneration outcomes for 2023. The RemCo was particularly conscious of ensuring a balance of stakeholder interests over the short-, medium- and long-term.

Salient features of the Group's performance are set out below and in the RemCo Chairman's background statement, with the detail in our *Financial results for the reporting period ended 31 December 2023*.

Our external environment in 2023 was weaker than expected, particularly in South Africa where infrastructure challenges, high inflation and interest rates weighed on growth prospects. However, Africa regions reported stronger growth, well ahead of South Africa, despite sovereign challenges in some markets. As a result, our financial performance was lower than our expectation but resilient within the context of this operating environment. Salient features of our 2023 normalised financial performance:

- **Headline earnings** increased by 1% to R20.9 billion. The Group's net asset value increased by 8% to R142 billion resulting in ROE of 15.3% from 16.4%.
- **Returns remain above COE**, but lower than our medium-term target of ROE sustainably above 17%.
- The **cost-to-income ratio** increased slightly to 52.1% and remains within our medium-term target of low 50s.
- **Pre-provision profits** increased by 6% to R50.1 billion reflecting revenue growth of 8% to R104.5 billion while operating costs increased by 10% to R54.5 billion.
- **Credit impairments** reflect strain on the South African consumer segment and increased by 13% to R15.5 billion. This resulted in the credit loss ratio increasing to above the top-end of the through-the-cycle range of 75-100bps to end the year on 118bps.
- The **capital and liquidity position** of the Group remains strong with CET1 at 12.5% (upper-end of Board target range of 11%-12.5%) with liquidity ratios well above regulatory requirements.

Our Organisational Health outcomes for the year were positive. The RemCo supports the view that organisational health is a good predictor of future organisational performance, and as such continues, in conjunction with the SSEC, to focus on this as a core component of our short-term and long-term incentive scorecards.

Overview of our 2023 Implementation Report

Our Implementation Report includes the following:

- Our 2023 short-term incentives;
- Vesting outcome for our 2021 long-term incentive award;
- Fixed remuneration;
- Fair and responsible remuneration;
- Absa eKhaya Colleague Share Scheme;
- Release of 2021 short-term incentive deferral (3rd tranche) for executive directors and prescribed officers;
- The 2023 performance and remuneration outcomes for our executive directors and prescribed officers, which are individually disclosed. This includes:
  - An overview of key points relating to executive directors and prescribed officers, such as minimum shareholding, fixed remuneration increases and executive transitions during the year;
  - Details of individual performance and remuneration outcomes (including awarded and single-figure remuneration);
  - The combined tables reflecting awarded remuneration and single-figure remuneration, and all unvested share- and cash-based awards.
- Our Pillar 3 remuneration disclosures.

Our 2023 short-term incentives

The RemCo approved the on-target short-term incentive pool based on the Group's 2023 performance in the context of a challenging operating environment and on fair and responsible remuneration.

Benchmarking analysis (consistent with our practice in prior years, and based on available information at the time of publication of this Remuneration Report) of our pools relative to our banking peers indicated that Absa's on-target short-term incentive pool (i.e. before adjustment for performance) remains at the lower end of the big four banking peers, similar to 2022. Our performance pool is similarly likely to be, on a relative basis, at this level. In the context of the Group's 2023 performance, the RemCo regards the relative positioning as appropriate.

Building our 2023 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		2		3
2023 On-target STI pool	✖	***Performance modifier***	=	***2023 Performance STI pool***
R3.94 billion		***91%***		***R3.56 billion****

* Includes a further downward discretionary adjustment.

1. Our on-target short-term incentive pool is set primarily by reference to a proportion of headline earnings (after taxation and before incentives) at the time that decisions are made, and based on historical trends.
2. The on-target pool is adjusted upwards or downwards based on the Group's performance relative to a set of Board-approved financial and non-financial metrics (which are drawn from the Group Balanced Scorecard) to determine the final Group performance short-term incentive pool. In 2023, our pool was adjusted downwards based on the Group's performance in a challenging operating environment.
3. The RemCo confirmed the 2023 performance short-term incentive pool.

The outcome is set out below.

2023 Short-term incentive outcomes

Based on our performance relative to the short-term incentive scorecard set out below the approved performance short-term incentive pool is **R3.56 billion**, in constant currency, reflecting the Group's performance. This represents a **3% year-on-year decrease** in the pool, in the context of a 1% increase in headline earnings.

The 2023 *short-term incentive scorecard* sets out a range of financial (80% weighting) and non-financial (20% weighting) measures and metrics aligned to the Board-approved Group Balanced Scorecard and performance of the Group relative to each of these measures. Our achievement in this regard is set out below:

Measure	Weight	Target	Actual 2023 performance	Weighted modifier
Headline earnings	30%	R23.4bn	R21.1bn	24.9%
ROE	30%	17.0%	15.5%	25.7%
Capital lite revenues (in constant currency)	10%	R61.5bn	R61.4bn	10.0%
Cost-to-income ratio	10%	52.2%	51.9%	10.3%
Organisational Health (see below)	20%	8.0/10	8.0/10	20.0%
Weighted outcome				**91.0%**

All achieved measures are shown on a normalised basis adjusted for the B-BBEE costs to align with the basis on which the targets were set. Note that the actual 2023 performance outcomes in the above table are therefore not consistent with the 2023 performance results discussed elsewhere in our 2023 Reporting Suite.

The SSEC assesses the outcomes relative to the non-financial targets. Organisational Health was assessed as on-target (8.0/10), giving rise to a 20% outcome for this metric.

In this regard:

Measure	Weight	2023 Score	Highlights
Customer and Digital	5%	8.00/10	• Transactional customer numbers, customer primacy (for CIB), and customer satisfaction reflect strong progress on prior year and above target. • Strong progress made in respect of Digitally Active Customers, largely in line with target.
Colleague	5%	8.50/10	• Strong colleague value proposition, as indicated by improvement in our Employee Engagement Index, our employment equity score, and percentage of Women in Leadership.
Sustainability	10%	7.75/10	• CIB and Relationship Banking met or exceeded sustainability-linked financing targets; the slowdown in affordable housing production impacted delivery. • Absa continues to perform well in the external ESG benchmark ratings.
Total	**20%**	**8.00/10**	**20% vesting outcome on Organisational Health, relative to an on-target outcome at this level.**

The RemCo supports the view that organisational health is a good predictor of future organisational performance, and as such continues, in conjunction with the SSEC, to focus on this as a core component of our short-term incentive scorecard.

In approving the final short-term incentive performance pool outcome of **R3.56 billion**, RemCo considered:

- The Group's position, which is at the lower end of peer outcomes based on publicly available information. The RemCo considered this outcome, and the context reflected in this result including the impact of Ghana hyper-inflation and the effect of the structural hedge which dampened earnings and returns in the near term.
- The quality of earnings and the control environment which were approved by the GACC, requiring no adjustment to the pool.
- The performance of the various business units, functions and countries and the robustness of the approach to allocation of short-term incentives at this level.
- Application of oversight in ensuring that remuneration outcomes for ExCo members and individuals within the RemCo remit reflected Group and individual performance outcomes. The 2023 pool for the disclosed officers (for individuals included in the disclosures in both 2022 and 2023) was down 25% relative to 2022, reflecting alignment with the performance. Individual disclosures are included on pages 31 to 55 of the Implementation Report.
- Vertical fairness of the pool distribution. In this regard, the share of the pool allocated to more junior colleagues remained stable at 15% in 2023, and in line with the fair and responsible remuneration shift made in this regard in 2022.
- The returns experienced by shareholders.

Through a process of robust discussion, RemCo is comfortable that the 2023 short-term incentive outcomes are fair and balanced, reflecting accountability for performance, fair and responsible remuneration, and shareholder value creation.

Vesting outcomes for the 2021 long-term incentive award

Our 2021 long-term incentive will vest in April 2024 at **93.9%** of the on-target award, based on performance against the applicable Group performance metrics.

The performance metrics for the 2021 long-term incentive were approved within the highly challenging and uncertain operating context of the Covid-19 pandemic. The metrics chosen reflect the Group's key priorities at the time, which were preservation of capital, delivering shareholder returns, managing costs and protecting the organisational health (comprised of customer, colleague and control) of the Group.

RemCo has reflected on the performance against these metrics, and is comfortable that these included the right degree of stretch in what was a very challenging operating context, and that most of the key targets were achieved.

The table below provides the outcomes of the performance metrics set for the relevant 2021–2023 performance period:

Measures	Weighting	Threshold (15%) adjustment to target	Target (100%)	Stretch (150%) adjustment to target	Achievement	% achievement	Weighted achievement
Normalised ROE (for the period ended 31 December 2023)	20%	≥ COE -1%	≥ COE	≥ COE +2%	15.5%	123.8%	24.8%
IFRS CET1 (as reported at 31 December 2023)	20%	CET1 ≥ 11.0%	CET1 ≥ 11.75%	CET1 ≥ 12.5%	12.49%	149.3%	29.9%
Normalised cost-to-income ratio (as reported at 31 December 2023)	20%	≤ 55.0%	≤ 52.5%	≤ 50.0%	51.9%	112.5%	22.5%
TSR (1 January 2021 – 31 December 2023)	20%	Absa TSR < 5% lower	TSR ≥ Average peer group	Absa TSR > 10% higher	59.7%	0.0%	0.0%
Organisational Health	20%	6/10	8/10	10/10	7.615/10	83.6%	16.7%
					Total outcome:		93.9%

All achieved measures are shown on a normalised basis adjusted for the B-BBEE costs to align with the basis on which the targets were set.

Our Organisational Health outcome was assessed by the SSEC as marginally below target (7.615/10), resulting in a vesting outcome for this metric at 16.7% relative to a target of 20%. In this regard:

Measure		Weight	2023 Score	Highlights
Customer, Colleague and Control	Customer	10%	7.00/10	• While there has been improvement in customer numbers, customer primacy in CIB, and product holding metrics, the overall outcomes fell short of the anticipated three-year performance.
	Colleague		8.00/10	• Strong improvement in the Employee Experience Index over the period, supported by the launch of the Absa eKhaya Colleague Share Scheme.
	Control		7.67/10	• The Control Environment was measured over each of the three performance years. While the second and third year achieved target, the first year's outcome was below target, hence the overall below-target score.
Sustainability	Digital transformation	10%	6.50/10	• The Group has delivered increasing levels of digital adoption and improved system sustainability, however, performance targets were not fully achieved, in particular in ARO RBB.
	Transformation, Diversity and Inclusion		8.00/10	• The Group has maintained a Level 1 B-BBEE rating, consistently throughout the performance period.
	Environmental sustainability		8.50/10	• Our loan exposure in climate-sensitive sectors was better than target at the end of the performance period. • CIB lending was ahead of cumulative financing targets set since 2021. • Energy consumption and carbon emission outcomes for Absa were on-track over the performance period.
Total		**20%**	**7.615/10**	**16.7% vesting outcome on Organisational Health, marginally below the on-target outcome at this level.**

An independent auditor provided a factual findings report to RemCo on the metrics' outcomes.

Disclosure of 2021 long-term incentive vesting outcomes for executive directors and prescribed officers

The 2021 long-term incentive, which will vest at **93.9%** of the on-target award for the performance period ending 31 December 2023, is included in single-figure remuneration disclosures for 2023 for executive directors and prescribed officers on pages 53 and 55. The value shown in the tables is based on the closing share price on 31 December 2023, which was R163.71, to align with the disclosures in the *Annual Financial Statements*, as the publication date of both the *Annual Financial Statements* and the Remuneration Report are before the vesting date.

The actual value of the vesting to accrue to each participant will be based on the share price on the vesting date of 2 April 2024 and will include any dividend shares based on dividends declared during the vesting period, and referenced to the number of shares that will vest following application of the performance targets.

Fixed remuneration

Further information in respect of **fixed remuneration** in specific jurisdictions is set out below.

South Africa

Fixed remuneration increases in our annual pay review have, for several years, been deliberately set at higher levels for more junior employees (our bargaining unit) than those for more senior employees.

Minimum cost to company

In 2023, we applied a minimum cost to company level of R214 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 banking peer group.

Our minimum annual cost to company in South Africa will increase to **R230 000** (up 7.5%, greater than our overall bargaining unit salary increase) with effect from 1 April 2024.

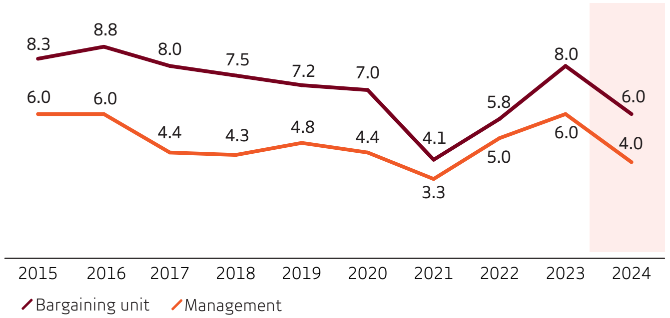
Cost to company review for 2024

Our 2023 salary review continued to prioritise lower-paid employees and those within that cohort. For increases effective 1 April 2024 for South African employees, the RemCo approved the following approach:

- **Bargaining unit:** A minimum increase of 6% was agreed with Sasbo. Those above the preferred maximum of our salary range will receive a once-off payment in lieu of an increase.
- **Management and executives** (including executive directors and prescribed officers) may be eligible for an increase, with an average increase pool of 4%, differentiated to ensure that those who are positioned below market levels and those who hold scarce and critical skills continue to receive attention.

The relative increases over a ten-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.

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. We have 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.

We comply with or exceed relevant minimum salary determinations in all our markets, ensuring that our company minimum fixed remuneration is appropriately benchmarked to peers and the broader market. We also adhere to all collectively bargained minimum salary arrangements (where these apply).

Increases awarded to bargaining unit employees in our various countries in ARO are generally determined through a collective bargaining process, which sometimes includes industry-based bargaining. We have applied particular focus over several years on improving the market relativity of the remuneration of our more junior colleagues, within the context of the collective bargaining arrangements. We continue to monitor market competitiveness within the context of overall sustainability of our fixed remuneration decisions.

Executives in our ARO markets receive differentiated increases determined based on local market conditions, with further consideration to the skills scarcity for top executive talent in many of our markets. This year, following several years of focusing on improving the market-relatedness of fixed remuneration for more junior colleagues (which continues as a critical focus area), there was concerted effort on ensuring market competitiveness of the fixed remuneration of our more senior specialists, key talent, and scarce and critical skills holders, in the context of fierce competition for talent at these levels in all of our ARO markets. Where individuals are within the population subject to RemCo oversight, these are presented to the RemCo for input. These are also subject to local subsidiary board approval.

International offices – fixed remuneration

Our international offices include specialist revenue-generating teams in the United States, the United Kingdom and Nigeria, and specialist technology teams in the Czech Republic. Fixed remuneration for these individuals is set based on local market rates for the roles, and is paid in the relevant local currency. When benchmarking the roles in these international offices, there is cognisance of scarce and critical skills requirements, and the scale of our operations relative to peers.

We also take account of specific talent dynamics in each market in ensuring that our remuneration value proposition is aligned and suitably attractive to the key talent segments upon which we rely in these specialist operations.

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 aim to deliver a compelling, market-related 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 experience is dealt with holistically across our human capital 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 within the context of our pan-African talent attraction, retention and mobility imperatives, 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. This includes reviewing remuneration in the context of horizontal (i.e. across colleagues performing similar roles at the same level) and vertical (i.e. across different levels of the organisation, including reviewing executive remuneration in the context of remuneration paid to other employees). In this regard, we have enhanced our pay parity disclosures, as set out below.

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.

Fair and responsible remuneration actions

Fair and responsible remuneration remained a core focus during the year. Specific implementation actions reflect our ongoing conscious efforts to strengthen fair pay by appropriately investing in the lower levels of the organisation, which includes fixed remuneration adjustments in prior years and in 2023, and maintaining the share of the short-term incentive pool allocated to our more junior employees relative to the share applicable in 2022.

Key actions in 2023 were:

- Our actions regarding fixed remuneration are set out in the section above on page 28.
- The RemCo broadened its focus on fair and responsible remuneration. Working with the SSEC, there has been a comprehensive focus on ensuring fair and responsible outcomes at each stage of the human capital value chain, including recruitment, appointment, promotions, performance management and remuneration decisions. This ensures a solid and sustainable foundation for ensuring fair and responsible remuneration outcomes. This will continue into the future, aligned with our culture transformation. Further details of this are set out in the *Integrated Report*.
- Reviewing and addressing pay differentials across race, gender and role remains a key focus in our remuneration processes.
- The RemCo maintained its focus on vertical remuneration fairness. In this regard, in the context of the reduced 2023 short-term incentive pool set out on page 25 of this Implementation Report, and the different levels of performance delivered by our various business and functional units, the share of the pool that was allocated to our more junior colleagues was generally stable at 15% in 2023, relative to 2022.

- We have been deliberate in enhancing our pay differential disclosures in line with our reporting objective of transparency, aligned with shareholder feedback and the evolving regulatory landscape, particularly as this relates to the South African Companies Act. The outcomes are set out below:

Remuneration differentials	Rand value	Ratio
Total remuneration of the employee with the highest total remuneration	30 741 293	144:1
The total remuneration of the employee with the lowest total remuneration	214 000	
The average of the total remuneration of the top 5% highest paid employees	4 222 562	18:1
The average of the total remuneration of the bottom 5% lowest paid employees	232 742	

Average and median total remuneration	Rand value
The average total remuneration of all employees	847 470
The median total remuneration of all employees	555 794

[1] Given the challenge of different market rates and the effects of currency exchange rates, the above is set out based only on our South African employees.
[2] Total remuneration includes 2023 fixed remuneration, the short-term incentive for 2023 performance and the value of long-term incentives that vested in the 2023 financial year.
[3] Disclosures include only employees with a full year of service in 2023.
[4] There are currently very few peer disclosures of a similar nature, and therefore external comparative benchmarking has, at this stage, not been possible.

The following conclusions and actions are highlighted from the above:

- Our ratio of 144:1 of the highest paid relative to the lowest paid employee reflects the material difference in the scope of the relevant roles, with approximately two thirds of the highest paid employee's remuneration being in variable remuneration (short-term incentives and long-term incentives).
- The ratio of 18:1 in respect of the average total remuneration for individuals in the top 5% highest paid employees relative to the average remuneration paid to the lowest paid 5% reflects the differences in scope of role and therefore the remuneration potential at the different levels. The ratio also takes into account the impact of variable remuneration, which is higher at the more senior levels of the organisation.
- The average total remuneration paid to all employees is approximately 52% higher than the median total remuneration. The higher average remuneration is influenced by the existence within the Group of higher-paying roles in certain business areas, aligned with market practice in those segments.

The RemCo will continue to monitor remuneration differentials within the organisation for appropriateness. In future, this will also be viewed in the context of the emerging regulatory requirements around remuneration disclosure and the emergence of industry benchmarks in this regard.

Other actions to improve our fair and responsible remuneration outcomes include:

- The Group offers a compelling employee value proposition. This includes a range of compulsory (including retirement funding, death and disability cover, and medical insurance) and optional benefits (increased retirement contributions, and medical gap cover).
- In addition, our banking and financial products for employees responsibly assist them in meeting their broader aspirations, such as home or vehicle ownership. We continue to seek sustainable ways to improve the impact of our employee benefits suite. This includes enhancing a number of employee benefits in our ARO markets, under the oversight of the relevant country Boards/RemCos.
- We implement initiatives beyond remuneration to support and enable employees. These are detailed in our *Integrated Report* and the *Sustainability Report*, and include employee wellness, funding for education and development opportunities.
- Implementation of the Absa eKhaya Colleague Share Scheme.

Absa eKhaya Colleague Share Scheme

The B-BBEE share scheme for employees (the Absa eKhaya Colleague Share Scheme) was launched on 1 September 2023. The Absa eKhaya Colleague Share Scheme will provide employees in South Africa with an equity ownership interest in Absa Group. Employees in participating ARO and other international operations entities have been given the opportunity to participate, subject to local entity circumstances and approvals, in the eKhaya Colleague Phantom Share Scheme, which is the cash equivalent of that implemented in South Africa.

The B-BBEE scheme was formulated to, among others:

- Empower and enable opportunities for our employees and communities.
- Drive transformation, socioeconomic development and community upliftment.
- Be an active force for good.
- Recognise the valued role that all employees play in the Group's success.
- Help employees share in the Group's growth.

Release of 2021 short-term incentive deferrals (3rd and final 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 at the time 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 CET1 level that is at least at the minimum of the Group's target CET1 range (the trigger event). Given that the Group's CET1 level remains above the minimum of the Board's target range, the safety and soundness check is satisfied for 2023.

For executive directors, prescribed officers and members of the ExCo at the time of the award, 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 third and final tranche of the deferral will therefore take place in April 2024.

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 2023, 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 2023, all ExCo members are above or on track to meet, with reference to the future vesting profile of unvested awards, the minimum shareholding requirements over the stipulated five-year time frame from their date of appointment to ExCo.

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 table below. The holdings as of 31 December 2023 are above the minimum shareholding requirements as a multiple of cost to company for the Group Chief Executive and the Chief Executive: CIB. The more-recently appointed 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 employed in Zambia on a local employment contract, 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. The shareholding for Saviour is, therefore, currently listed as zero in the table.

Name	Role as at 31 December 2023	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	268 339	3.0	4.2
Charles Russon	Chief Executive: CIB	140 373	1.5	3.4
Faisal Mkhize	Chief Executive: Relationship Banking	34 954	1.5	1.0
Cowyk Fox	Chief Executive: Everyday Banking	51 442	1.5	1.5
Geoffrey Lee	Chief Executive: Product Solutions	25 508	1.5	0.7

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 2024, to executive directors and prescribed officers to ensure that fixed remuneration remains appropriately competitive relative to peers:

Name	Role	Revised cost to company – effective 1 April 2024	% Increase	Cost to company – April 2023
Arrie Rautenbach	Group Chief Executive	10 816 000	4.0	10 400 000
Charles Russon	Chief Executive: CIB	7 050 000	4.4	6 750 000
Faisal Mkhize	Chief Executive: Relationship Banking	5 980 000	4.0	5 750 000
Cowyk Fox	Chief Executive: Everyday Banking	5 750 000	–	5 750 000
Geoffrey Lee	Chief Executive: Product Solutions	5 980 000	4.0	5 750 000
Saviour Chibiya[1]	Chief Executive: ARO	4 100 000	–	4 100 000

[1] **Saviour Chibiya** is on local Zambian terms. The amount above reflects his basic salary. He is also entitled to local Zambian benefits as applicable to senior executives in the local market.

Executive Transitions

Jason Quinn resigned from the Group on 21 November 2023 and ceased to be an executive director on 22 November 2023. In March 2022, as part of the transitional arrangements to the new Group Chief Executive, and aligned with the commercial imperative to ensure continuity and stability at senior executive level, the Board entered into a retention agreement with Jason upon his return to the Group Financial Director role. In terms of this retention arrangement, and subsequent exit terms, he forfeited 50% of all outstanding deferred short-term incentive awards and 100% of all long-term incentive awards on the date of notice of his resignation. The awards subject to eligible leaver status will remain in the Share Incentive Plan and will vest on their normal vesting dates.

The Group appreciates the contribution made by Jason during his time with the organisation.

Chris Snyman was appointed as Interim Group Financial Director and an executive director on 22 November 2023. His fixed remuneration was not adjusted pursuant to his interim appointment.

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:

				Corresponding payment/vesting period					
		2023 awarded remuneration	2023 single-figure remuneration	2023	2024	2025	2026	2027	
Cost to company and any other guaranteed remuneration paid in 2023.		✓	✓						Once-off payments such as 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 2023, comprising:	Cash short-term incentive	✓	✓						Cash bonuses paid in March 2024 for 2023 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 2024.		✓			Performance period			100%	
Total awarded remuneration		✓							
Long-term incentive awards for which the performance period ends in 2023.			✓						The value of vesting of the 2021 long-term incentive award which will vest in April* (in equal tranches in 2024, 2025 and 2026), is included. This is based on the 31 December 2023 share price for disclosure purposes, with the actual value being determined on vesting date.
Dividend-equivalents and service credits received in 2023 regarding awards vesting *during* the year.			✓						
Total single-figure remuneration			✓						

* For Faisal Mkhize, Cowyk Fox, Geoffrey Lee, Saviour Chibiya and Chris Snyman the award vests in April 2024.

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 2023 is included in the applicable charts. The individual disclosures are on pages 33 to 55.

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 incentive 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 award 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 2023 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 2022 or 2023 are included on pages 52 to 55.

Arrie Rautenbach
Group Chief Executive

Arrie met most of the expectations in terms of the plan. He provided effective leadership to the Group in a very difficult operating environment, as evidenced by the strong performance in the Group's Organisational Health metrics. He drove significant progress on both customer and colleague metrics, with the launch of our new purpose statement and the Absa eKhaya Colleague Share Scheme being key milestones in the year. While some of the financial metrics are below plan due to adverse pressure in our largest market, the Group benefited from its geographical and product diversification strategy and the underlying performance trends point to an improving pathway towards achieving our ROE targets by 2026.

Performance and remuneration outcome

Performance overview

Diversified Franchise with deliberate, market leading growth

- Revenue growth of 8% was supported by capital lite revenue growth of 7%;
- Cost-to-income ratio increased marginally to 52.1% from focused investment spend;
- The credit loss ratio increased to 118bps from increased pressure on South African consumers;
- Headline earnings increased 1% to R20.9 billion;
- ROE declined to 15.3% from the lower earnings but remains above COE.

Primary partner of our clients

- Customer experience scores improved to 96 points from 81 points in 2022 reflecting the efforts on holistic customer experience improvement across the Group;
- Active customer numbers improved to 12.2 million from 11.7 million;
- Customer consideration scores improved to 41.8% (2022: 38.7%).

A digitally powered business

- Digitally active customers grew by 17% reflective of the continued investment and strategic focus on building digital capabilities and services to offer banking convenience to customers;
- Achieved 99.9% of total service availability for clients.

A winning, talented and diverse team

- Employee Experience Index increased to 71.5 (2022: 68.0) reflecting the efforts put into the employee franchise with employee NPS increasing to 36.0%;
- % Women in Leadership improved to 38.9% (2022: 37.9%);
- Absa eKhaya Colleague Share Scheme successfully launched in 2023;
- Certified a Top Employer in Africa for a third year in a row.

An active force for good in everything we do

- R43 billion in sustainability-linked financing originated in 2023 which was marginally below target;
- 2030 targets to reduce financed emissions in coal, oil and gas in the journey toward net zero set;
- Launch of ChatWallet and mobile branches confirming commitment to the unbanked and underbanked.

Performance relative to agreed scorecard targets
Better than or at target | Below target

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 2023/24 pay review, based on the relative market rate for his role, the Group's performance and his performance as Group Chief Executive, as described on the previous page.

Arrie's total *2023 awarded remuneration* of **R40.04 million** is detailed below and in the combined tables on page 52.

- **Fixed remuneration**
  - The fixed remuneration paid to **Arrie** during 2023 was **R10.44 million** which includes R0.16 million in mandatory leave encashment under our Leave Policy during the year.
  - Arrie's annual cost to company will increase by 4% from 1 April 2024, from R10.4 million to **R10.82 million**.
  - This is appropriately benchmarked relative to internal and external peers. RemCo will continue to monitor the market relativity of **Arrie's** cost to company to ensure that his fixed remuneration remains aligned to that of peers in the market.
- The **short-term incentive** of **R12.6 million** (which is 84% of his approved on-target short-term incentive of R15 million), was determined based on:
  - The Group's performance, which was behind the 2023 plan on several key financial metrics, with non-financial performance generally aligned with plan;
  - Arrie's performance as Group Chief Executive which is set out on the preceding page.
- The **long-term incentive** of **R17 million** (face value of the award) to be awarded in April 2024. This award is made at the on-target level in **Arrie's** total remuneration mix. This award, which is subject in full to Group performance targets measured over the three-year performance period (2024–2026) and continued employment, aligns with the creation of shareholder value over the long-term. The Group performance targets applicable to the awards are on pages 17 and 18 of the Remuneration Policy.
- **Arrie's** on-target remuneration mix potential is further described on the following page.

Arrie Rautenbach

Awarded remuneration	2023 R	2022 R
Total fixed remuneration[1]	**10 434 986**	9 275 084
Non-deferred cash award[2]	**6 800 000**	9 750 000
Deferred share award[3]	**5 800 000**	8 750 000
Total short-term incentive[4]	**12 600 000**	18 500 000
Face value of long term incentive award[5]	**17 000 000**	17 000 000
Total awarded remuneration[6]	**40 034 989**	44 775 084

[1] Fixed remuneration includes R0.16 million in mandatory leave encashment under our Leave Policy during the year.

[2] This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2023 and March 2024 in respect of prior year performance.

[3] 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 R1 million. Deferred awards were granted in April 2023 for the 2022 short-term incentive award, and will be granted in April 2024 for 2023.

[4] 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).

[5] 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 face value of the award and is allocated at 100% of the on-target award in Arrie's total remuneration mix potential. This will apply for "on-target" performance.

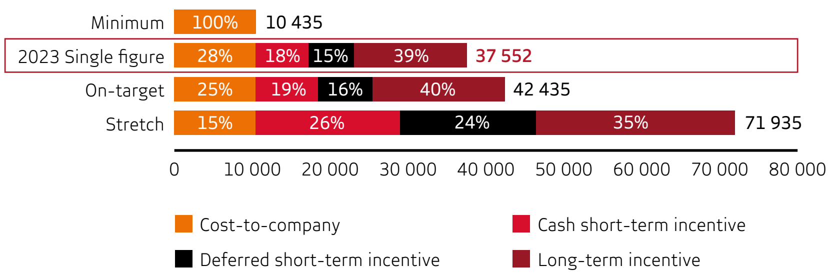
[6] Total awarded remuneration for 2023 includes the fixed remuneration paid during 2023 (which includes any encashment of leave in terms of our leave policy), the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2024 and a deferred share award granted in April 2024), and the face value of the long-term incentive to be granted in April 2024. Amounts disclosed in 2022 follow a similar principle.

Single-figure remuneration

Arrie's on-target remuneration mix for his role was approved on his appointment as ***Group Chief Executive***. This forms the basis for comparing actual single-figure remuneration relative to the remuneration mix potential 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 ***Group Chief Executive***. The detail of the ***single-figure remuneration*** is in the combined tables on page 53.

Arrie Rautenbach (R'000)



Arrie was awarded the following **single-figure remuneration in 2023**.

Arrie's 2023 single-figure remuneration of **R37.55 million** includes:

- **Fixed remuneration** of **R10.44 million** received during 2023.
- **Short-term incentive** of **R12.6 million** received for 2023 performance, with deferral applying to 50% of the amount that exceeds R1 million.
  - The cash portion of **R6.8 million** will be paid in March 2024.
  - The deferred award of **R5.8 million** 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 **R14.5 million**, consisting of:
  - The illustrative value **R12.4 million** to be received in respect of the vesting of the 2021 long-term incentive award (for the three-year performance period ended 31 December 2023), as follows:
    - This is determined based on a vesting outcome of **93.9%** of the on-target 2021 long-term incentive award and calculated using the Absa Group share price on 31 December 2023 of R163.71. The actual value that will vest will be based on the share price on the vesting date on 2 April 2024.
    - The full illustrative value of the award that is to vest is included in the 2023 single-figure remuneration, notwithstanding that the award will be released in equal tranches in April 2024, April 2025 and April 2026. Release of future tranches is not subject to further performance conditions, however it is subject to continued employment, and malus and clawback conditions.
    - The illustrative value of the total vesting includes the growth in the Absa Group share price during the period, from an award value of R127.44 on 1 April 2021, to R163.71 on 31 December 2023. 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** in April 2024 and in subsequent vesting tranches will be based on the share price on the applicable vesting date. It will also include dividend equivalents that may be released as dividend shares, based on the number of shares that will vest.
  - The value **R2.1 million** of dividend equivalents received during 2023, in respect of other vesting awards during the year. These are set out in the share-based tables on page 56.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 33.

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

Charles has successfully led the CIB business as it consistently executed against its objectives, with strong performance in both financial and non-financial metrics in 2023. The geographic diversification of the business that has taken place since 2019, positioned the business favourably in 2023, with the weaker performance in South Africa offset by the strong performance in the CIB ARO business. During 2023 the business dealt with significant currency dislocation, specifically in Nigeria, with a resultant impact on earnings. Despite this, the underlying financial momentum along with strong non-financial metric progress indicates a business that is healthy and sustainable.

Performance and remuneration outcome

Performance overview

Diversified Franchise with deliberate, market leading growth

- (Better than or at target) Revenues grew by 12% which was ahead of the plan, supported by 10% growth in capital lite revenues;
- (Better than or at target) Cost-to-income ratio improved to 45.8% reflecting the stronger revenue growth;
- (Better than or at target) CIB ARO grew faster than SA, improving the diversification of the business;
- (Better than or at target) The credit loss ratio reduced to 17bps from 27bps;
- (Better than or at target) Headline earnings increased by 23% to R11.0 billion supported by 13% pre-provision profit growth;
- (Better than or at target) ROE improved to 23.9% (2022: 21.3%) and is well above COE.

A digitally powered business

- (Below target) Digital migration of SA-based customers on Absa Access improved to 70.4% but was lower than the 2023 target;
- (Better than or at target) Over 80% of clients registered on Absa Access are active and this has improved across both SA and ARO.

Primary partner of our clients

- (Better than or at target) Customer primacy increased across SA and ARO in 2023;
- (Better than or at target) 499 clients were acquired in the year which is a 10% increase on 2022 levels;
- (Better than or at target) Pan-African customer experience scores improved to 84 points from 79 points in 2022.

A winning, talented and diverse team

- (Better than or at target) Employee Experience Index increased to 70.2 (2022: 66.8) with employee NPS increasing to 34.8% (2022: 22.6%);
- (Better than or at target) The number of Women in Leadership roles increased to 34.5% (2022: 34.1%).

An active force for good in everything we do

- (Better than or at target) Disbursed R31 billion in sustainability-linked financing in the year, up marginally on R30.5 billion in 2022 and in line with plan;
- (Better than or at target) Loan exposures to fossil fuels and other climate-sensitive sectors were well within the limits set.

Performance relative to agreed scorecard targets
Better than or at target | Below target

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 2023/24 pay review, based on the relative market rate for his role, the Group's performance and his performance as Chief Executive: CIB as described on the previous page.

Charles' total *2023 awarded remuneration* of **R31.64 million** is detailed below and in the combined tables on page 54.

- **Fixed remuneration**
  - The fixed remuneration paid to **Charles** during 2023 was **R6.64 million**.
  - **Charles'** annual cost to company will increase by 4.4% from 1 April 2024, from **R6.75 million** to **R7.05 million**.
  - This is appropriately benchmarked relative to internal and external peers. RemCo will continue to monitor the market relativity of **Charles'** cost to company to ensure that his fixed remuneration remains aligned to that of peers in the market.
- The **short-term incentive** of **R13 million** (which is 108% of his approved on-target short-term incentive of R12 million), was determined based on:
  - The Group's performance, which was behind the 2023 plan on several financial key metrics, with non-financial performance generally aligned with plan;
  - **Charles'** performance as Chief Executive: CIB which delivered a strong performance during the year across most business lines.
  - Consideration of the impact of the Nigerian Naira position, where the primary impact arose within the Global Markets and Investment Banking Division within CIB.
- The **long-term incentive** of **R12 million** (face value of award) to be awarded in April 2024. This is below the on-target level for Charles, to ensure an appropriately balanced *total variable remuneration outcome* for 2023. This long-term incentive award, which is subject in full to Group performance targets measured over the three-year performance period (2024–2026) and continued employment, aligns with the creation of shareholder value over the long-term. The Group performance targets are on pages 17 and 18 of the Remuneration Policy.
- **Charles'** on-target remuneration mix potential is further described on the following page.

Charles Russon

Awarded remuneration	2023 R	2022 R
Total fixed remuneration	**6 637 500**	6 227 329
Non-deferred cash award[1]	**7 000 000**	7 500 000
Deferred share award[2]	**6 000 000**	6 500 000
Total short-term incentive[3]	**13 000 000**	14 000 000
Face value of long term incentive award[4]	**12 000 000**	11 000 000
Total awarded remuneration[5]	**31 637 500**	31 227 329

[1] This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2023 and March 2024 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 R1 million. Deferred awards were granted in April 2023 for the 2022 short-term incentive award, and will be granted in April 2024 for 2023.

[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 face value of the award and applies for "on-target" performance.

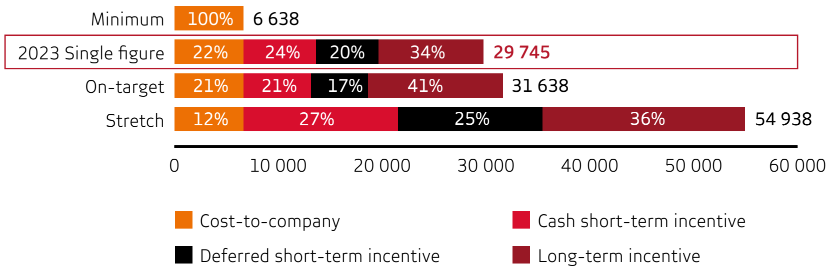
[5] Total awarded remuneration for 2023 includes the fixed remuneration paid during 2023 (which includes any encashment of leave in terms of our leave policy), the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2024 and a deferred share award granted in April 2024), and the face value of the long-term incentive to be granted in April 2024. Amounts disclosed in 2022 follow a similar principle.

Single-figure remuneration

Charles' on-target remuneration mix applies in respect of his role as ***Chief Executive: CIB***. This forms the basis 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: CIB***. The detail of the ***single-figure remuneration*** is in the combined tables on page 55.

Charles Russon (R'000)



Charles' 2023 single-figure remuneration of **R29.7 million** includes:

- **Fixed remuneration** of **R6.64 million** received during 2023.
- **Short-term incentive** of **R13 million** received for 2023 performance, with deferral applying to 50% of the amount that exceeds R1 million.
  - The cash portion of **R7 million** will be paid in March 2024.
  - The deferred award of **R6 million** 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 **R10.1 million**, consisting of:
  - The illustrative value **R8.4 million** to be received in respect of the vesting of the 2021 long-term incentive award (for the three-year performance period ended 31 December 2023), as follows:
    - This is determined based on a vesting outcome of **93.9%** of the on-target 2021 award and calculated using the Absa Group share price on 31 December 2023 of R163.71. The actual value that will vest will be based on the share price on the vesting date on 2 April 2024.
    - The full illustrative value of the award that is to vest is included in the 2023 single-figure remuneration, notwithstanding that the award will be released in equal tranches in April 2024, April 2025 and April 2026. Release of future tranches is not subject to further performance conditions, however it is subject to continued employment, and malus and clawback conditions.
    - The illustrative value of the total vesting includes the growth in the Absa Group share price during the period, from an award value of R127.44 on 1 April 2021, to R163.71 on 31 December 2023. 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** in April 2024 and in subsequent vesting tranches will be based on the share price on the applicable vesting date. It will also include dividend equivalents that may be released as dividend shares, based on the number of shares that will vest.
- The value **R1.7 million** of dividend equivalents received during 2023, in respect of other vesting awards during the year. These are set out in the share-based tables on page 58.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 33.

Faisal Mkhize
Chief Executive: Relationship Banking (RB)

In 2023, Faisal completed the repositioning of the Relationship Banking business into a segment led business, with market focused product support. Despite the significant change in the operating model, the business has progressed on its objectives in 2023 although the financial performance was below expectation and there is recognition that this needs to accelerate in 2024. The business has made meaningful progress on reversing the negative trends in the Organisational Health metrics in 2023, with notable improvements in both customer and colleague metrics, an early indication that the revised operating model is fit for purpose.

Performance and remuneration outcome

Performance overview

Diversified Franchise with deliberate, market leading growth

- Revenues grew by 5%, with capital lite revenues growing by 4%;
- Cost-to-income ratio increased to 55.6% (2022: 54.9%) following investment in additional bankers in 2023;
- The credit loss ratio increased to 56bps from 45bps and remains within the through-the-cycle range and was above plan;
- Headline earnings declined by 1% to R4.1 billion as the higher impairments offset the muted 1% growth in pre-provision profit;
- ROE declined to 25.5% and whilst above cost of equity, this was significantly behind plan.

A digitally powered business

- Digitally active RB customers increased by 8% in 2023 as customers were migrated to connected banking with its enhanced self-service capabilities.

Primary partner of our clients

- Active RB transactional customers increased by 4% across the segments but was below plan;
- Transactional account sales increased by 42% with 48% growth in SME reflective of the investments made;
- Average product holding increased in the Private Wealth segment while remaining flat in the other segments;
- Concerted customer engagement efforts along with additional bankers have seen the Business Bank customer experience scores increase to 92 points (2022: 68 points).

A winning, talented and diverse team

- Employee Experience Index increased to 71.8 (2022: 66.2) reflecting the efforts put into the employee franchise with overall job satisfaction score improving to 7.89/10;
- The number of Women in Leadership roles improved to 27.9% (2022: 26.6%) but fell short of plan and remains well below the Group's 38.9%.

An active force for good in everything we do

- Renewables financing grew by 89% to R1.1 billion (2022: R0.6 billion) and was well ahead of plan.

Performance relative to agreed scorecard targets
Better than or at target   Below target

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 2023/24 pay review, based on the relative market rate for his role, the Group's performance and his performance as Chief Executive: Relationship Banking as described on the previous page.

Faisal's total *2023 awarded remuneration* **R18.3 million** is detailed below and in the combined tables on page 54.

- **Fixed remuneration**
  - The fixed remuneration paid to **Faisal** during 2023 was **R6.02 million** which includes R0.27 million in mandatory leave encashment under our Leave Policy during the year.
  - **Faisal's** annual cost to company will increase by 4% from 1 April 2024, from R5.75 million to **R5.98 million**.
  - This is appropriately benchmarked relative to internal and external peers. RemCo will continue to monitor the relative relativity 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 **R4.75 million** (which is **53%** of his approved on-target short-term incentive of R9 million), was determined based on:
  - The Group's performance, which was behind the 2023 plan on several key financial metrics, with non-financial performance generally aligned with plan;
  - **Faisal's** performance as Chief Executive: Relationship Banking which, whilst delivering well on several non-financial metrics, fell well short of plan and prior year performance on a number of significant financial targets.
- The **long-term incentive** of **R7.5 million** (face value of the award) to be awarded in April 2024. This is below the on-target level for Faisal and was applied to bring about an appropriate total variable remuneration mix in 2023. This long-term incentive award, which is subject in full to Group performance targets measured over the three-year performance period (2024–2026) and continued employment, aligns with the creation of shareholder value over the long-term. The Group performance targets are on pages 17 and 18 of the Remuneration Policy.
- **Faisal's** on-target remuneration mix potential is further described on the following page.

Faisal Mkhize

Awarded remuneration	2023 R	2022 R
Total fixed remuneration[1]	**6 015 344**	2 875 000
Non-deferred cash award[2]	**2 875 000**	4 000 000
Deferred share award[3]	**1 875 000**	3 000 000
Total short-term incentive[4]	**4 750 000**	7 000 000
Face value of long term incentive award[5]	**7 500 000**	8 500 000
Total awarded remuneration[6]	**18 265 344**	18 375 000

[1] Fixed remuneration includes R0.27m in mandatory leave encashment under our Leave Policy during the year.

[2] This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2023 and March 2024 in respect of prior year performance.

[3] 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 R1 million. Deferred awards were granted in April 2023 for the 2022 short-term incentive award, and will be granted in April 2024 for 2023.

[4] 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).

[5] 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 face value of the award and applies for "on-target" performance.

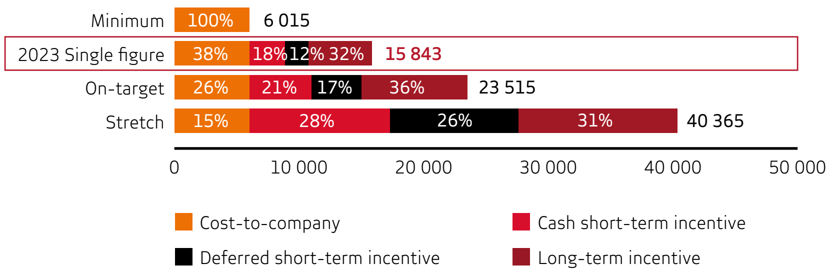
[6] Total awarded remuneration for 2023 includes the fixed remuneration paid during 2023, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2024 and a deferred share award granted in April 2024), and the face value of the long-term incentive to be granted in April 2024. Amounts disclosed in 2022 include the pro-rata fixed remuneration paid for the period **Faisal** was a prescribed officer (6 months), the short-term incentive paid in respect of his role as Chief Executive: Relationship Banking (six months) and as a senior executive in the Retail and Business Banking Cluster (six months), and the forward-looking on-target long-term incentive applicable for his role as Chief Executive: Relationship Banking.

Single-figure remuneration

Faisal's on-target remuneration mix for his role was approved on his appointment as ***Chief Executive: Relationship Banking***. This forms the basis 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: Relationship Banking***. The detail of the ***single-figure remuneration*** is in the combined tables on page 55.

Faisal Mkhize (R'000)



Faisal's 2023 single-figure remuneration of **R15.84 million** includes:

- **Fixed remuneration** of **R6.02 million** received during 2023.
- **Short-term incentive** of **R4.75 million** received for 2023 performance, with deferral applying to 50% of the amount that exceeds R1 million.
  - The cash portion of **R2.875 million** will be paid in March 2024.
  - The deferred award of **R1.875 million** 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 **R5.08 million**, consisting of:
  - The illustrative value **R4.1 million** to be received in respect of the vesting of the 2021 long-term incentive award (for the three-year performance period ended 31 December 2023), as follows:
    - This is determined based on a vesting outcome of **93.9%** of the on-target award 2021 award and calculated using the Absa Group Limited share price on 31 December 2023 of R163.71. The actual value that will vest will be based on the share price on the vesting date on 2 April 2024.
    - The full illustrative value of the award that is to vest is included in the 2023 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 as a prescribed officer.
    - The illustrative value of the total vesting includes the growth in the Absa Group share price during the period, from an award value of R127.44 on 1 April 2021, to R163.71 on 31 December 2023. 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 2024 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 on the number of shares that will vest.
  - The value **R0.98 million** of dividend equivalents received during 2023, in respect of other vesting awards. These are set out in the share-based tables on page 58.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 33.

Geoffrey Lee
Chief Executive: Product Solutions Cluster (PSC)

The Product Solutions Cluster (PSC) delivered divergent results. The AVAF and Home Loans businesses had a challenging year, while the insurance businesses exceeded target. Under Geoffrey's leadership, PSC made progress in its strategic execution in 2023, with progress against its non-financial metrics as well as some of its financial targets. The business continues to acquire its fair market share of customer advances and responded appropriately to the fast-deteriorating macro environment although the unprecedented impact on the SA consumer translated into an elevated credit loss ratio. The embedment of bancassurance into customers' banking journeys continues to yield positive results across both the life and non-life businesses. Improvements in customer and colleague metrics indicate a business with improving organisational health as it enters 2024.

Performance and remuneration outcome

Performance overview

Diversified Franchise with deliberate, market leading growth

- Revenues grew by 5% supported by 15% growth in capital lite revenues;
- Cost-to-income ratio improved to 42.5% from focused cost containment initiatives;
- The credit loss ratio increased to 99bps from 65bps as the economic strain on SA consumers intensified;
- Headline earnings declined by 24% to R2.4 billion as higher impairments in the secured lending businesses offset the 9% pre-provision profit growth reflecting mixed results in the underlying businesses;
- ROE declined to 10.5% from the lower headline earnings despite improved risk weighted asset intensity.

A digitally powered business

- Digitally active PSC customers increased by 4% as new self-service digital features were embedded on the Absa mobile banking app and connected banking platform, driving improved customer experience.

Primary partner of our clients

- Active PSC customers increased by 2% in a tough macro environment but was below plan;
- Customer experience scores increased to 100 points from 86 points in 2022, reflective of the improved onboarding processes across both the secured lending and insurance businesses;
- Average product holding per retail customer improved to 2.64 from 2.59.

A winning, talented and diverse team

- Employee NPS increased to 37.4% (2022:25.4%) and the Employee Experience Index increased to 71.9 (2022: 68.7) reflecting the efforts put into the employee franchise since the business was created;
- Increased Women in Leadership roles to 41.7% from 38.5%.

An active force for good in everything we do

- Disbursed R2.0 billion for affordable housing which was lower than 2022 as the deteriorating economic environment lowered demand;
- Provided R0.4 billion in sustainability linked financing for Eco Homes Loans with a focus on new developments.

Performance relative to agreed scorecard targets
Better than or at target | Below target

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 2023/24 pay review, based on the relative market rate for his role, the Group's performance and his performance as Chief Executive: Product Solutions Cluster as described on the previous page.

Geoffrey's total *2023 awarded remuneration* of **R20.53 million** is detailed below and in the combined tables on page 54.

- **Fixed remuneration**
  - The fixed remuneration paid to **Geoffrey** during 2023 was **R5.75 million**.
  - **Geoffrey's** annual cost to company will increase by 4% from 1 April 2024, from R5.75m to **R5.98 million**.
  - This is appropriately benchmarked relative to internal and external peers. RemCo will continue to monitor the market relativity 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 **R5.28 million** (which is **59%** of his approved on-target short-term incentive of R9 million), was determined based on:
  - The Group's performance, which was behind the 2023 plan on several key financial metrics, with non-financial performance generally aligned with plan;
  - **Geoffrey's** performance as Chief Executive: Product Solutions Cluster which, whilst delivering well on several non-financial metrics, fell short of plan and prior year performance on a number of significant financial targets given the significant macreconomic headwinds in the business segments in which PSC operates. This was in the context of mixed results in the underlying businesses.
- The **long-term incentive** of **R9.5 million** (face value of the award) to be awarded in April 2024, above the on-target level reflecting the anticipated future contribution that **Geoffrey** will make to the Group over the vesting period, increasing alignment of executive and shareholder interests. This long-term incentive award, which is subject in full to Group performance targets measured over the three-year performance period (2024–2026) and continued employment, aligns with the creation of shareholder value over the long-term. The Group performance targets are on pages 17 and 18 of the Remuneration Policy.
- **Geoffrey's** on-target remuneration mix potential is further described on the following page.

Geoffrey Lee

Awarded remuneration	2023 R	2022 R
Total fixed remuneration	**5 750 000**	2 874 470
Non-deferred cash award[1]	**3 139 250**	4 000 000
Deferred share award[2]	**2 139 250**	3 000 000
Total short-term incentive[3]	**5 278 500**	7 000 000
Face value of long term incentive award[4]	**9 500 000**	8 500 000
Total awarded remuneration[5]	**20 528 500**	18 374 470

[1] This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2023 and March 2024 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 R1 million. Deferred awards were granted in April 2023 for the 2022 short-term incentive award, and will be granted in April 2024 for 2023.

[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 face value of the award and will apply for "on-target" performance.

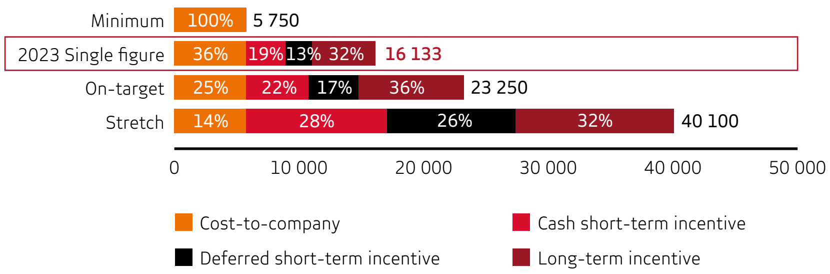
[5] Total awarded remuneration for 2023 includes the fixed remuneration paid during 2023, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2024 and a deferred share award granted in April 2024), and the face value of the long-term incentive to be granted in April 2024. Amounts disclosed in 2022 include the pro-rata fixed remuneration paid for the period **Geoffrey** was a prescribed officer six months), the short-term incentive paid in respect of his role as Chief Executive: Product Solutions Cluster (six months) and as a senior executive in the Retail and Business Banking Cluster (six months), and the forward-looking on-target long-term incentive applicable for his role as Chief Executive: Product Solutions Cluster.

Single-figure remuneration

Geoffrey's on-target remuneration mix for his role was approved on his appointment as ***Chief Executive: Product Solutions Cluster***. This forms the basis 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 55.

Geoffrey Lee (R'000)



Geoffrey's 2023 single-figure remuneration of **R16.13 million** includes:

- **Fixed remuneration** of **R5.75 million** received during 2023.
- **Short-term incentive** of **R5.28 million** received for 2023 performance, with deferral applying to 50% of the amount that exceeds R1 million.
  - The cash portion of **R3.14 million** will be paid in March 2024.
  - The deferred award of **R2.14 million** 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 **R5.1 million**, consisting of:
  - The illustrative value **R4.1 million** to be received in respect of the vesting of the 2021 long-term incentive award (for the three-year performance period ended 31 December 2023), as follows:
    - This is determined based on a vesting outcome of **93.9%** of the on-target award 2021 award and calculated using the Absa Group Limited share price on 31 December 2023 of R163.71. The actual value that will vest will be based on the share price on the vesting date on 2 April 2024.
    - The full illustrative value of the award that is to vest is included in the 2023 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 the growth in the Absa Group share price during the period, from an award value of R127.44 on 1 April 2021, to R163.71 on 31 December 2023. 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 2024 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 on the number of shares that will vest.
  - The value **R1.0 million** of dividend equivalents received during 2023, in respect of other vesting awards. These are set out in the share-based tables on page 59.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 33.

Cowyk Fox
Chief Executive: Everyday Banking (EB)

Under Cowyk's leadership, the Everyday Banking business has continued to make progress in creating a sustainable franchise in 2023 with improvements on some of the financial and non-financial metrics. Customer perceptions of the business improved significantly in 2023 and reflect the holistic pricing, proposition and experience fixes over the past three years. The significant stress on the SA consumer in 2023 was evident in the rising impairments and the actions taken in the unsecured lending books temporarily moderated the momentum that was building in the business. The business enters 2024 with the correct fundamentals in place although an acceleration of execution is expected.

Performance and remuneration outcome

Performance overview

Diversified Franchise with deliberate, market leading growth

- (Better than or at target) Revenues grew by 6%;
- (Below target) Capital lite revenue growth of 2% was lower than plan and stronger momentum into 2024 is a focus area;
- (Better than or at target) Cost-to-income ratio declined to 52.6% from 53.0%;
- (Below target) The credit loss ratio increased to 835bps from 645bps reflective of the increased strain on SA consumers;
- (Below target) Headline earnings declined by 17% to R3.4 billion as higher impairments in the unsecured lending businesses offset the 7% pre-provision profit growth;
- (Below target) ROE declined to 24.4% from the lower headline earnings but remains well above COE and was well below target.

A digitally powered business

- (Better than or at target) Digitally active customers grew 8% supported by an 18% increase in app users;
- (Better than or at target) Digital sales increased by 79% and now account for 22% of sales.

Primary partner of our clients

- (Below target) Active EB transactional customers increased by 2% to 4.6 million but was lower than target;
- (Better than or at target) Transactional account sales improved 21% year-on-year supported by a 28% increase in cheque account sales;
- (Better than or at target) Customer experience scores increased from 90 points to 107 points reflecting the multiyear journey improving propositions and customer engagement;
- (Better than or at target) Average product holding per customer improved to 2.64 (2022: 2.59).

A winning, talented and diverse team

- (Better than or at target) The Employee Experience Index improved to 71.1% (2022: 66.4%) supported by employee NPS which increased to 33.5% (2022: 18.0%);
- (Below target) The number of Women in Leadership roles remained static at 39.8%.

An active force for good in everything we do

- (Below target) Student loans disbursed in 2023 declined 12% year-on-year reflective of the risk management strategies implemented to navigate SA consumer stress.

Performance relative to agreed scorecard targets
Better than or at target | Below target

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 2023/24 pay review, based on the relative market rate for his role, the Group's performance and his performance as Chief Executive: Everyday Banking as described on the previous page.

Cowyk's total *2023 awarded remuneration* of **R14.28 million** is detailed below and in the combined tables on page 54.

- **Fixed remuneration**
  - The fixed remuneration paid to **Cowyk** during 2023 was **R5.75 million**. This will remain unchanged for 2024.
- The **short-term incentive** of **R4.03 million** (which is **45%** of his approved on-target short-term incentive of R9 million), was determined based on:
  - The Group's performance, which was behind the 2023 plan on several key financial metrics, with non-financial performance generally aligned with plan;
  - **Cowyk's** performance as Chief Executive: Everyday Banking which, whilst delivering on several non-financial metrics, fell short of plan and prior year performance on a number of significant financial targets given the significant macreconomic headwinds in the Everyday Banking's operating environment in 2023, with customers under material pressure due to increases in interest rates.
- The **long-term incentive** of **R4.5 million** (face value of the award) to be awarded in April 2024. This long-term incentive award is subject in full to Group performance targets measured over the three-year performance period (2024–2026) and continued employment, aligns with the creation of shareholder value over the long-term. The Group performance targets are on pages 17 and 18 of the Remuneration Policy.
- Cowyk's on-target remuneration mix potential is further described on the following page.

Cowyk Fox

Awarded remuneration	2023 R	2022 R
Total fixed remuneration	**5 749 401**	2 976 559
Non-deferred cash award[1]	**2 516 000**	4 000 000
Deferred share award[2]	**1 516 000**	3 000 000
Total short-term incentive[3]	**4 032 000**	7 000 000
Face value of long term incentive award (on target award)[4]	**4 500 000**	8 500 000
Total awarded remuneration[5]	**14 281 401**	18 476 559

[1] This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2023 and March 2024 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 R1 million. Deferred awards were granted in April 2023 for the 2022 short-term incentive award, and will be granted in April 2024 for 2023.

[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 face value of the award and will apply for "on-target" performance.

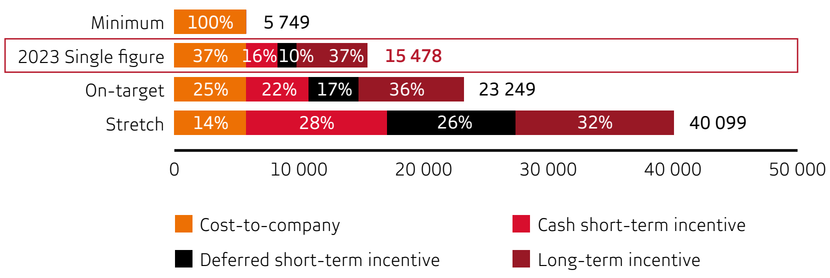
[5] Total awarded remuneration for 2023 includes the fixed remuneration paid during 2023, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2024 and a deferred share award granted in April 2024), and the face value of the long-term incentive to be granted in April 2024. Amounts disclosed in 2022 include the pro-rata fixed remuneration paid for the period **Cowyk** was a prescribed officer (six months), the short-term incentive paid in respect of his role as Chief Executive: Everyday Banking (six months) and as a senior executive in the Retail and Business Banking Cluster (6 months), and the forward-looking on-target long-term incentive applicable for his role as Chief Executive: Everyday Banking.

Single-figure remuneration

Cowyk's on-target remuneration mix for his role was approved on his appointment as ***Chief Executive: Everyday Banking***. This forms the basis 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: Everyday Banking***. The detail of the ***single-figure remuneration*** is in the combined tables on page 55.

Cowyk Fox (R'000)



Cowyk's 2023 single-figure remuneration of **R15.48 million** includes:

- **Fixed remuneration** of **R5.75 million** received during 2023.
- **Short-term incentive** of **R4.03 million** received for 2023 performance, with deferral applying to 50% of the amount that exceeds R1 million.
  - The cash portion of **R2.52 million** will be paid in March 2024.
  - The deferred award of **R1.51 million** 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 **R5.7 million**, consisting of:
  - The illustrative value **R4.6 million** to be received in respect of the vesting of the 2021 long-term incentive award (for the three-year performance period ended 31 December 2023), as follows:
    - This is determined based on a vesting outcome of **93.9%** of the on-target award 2021 award and calculated using the Absa Group share price on 31 December 2023 of R163.71. The actual value that will vest will be based on the share price on the vesting date on 2 April 2024.
    - The full illustrative value of the award that is to vest is included in the 2023 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 as a prescribed officer.
    - The illustrative value of the total vesting includes the growth in the Absa Group share price during the period, from an award value of R127.44 on 1 April 2021, to R163.71 on 31 December 2023. 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 2024 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 on the number of shares that will vest.
  - The value **R1.1 million** of dividend equivalents received during 2023, in respect of other vesting awards. These are set out in the share-based tables on page 59.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 33.

Saviour Chibiya
Chief Executive: Absa Regional Operations (ARO)

Under Saviour, the ARO business' momentum from 2022 continued into 2023 with improvements across both financial and non-financial metrics. The continuous performance improvement since 2021, highlights the opportunity within the ARO business and further acceleration is expected in order to create a business that sustainably creates value for shareholders. Saviour continued to manage stakeholder relations across the operations in ARO, in a very complex operating environment.

Performance and remuneration outcome

Performance overview

Diversified Franchise with deliberate, market leading growth

- Revenues grew by 18%, ahead of plan;
- Capital lite revenue grew by 26% reflecting the targeted diversification efforts;
- Cost-to-income ratio decreased to 66.7% from 69% but remains high;
- The credit loss ratio increased to 184bps from 164bps reflecting some strain on consumers in certain markets and remains well within expectations;
- Headline earnings increased by 27% to R1.5 billion from a 27% increase in pre-provision profit;
- ROE improved to 11.2% (2022: 10.9%) but remains below COE.

A digitally powered business

- Digitally active customers grew 11% to 745k with growth across both Retail and Business Bank but was lower than target;
- Digital transaction volumes grew by 24%.

Primary partner of our clients

- Active customers increased by 16% to 2.4 million;
- Transactional account sales grew by 34%;
- Customer satisfaction scores improved to 78% (2022: 63%);
- Average product holding per customer decreased to 1.69 (2022: 1.75);
- Customer experience scores increased from 79 points to 98 points.

A winning, talented and diverse team

- The Employee Experience Index improved to 71.7% (2022: 69.2%) supported employee NPS which increased to 36.0% (2022:27.6%);
- The number of Women in Leadership roles increased to 42.8% (2022: 35.3%).

An active force for good in everything we do

- Active mobile lending customers increased by 22% to 837k;
- Mobile lending disbursements increased by 40% to R7.7 billion, but behind target.

Performance relative to agreed scorecard targets
Better than or at target | Below target

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 2023/24 pay review, based on the relative market rate for his role, the Group's performance and his performance as Chief Executive: ARO as described on the previous page.

Saviour's total *2023 awarded remuneration* of **R16 million** is detailed below and in the combined tables on page 54.

- **Fixed remuneration**
  - The fixed remuneration paid to **Saviour** during 2023 was **R5.23 million**. His fixed remuneration will remain unchanged for 2024.
  - In addition, **Saviour** received R0.77 million in expatriate benefits during the year.
- The **short-term incentive** of **R5.5 million** (which is **100%** of his approved on-target short-term incentive), was determined based on:
  - The Group's performance, which was behind the 2023 plan on several key financial metrics, with non-financial performance generally aligned with plan;
  - **Saviour's** performance as Chief Executive, Absa Regional Operations which exceeded its targets in a number of key areas across both financial and non-financial measures.
- The **long-term incentive** of **R4.5 million** (face value of the award) to be awarded in April 2024. This long-term incentive award is subject in full to Group performance targets measured over the three-year performance period (2024–2026) and continued employment, and aligns with the creation of shareholder value over the long-term. The Group performance targets are on pages 17 and 18 of the Remuneration Policy.
- **Saviour's** on-target remuneration mix potential is further described on the following page.

Saviour Chibiya[1]

Awarded remuneration	2023 R	2022 R
Total fixed remuneration	**5 234 602**	2 415 855
Non-deferred cash award[2]	**3 250 000**	4 000 000
Deferred share award[3]	**2 250 000**	3 000 000
Total short-term incentive[4]	**5 500 000**	7 000 000
Face value of long term incentive award (on target award)[5]	**4 500 000**	8 500 000
Other benefits[6]	**773 373**	481 291
Total awarded remuneration[7]	**16 007 975**	18 397 146

[1] **Saviour** transitioned to a Zambian contract of employment, on local terms effective 1 August 2023. His fixed remuneration (and the amounts indicated under "Other benefits") therefore reflects a blend of his expatriate arrangements in South Africa and his Zambian local remuneration and benefits arrangements.

[2] This is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2023 and March 2024 in respect of prior year performance.

[3] 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 R1 million. Deferred awards were granted in April 2023 for the 2022 short-term incentive award, and will be granted in April 2024 for 2024.

[4] 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).

[5] 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 face value of the award and will apply for "on-target" performance.

[6] Other benefits include Saviour's expatriate benefits in South Africa. For 2023, this includes expatriate benefits paid prior to his relocation to Zambia effective 1 August 2023.

[7] Total awarded remuneration for 2023 includes the fixed remuneration paid during 2023, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2024 and a deferred share award granted in April 2024), and the face value of the long-term incentive to be granted in April 2024. Amounts disclosed in 2022 include the pro-rata fixed remuneration paid for the period **Saviour** was a prescribed officer (six months), the short-term incentive paid in respect of his role as Chief Executive: ARO (six months) and as a senior executive in the ARO Cluster (six months), and the forward-looking on-target long-term incentive applicable for his role as Chief Executive: ARO.

Single-figure remuneration

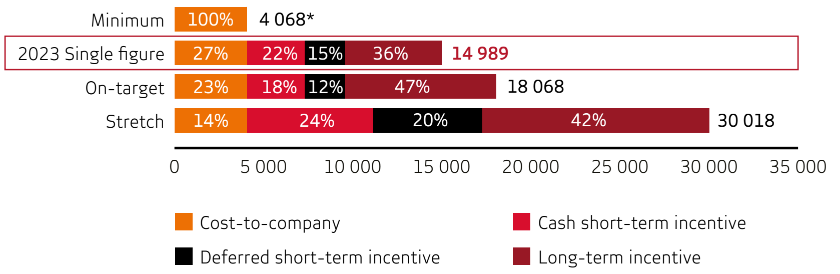
Saviour's on-target remuneration mix for his role was approved on his appointment as ***Chief Executive: ARO***. This forms the basis for comparing actual single-figure remuneration relative to the remuneration mix scenarios.

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: ARO***. The detail of the ***single-figure remuneration*** is in the combined tables on page 55.

Saviour *transitioned to a Zambian contract of employment, on local terms on 1 August 2023. His remuneration therefore reflects a blend of his expatriate arrangements in South Africa and his Zambian local remuneration and benefits arrangements. This makes articulation of single-figure remuneration relative to the remuneration scenarios challenging as the different remuneration constructs (namely an expatriate arrangement in South Africa, and a local employment in Zambia with a base + add-ons remuneration structure) are materially different and are also influenced by exchange rate factors. The chart below is therefore inclusive only of basic salary in determining the fixed remuneration element of the total remuneration mix. In addition to basic salary, Saviour receives local benefits aligned with Zambian market practice. These include, among others, housing, vehicle benefits and international medical cover.*

The detail below the chart sets out the total single figure remuneration received, ***based on basic salary only***.

Saviour Chibiya (R'000)



* This chart is calculated with reference to basic salary only (excluding employment benefits) for all scenarios and the 2023 outcome.

Saviour received total **single figure remuneration** of **R16.93 million** (inclusive of all fixed and variable remuneration):

- **Fixed remuneration** of **R5.23 million** received during 2023. This includes basic salary and employment benefits.
  - In addition to this, he received **R0.77 million** in expatriate benefits during the year.
- **Short-term incentive** of **R5.5 million** received for 2023 performance, with deferral applying to 50% of the amount that exceeds R1 million.
  - The cash portion of **R3.25 million** will be paid in March 2024.
  - The deferred award of **R2.25 million** 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 **R5.4 million**, consisting of:
  - The illustrative value **R4.7 million** to be received in respect of the vesting of the 2021 notional long-term incentive award (for the three-year performance period ended 31 December 2023), as follows:
    - This is determined based on a vesting outcome of **93.9%** of the on-target award 2021 award and calculated using the Absa Group Limited share price on 31 December 2023 of R163.71. The actual value that will vest will be based on the share price on the vesting date on 2 April 2024.
    - The full illustrative value of the award that is to vest is included in the 2023 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 the growth in the Absa Group share price during the period, from an award value of R127.44 on 1 April 2021, to R163.71 on 31 December 2023. 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 2024 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 **R0.7 million** of notional dividend equivalents received during 2023, in respect of other vesting awards. These are set out in the share-based tables on page 60.

The basis for determining the Below Threshold, On-target and Stretch scenarios is described on page 33.

Directors' and prescribed officers' remuneration

Combined tables for 2023 total remuneration

Executive directors Awarded remuneration	Arrie Rautenbach 2023 R	 2022 R	Jason Quinn 2023 R	 2022 R	Christopher Snyman 2023 R	 2022 R	Total 2023 R	 2022 R
Salary	**9 794 398**	8 689 014	**5 853 292**	6 098 485	**357 333**	–	**16 005 023**	14 787 499
Medical aid	**180 960**	167 556	**119 494**	123 804	**12 691**	–	**313 145**	291 360
Retirement benefits	**189 634**	185 596	**444 457**	462 660	**21 524**	–	**655 615**	648 256
Other employee benefits	**269 994**	232 918	**69 424**	67 380	**4 286**	–	**343 704**	300 298
Total fixed remuneration	**10 434 986**	9 275 084	**6 486 667**	6 752 329	**395 834**	–	**17 317 487**	16 027 413
Non-deferred cash award	**6 800 000**	9 750 000	**–**	8 000 000	**2 625 000**	–	**9 425 000**	17 750 000
Deferred share award	**5 800 000**	8 750 000	**–**	7 000 000	**1 625 000**	–	**7 425 000**	15 750 000
Total short-term incentive	**12 600 000**	18 500 000	**–**	15 000 000	**4 250 000**	–	**16 850 000**	33 500 000
Face value of long-term incentive award (on-target award)	**17 000 000**	17 000 000	**–**	13 000 000	**5 000 000**	–	**22 000 000**	30 000 000
Total awarded remuneration	**40 034 986**	44 775 084	**6 486 667**	34 752 329	**9 645 834**	–	**56 167 487**	79 527 413

The non-deferred cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2023 and March 2024 in respect of prior year performance.

The deferred share award 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 R1 million. Deferred awards were granted in April 2023 for the 2022 short-term incentive award, and will be granted in April 2024 for 2023 performance.

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).

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 value applicable for 'on-target' performance.

Total awarded remuneration for 2023 includes the fixed remuneration paid during 2023, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2024 and a deferred share award granted in April 2024), and the face value of the long-term incentive to be granted in April 2024. Amounts disclosed in 2022 follow the same principle.

Jason Quinn ceased to be the Group Financial Director and executive director on 22 November 2023. His disclosed remuneration has therefore been pro-rated for time in service as an executive director during 2023.

Christopher Snyman was appointed as Interim Group Financial Director and an executive director on 22 November 2023. His disclosed fixed remuneration has therefore been pro-rated for time in service as an executive director during 2023. His short-term and long-term incentive awards have been disclosed in full. His fixed remuneration was not adjusted pursuant to his interim appointment.

Directors' and prescribed officers' remuneration

Combined tables for 2023 total remuneration

Executive directors **Single-figure remuneration**	Arrie Rautenbach 2023 R	 2022 R	Jason Quinn 2023 R	 2022 R	Christopher Snyman 2023 R	 2022 R	Total 2023 R	 2022 R
Salary	**9 794 398**	8 689 014	**5 853 292**	6 098 485	**357 333**	–	**16 005 023**	14 787 499
Medical Aid	**180 960**	167 556	**119 494**	123 804	**12 691**	–	**313 145**	291 360
Retirement benefits	**189 634**	185 596	**444 457**	462 660	**21 524**	–	**655 615**	648 256
Other employee benefits	**269 994**	232 918	**69 424**	67 380	**4 286**	–	**343 704**	300 298
Total fixed remuneration	**10 434 986**	9 275 084	**6 486 667**	6 752 329	**395 834**	–	**17 317 487**	16 027 413
Non-deferred cash award	**6 800 000**	9 750 000	**–**	8 000 000	**2 625 000**	–	**9 425 000**	17 750 000
Deferred share award	**5 800 000**	8 750 000	**–**	7 000 000	**1 625 000**	–	**7 425 000**	15 750 000
Total short-term incentives	**12 600 000**	18 500 000	**–**	15 000 000	**4 250 000**	–	**16 850 000**	33 500 000
Value of vested long-term incentives	**12 363 996**	17 306 932	**–**	17 306 932	**3 980 521**	–	**16 344 517**	34 613 864
Dividend equivalents	**2 153 225**	975 639	**2 225 695**	1 113 502	**858 205**	–	**5 237 125**	2 089 141
Total long-term incentives	**14 517 221**	18 282 571	**2 225 695**	18 420 434	**4 838 726**	–	**21 581 642**	36 703 005
Total single figure remuneration	**37 552 207**	46 057 655	**8 712 362**	40 172 763	**9 484 560**	–	**55 749 129**	86 230 418

The non-deferred cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2023 and March 2024 in respect of prior year performance.

The deferred share award 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 R1 million. Deferred awards were granted in April 2023 for the 2022 short-term incentive award, and will be granted in April 2024 for 2023.

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).

The 2021 long-term incentive, which vests in respect of the performance period ending 31 December 2023, is included in the 2023 single-figure remuneration for executive directors and prescribed officers. The actual value of the vesting to accrue to Arrie Rautenbach will be based on the share price on the vesting date (in equal tranches on April 2024, 2025, and 2026) 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 2023 and 2022 disclosures, values are reported using the 31 December share price for the respective years, adjusted for the performance target outcomes as at the publication date of the Annual Financial Statements was before the vesting date in each instance.

Total single figure remuneration includes, for each year respectively, the fixed remuneration paid during 2022 and 2023, short-term incentives in respect of 2022 and 2023 performance (consisting of a cash award paid in March 2023 and March 2024, and a deferred share award granted in April 2023 and April 2024), long-term incentive awards (consisting of the full value of vested long-term incentives, notwithstanding that this is released in three vesting tranches in 2024, 2025 and 2026, and dividend equivalents/service credits received on the vesting dates) and payments reflected as 'Other Payments'.

Jason Quinn ceased to be the Group Financial Director and executive director on 22 November 2023. His disclosed fixed remuneration has therefore been pro-rated for time in service as an executive director during 2023. He forfeited his 2021 long-term incentive award pursuant to his resignation from the Group. Dividend equivalents reported for 2023 are in respect of awards vesting in the year, as set out in the Outstanding Share-Based Long-Term Incentives tables.

Christopher Snyman was appointed as Interim Group Financial Director and executive director on 22 November 2023. His disclosed fixed remuneration has therefore been pro-rated for time in service as an executive director during 2023. His short-term and long-term incentive awards have been disclosed in full and his fixed remuneration has not been adjusted pursuant to his interim appointment. His 2021 long-term incentive will vest in April 2024.

Directors' and prescribed officers' remuneration

Combined tables for 2023 total remuneration

	Charles Russon		Punki Modise		Faisal Mkhize		Cowyk Fox		Geoffrey Lee		Saviour Chibiya		Total	
Prescribed officers **Awarded remuneration**	**2023 R**	2022 R	**2023 R**	2022 R	**2023 R**	2022 R	**2023 R**	2022 R	**2023 R**	2022 R	**2023 R**	2022 R	**2023 R**	2022 R
Salary	**6 142 498**	5 763 388		1 624 045	**5 150 753**	2 543 235	**5 055 165**	2 478 656	**5 251 388**	2 652 901	**4 067 915**	2 040 976	**25 667 719**	17 103 201
Medical aid	**226 272**	209 508		108 194	**124 676**	55 710	**101 840**	104 754	**237 456**	94 266	**101 941**	116 879	**792 185**	689 311
Retirement benefits	**197 595**	192 301		137 037	**393 982**	196 991	**199 537**	99 769	**199 537**	107 639	**383 281**	–	**1 373 932**	733 737
Other employee benefits	**71 135**	62 132		181 193	**345 933**	79 064	**392 859**	293 380	**61 619**	19 664	**681 465**	258 000	**1 553 011**	893 433
Total fixed remuneration	**6 637 500**	6 227 329		2 050 469	**6 015 344**	2 875 000	**5 749 401**	2 976 559	**5 750 000**	2 874 470	**5 234 602**	2 415 855	**29 386 847**	19 419 682
Non-deferred cash award	**7 000 000**	7 500 000		3 500 000	**2 875 000**	4 000 000	**2 516 000**	4 000 000	**3 139 250**	4 000 000	**3 250 000**	4 000 000	**18 780 250**	27 000 000
Deferred share award	**6 000 000**	6 500 000		2 500 000	**1 875 000**	3 000 000	**1 516 000**	3 000 000	**2 139 250**	3 000 000	**2 250 000**	3 000 000	**13 780 250**	21 000 000
Total short-term incentive	**13 000 000**	14 000 000		6 000 000	**4 750 000**	7 000 000	**4 032 000**	7 000 000	**5 278 500**	7 000 000	**5 500 000**	7 000 000	**32 560 500**	48 000 000
Face value of long-term incentive award (on-target award)	**12 000 000**	11 000 000		8 000 000	**7 500 000**	8 500 000	**4 500 000**	8 500 000	**9 500 000**	8 500 000	**4 500 000**	8 500 000	**38 000 000**	53 000 000
Other payments	**–**	–		–	**–**	–	**–**	–	**–**	–	**773 373**	481 291	**773 373**	481 291
Total awarded remuneration	**31 637 500**	31 227 329		16 050 469	**18 265 344**	18 375 000	**14 281 401**	18 476 559	**20 528 500**	18 374 470	**16 007 975**	18 397 146	**100 720 720**	120 900 973

The non-deferred cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2023 and March 2024 in respect of prior year performance.

The deferred share award 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 R1 million. Deferred awards were granted in April 2023 for the 2022 short-term incentive award, and will be granted in April 2024 for 2023 performance.

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).

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 value applicable for 'on-target' performance.

Total awarded remuneration for 2023 includes the fixed remuneration paid during 2023, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2024 and a deferred share award granted in April 2024), and the face value of the long-term incentive to be granted in April 2024. Amounts disclosed in 2022 follow the same principle.

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 are all set out in this table for ease of reference. Her fixed remuneration was pro-rated for the period served as an executive director and a prescribed officer during 2022, with the short-term incentive and long-term incentive shown at full value.

As a result of the Board-approved changes to the Group operating model, four new prescribed officers (Faisal Mkhize, Cowyk Fox, Geoffrey Lee, and Saviour Chibiya) were appointed on 1 July 2022. Their fixed remuneration for 2022 was pro-rated from appointment date, with short-term incentives and long-term incentives shown at full value.

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

Directors' and prescribed officers' remuneration

Combined tables for 2023 total remuneration

	Charles Russon		Punki Modise		Faisal Mkhize		Cowyk Fox		Geoffrey Lee		Saviour Chibiya		Total	
Prescribed officers **Single-figure remuneration**	**2023** **R**	2022 R	**2023** **R**	2022 R	**2023** **R**	2022 R	**2023** **R**	2022 R	**2023** **R**	2022 R	**2023** **R**	2022 R	**2023** **R**	2022 R
Salary	**6 142 498**	5 763 388	**–**	1 624 045	**5 150 753**	2 543 235	**5 055 165**	2 478 656	**5 251 388**	2 652 901	**4 067 915**	2 040 976	**25 667 719**	17 103 201
Medical Aid	**226 272**	209 508	**–**	108 194	**124 676**	55 710	**101 840**	104 754	**237 456**	94 266	**101 941**	116 879	**792 185**	689 311
Retirement benefits	**197 595**	192 301	**–**	137 037	**393 982**	196 991	**199 537**	99 769	**199 537**	107 639	**383 281**	–	**1 373 932**	733 737
Other employee benefits	**71 135**	62 132	**–**	181 193	**345 933**	79 064	**392 859**	293 380	**61 619**	19 664	**681 465**	258 000	**1 553 011**	893 433
Total fixed remuneration	**6 637 500**	6 227 329	**–**	2 050 469	**6 015 344**	2 875 000	**5 749 401**	2 976 559	**5 750 000**	2 874 470	**5 234 602**	2 415 855	**29 386 847**	19 419 682
Non-deferred cash award	**7 000 000**	7 500 000	**–**	3 500 000	**2 875 000**	4 000 000	**2 516 000**	4 000 000	**3 139 250**	4 000 000	**3 250 000**	4 000 000	**18 780 250**	27 000 000
Deferred share award	**6 000 000**	6 500 000	**–**	2 500 000	**1 875 000**	3 000 000	**1 516 000**	3 000 000	**2 139 250**	3 000 000	**2 250 000**	3 000 000	**13 780 250**	21 000 000
Total short-term incentives	**13 000 000**	14 000 000	**–**	6 000 000	**4 750 000**	7 000 000	**4 032 000**	7 000 000	**5 278 500**	7 000 000	**5 500 000**	7 000 000	**32 560 500**	48 000 000
Value of vested long-term incentives	**8 443 581**	13 196 640	**–**	4 326 685	**4 101 194**	4 687 339	**4 583 579**	5 365 213	**4 101 194**	4 687 339	**4 704 252**	3 210 402	**25 933 800**	35 473 618
Dividend equivalents received on vesting	**1 663 701**	800 410	**–**	286 851	**976 903**	323 895	**1 112 769**	412 308	**1 003 670**	368 333	**716 432**	310 205	**5 473 475**	2 502 002
Total long-term incentives	**10 107 282**	13 997 050	**–**	4 613 536	**5 078 097**	5 011 234	**5 696 348**	5 777 521	**5 104 864**	5 055 672	**5 420 684**	3 520 607	**31 407 275**	37 975 620
Other payments	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**773 373**	481 291	**773 373**	481 291
Total single figure remuneration	**29 744 782**	34 224 379	**–**	12 664 005	**15 843 441**	14 886 234	**15 477 749**	15 754 080	**16 133 364**	14 930 142	**16 928 659**	13 417 753	**94 127 995**	105 876 593

The non-deferred cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2023 and March 2024 in respect of prior year performance.

The deferred share award 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 R1 million. Deferred awards were granted in April 2023 for the 2022 short-term incentive award, and will be granted in April 2024 for 2023 performance.

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).

The 2021 long-term incentive, which vests in respect of the performance period ending 31 December 2023, is included in the 2023 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 in April 2024, 2025 and 2026 for Charles Russon, and April 2024 for Faisal Mkhize, Cowyk Fox, Geoffrey 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 2023 and 2022 disclosures, 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.

Total single figure remuneration includes, for each year respectively, the fixed remuneration paid during 2022 and 2023, short-term incentives in respect of 2022 and 2022 performance (consisting of a cash award paid in March 2023 and March 2024, and a deferred share award granted in April 2023 and April 2024), long-term incentive awards (consisting of the value of vested long-term incentives and dividend equivalents received) and payments reflected as 'Other Payments'. See below regarding the proration of fixed remuneration for individuals who were not in their roles for the full year.

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 are all set out in this table for ease of reference. Her fixed remuneration was pro-rated for the period served as an executive director and a prescribed officer during 2022. The short-term incentive, the vesting value of her 2020 long-term incentive, and dividend equivalents and service credits were shown at full value.

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 for 2022 was pro-rated from appointment date. Their short-term incentives, the vesting value of their 2020 and 2021 long-term incentives, and dividend equivalents and service credits are shown at full value.

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).

	2023							2023				
	Number of shares under award at 1 January 2023	Number of shares/Trust units awarded during 2023	Share price/Unit value on award R	Number of shares/cash released during 2023	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 2023	Number of shares/Trust units under award/option at 31 December 2023	End of performance period	Last scheduled vesting date	Fair value of unvested awards at 31 December 2023 R
Executive directors												
Arrie Rautenbach												
Share incentive plan deferral 2020 – 2023	**19 911**	–	–	**19 911**	184.60	3 675 571	623 025	–	–	2023/04/01	2023/04/01	–
Share incentive plan deferral 2021 – 2024	**25 109**	–	–	**12 555**	184.60	2 317 653	205 091	–	**12 554**	2024/04/01	2024/04/01	**2 055 215**
Long-term incentive award 2019	**12 262**	–	–	**6 131**	171.72	1 052 815	265 136	–	**6 131**	2022/03/18	2024/03/18	**1 003 706**
Share incentive plan performance 2020	**130 321**	–	–	**29 752**	184.60	5 492 219	931 122	**41 066**	**59 503**	2023/04/01	2025/04/01	**9 741 236**
Share incentive plan performance 2021	**80 430**	–	–	–	–	–	–	–	**80 430**	2024/04/01	2026/04/01	**13 167 195**
Share incentive plan deferral 2022 – 2025	**31 972**	–	–	**10 657**	184.60	1 967 282	128 851	–	**21 315**	2025/04/01	2025/04/01	**3 489 479**
Share incentive plan performance 2022	**94 528**	–	–	–	–	–	–	–	**94 528**	2025/04/01	2025/04/01	**15 475 179**
Share incentive plan deferral 2023 – 2026	–	**48 275**	181.25	–	–	–	–	–	**48 275**	2026/04/01	2026/04/01	**7 903 100**
Share incentive plan performance 2023	–	**93 793**	181.25	–	–	–	–	–	**93 793**	2026/04/01	2026/04/01	**15 354 852**
Absa eKhaya Colleague Share Scheme 2023 – 2028	–	**860**	79.61	–	–	–	–	–	**860**	2028/09/01	2028/09/01	**55 530**
Total	**394 533**	**142 928**		**79 006**		14 505 540	2 153 225	**41 066**	**417 389**			**68 245 492**
Jason Quinn												
Share incentive plan deferral 2020 – 2023	**20 816**	–	–	**20 816**	184.60	3 842 634	651 453	–	–	2023/04/01	2023/04/01	–
Share incentive plan deferral 2021 – 2024	**25 109**	–	–	**12 555**	184.60	2 317 653	205 091	**6 277**	**6 277**	2024/04/01	2024/04/01	**1 027 608**
Long-term incentive award 2019	**11 964**	–	–	**5 981**	171.72	1 027 229	258 782	**5 983**	–	2022/03/18	2024/03/18	–
Share incentive plan performance 2020	**130 321**	–	–	**29 752**	184.60	5 492 219	931 122	**100 569**	–	2023/04/01	2025/04/01	–
Share incentive plan performance 2021	**78 468**	–	–	–	–	–	–	**78 468**	–	2024/04/01	2026/04/01	–
Share incentive plan deferral 2022 – 2025	**44 483**	–	–	**14 828**	184.60	2 737 249	179 247	**14 827**	**14 828**	2025/04/01	2025/04/01	**2 427 492**
Share incentive plan performance 2022	**69 506**	–	–	–	–	–	–	**69 506**	–	2025/04/01	2025/04/01	–
Share incentive plan deferral 2023 – 2026	–	**38 620**	181.25	–	–	–	–	**19 310**	**19 310**	2026/04/01	2026/04/01	**3 161 240**
Share incentive plan performance 2023	–	**71 724**	181.25	–	–	–	–	**71 724**	–	2026/04/01	2026/04/01	–
Absa eKhaya Colleague Share Scheme 2023 – 2028	–	**860**	79.61	–	–	–	–	**860**	–	2028/09/01	2028/09/01	–
Total	**380 667**	**111 204**		**83 932**		15 416 984	2 225 695	**367 524**	**40 415**			**6 616 340**

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).

	2023							2023				
	Number of shares under award at 1 January 2023	Number of shares/Trust units awarded during 2023	Share price/ Unit value on award R	Number of shares/cash released during 2023	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 2023	Number of shares/Trust units under award/option at 31 December 2023	End of performance period	Last scheduled vesting date	Fair value of unvested awards at 31 December 2023 R
Executive directors												
Christopher Snyman												
Share incentive plan deferral 2020 – 2023	**4 055**	–	–	**4 055**	184.60	748 553	126 820	–	–	2023/04/01	2023/04/01	–
Share incentive plan deferral 2021 – 2024	**785**	–	–	**392**	184.60	72 363	6 276	–	**393**	2024/04/01	2024/04/01	**64 338**
Share incentive plan performance 2020	**32 580**	–	–	**22 314**	184.60	4 119 164	698 342	**10 266**	–	2023/04/01	2023/04/01	–
Share incentive plan performance 2021	**25 894**	–	–					–	**25 894**	2024/04/01	2024/04/01	**4 239 107**
Share incentive plan deferral 2022-2025	**6 672**	–	–	**2 224**	184.60	410 550	26 767	–	**4 448**	2025/04/01	2025/04/01	**728 182**
Share incentive plan performance 2022	**18 271**	–	–	–	–	–	–	–	**18 271**	2025/04/01	2025/04/01	**2 991 145**
Share incentive plan deferral 2023-2026	–	**8 275**	181.25	–	–	–	–	–	**8 275**	2026/04/01	2026/04/01	**1 354 700**
Share incentive plan performance 2023	–	**19 304**	181.25	–	–	–	–	–	**19 304**	2026/04/01	2026/04/01	**3 160 258**
Absa eKhaya Colleague Share Scheme 2023 – 2028	–	**860**	79.61	–	–	–	–	–	**860**	2028/09/01	2028/09/01	**55 530**
Total	**88 257**	**28 439**		**28 985**		5 350 630	858 205	**10 266**	**77 445**			**12 593 260**

Arrie Rautenbach's outstanding share-based long-term incentive awards include awards received prior to his appointment as Group Chief Executive and an executive director on 29 March 2022.

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

For all executive directors, the 2020 and 2021 Share Incentive Plan Performance awards will vest over a five-year period. The number of shares that vest will be based on the measurement of the predetermined performance conditions linked to the performance awards. This applies only in respect of individuals who were executive directors at the time of the award.

For all executive directors, the 2022 and 2023 Share Incentive Plan Performance award will vest over a three year period. This is aligned to a RemCo-approved amendment to the remuneration framework for improved alignment to market practice.

On 1 September 2023, Absa implemented a B-BBEE transaction and staff incentivisation scheme, with awards in the form of Trust units (and corresponding Allocated Scheme Shares) made to eligible employees. The scheme will run over a period of five years.

Jason Quinn ceased to be an executive director on 22 November 2023. In March 2022, as part of the transitional arrangements to the new Group Chief Executive, and aligned with the commercial imperative to ensure continuity and stability at senior executive level, the Board entered into a retention agreement with Jason upon his return to the Group Financial Director role. In terms of this retention arrangement, and subsequent exit terms, he forfeited 50% of all outstanding deferred short-term incentive awards and 100% of all long-term incentive awards on the date of notice of his resignation. The value of the awards subject to forfeiture, using the 31 December 2023 share price and before application of the adjustment for performance conditions on the 2021 long-term incentive, was R60.1 million. Jason retained deferred short-term incentive awards worth R6.6 million. The awards subject to eligible leaver status will remain in the Share Incentive Plan and will vest on their normal vesting dates.

Christopher Snyman's outstanding share-based long-term incentive awards include awards received prior to his appointment as Interim Group Financial Director and executive director on 22 November 2023.

Christopher Snyman's 2020 to 2023 Share Incentive Plan Performance awards will vest after a period of three years. The number of shares to vest will be based on the measurement of the predetermined performance conditions linked to the performance awards.

The fair value of the awards is calculated based on the number of shares multiplied by the closing share price (R163.71) or the Trust Unit value (R64.57) on 31 December 2023. For the 2020 to 2023 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

Outstanding share-based long-term incentives

	2023							2023				
	Number of shares under award at 1 January 2023	Number of shares/Trust units awarded during 2023	Share price/ Unit value on award R	Number of shares/cash released during 2023	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 2023	Number of shares/Trust units under award/option at 31 December 2023	End of performance period	Last scheduled vesting date	Fair value of unvested awards at 31 December 2023 R
Prescribed officers												
Charles Russon												
Share incentive plan deferral 2020 – 2023	**15 113**	–	–	**15 113**	184.60	2 789 860	472 945	–	–	2023/04/01	2023/04/01	–
Share incentive plan deferral 2021 – 2024	**20 925**	–	–	**10 462**	184.60	1 931 285	170 940	–	**10 463**	2024/04/01	2024/04/01	**1 712 898**
Long-term incentive award 2019	**8 374**	–	–	**4 187**	171.72	718 992	180 993	–	**4 187**	2022/03/18	2024/03/18	**685 454**
Share incentive plan performance 2020	**99 370**	–	–	**22 685**	184.60	4 187 651	709 972	**31 314**	**45 371**	2023/04/01	2025/04/01	**7 427 686**
Share incentive plan performance 2021	**54 927**	–	–	–	–	–	–	–	**54 927**	2024/04/01	2026/04/01	**8 992 099**
Share incentive plan deferral 2022 – 2025	**31 972**	–	–	**10 657**	184.60	1 967 282	128 851	–	**21 315**	2025/04/01	2025/04/01	**3 489 479**
Share incentive plan performance 2022	**55 604**	–	–	–	–	–	–	–	**55 604**	2025/04/01	2025/04/01	**9 102 931**
Share incentive plan deferral 2023 – 2026	–	**35 862**	181.25	–	–	–	–	–	**35 862**	2026/04/01	2026/04/01	**5 870 968**
Share incentive plan performance 2023	–	**60 689**	181.25	–	–	–	–	–	**60 689**	2026/04/01	2026/04/01	**9 935 396**
Absa eKhaya Colleague Share Scheme 2023 – 2028	–	**860**	79.61	–	–	–	–	–	**860**	2028/09/01	2028/09/01	**55 530**
Total	**286 285**	**97 411**		**63 104**		11 595 070	1 663 701	**31 314**	**289 278**			**47 272 441**
Faisal Mkhize												
Share incentive plan deferral 2020 – 2023	**5 430**	–	–	**5 430**	184.60	1 002 378	169 832	–	–	2023/04/01	2023/04/01	–
Share incentive plan deferral 2021 – 2024	**2 092**	–	–	**1 046**	184.60	193 092	16 983	–	**1 046**	2024/04/01	2024/04/01	**171 241**
Share incentive plan performance 2020	**35 295**	–	–	**24 173**	184.60	4 462 336	756 491	**11 122**	–	2023/04/01	2023/04/01	–
Share incentive plan performance 2021	**26 679**	–	–	–	–	–	–	–	**26 679**	2024/04/01	2024/04/01	**4 367 619**
Share incentive plan deferral 2022-2025	**8 340**	–	–	**2 780**	184.60	513 188	33 597	–	**5 560**	2025/04/01	2025/04/01	**910 228**
Share incentive plan performance 2022	**22 241**	–	–	–	–	–	–	–	**22 241**	2025/04/01	2025/04/01	**3 641 074**
Share incentive plan performance 2022	**24 536**	–	–	–	–	–	–	–	**24 536**	2025/09/01	2025/09/01	**4 016 789**
Share incentive plan deferral 2023-2026	–	**16 551**	181.25	–	–	–	–	–	**16 551**	2026/04/01	2026/04/01	**2 709 564**
Share incentive plan performance 2023	–	**46 896**	181.25	–	–	–	–	–	**46 896**	2026/04/01	2026/04/01	**7 677 344**
Absa eKhaya Colleague Share Scheme 2023 – 2028	–	**1 032**	79.61	–	–	–	–	–	**1 032**	2028/09/01	2028/09/01	**66 636**
Total	**124 613**	**64 479**		**33 429**		6 170 994	976 903	**11 122**	**144 541**			**23 560 495**

Directors' and prescribed officers' remuneration

Outstanding share-based long-term incentives

	2023							2023				
	Number of shares under award at 1 January 2023	Number of shares/Trust units awarded during 2023	Share price/ Unit value on award R	Number of shares/cash released during 2023	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 2023	Number of shares/Trust units under award/option at 31 December 2023	End of performance period	Last scheduled vesting date	Fair value of unvested awards at 31 December 2023 R
Prescribed officers												
Cowyk Fox												
Share incentive plan deferral 2020 – 2023	**6 049**	–	–	**6 049**	184.60	1 116 645	189 215	–	–	2023/04/01	2023/04/01	–
Share incentive plan deferral 2021 – 2024	**2 615**	–	–	**1 308**	184.60	241 457	21 229	–	**1 307**	2024/04/01	2024/04/01	**213 969**
Share incentive plan performance 2020	**40 400**	–	–	**27 669**	184.60	5 107 697	865 959	**12 731**	–	2023/04/01	2023/04/01	–
Share incentive plan performance 2021	**29 817**	–	–	–	–	–	–	–	**29 817**	2024/04/01	2024/04/01	**4 881 341**
Share incentive plan deferral 2022 – 2025	**9 035**	–	–	**3 012**	184.60	556 015	36 366	–	**6 023**	2025/04/01	2025/04/01	**986 025**
Share incentive plan performance 2022	**22 241**	–	–	–	–	–	–	–	**22 241**	2025/04/01	2025/04/01	**3 641 074**
Share incentive plan performance 2022	**24 536**	–	–	–	–	–	–	–	**24 536**	2025/09/01	2025/09/01	**4 016 789**
Share incentive plan deferral 2023 – 2026	–	**16 551**	181.25	–	–	–	–	–	**16 551**	2026/04/01	2026/04/01	**2 709 564**
Share incentive plan performance 2023	–	**46 896**	181.25	–	–	–	–	–	**46 896**	2026/04/01	2026/04/01	**7 677 344**
Absa eKhaya Colleague Share Scheme 2023 – 2028	–	**860**	79.61	–	–	–	–	–	**860**	2028/09/01	2028/09/01	**55 530**
Total	**134 693**	**64 307**		**38 038**		7 021 814	1 112 769	**12 731**	**148 231**			**24 181 636**
Geoffrey Lee												
Share incentive plan deferral 2020 – 2023	**5 973**	–	–	**5 973**	184.60	1 102 616	186 815	–	–	2023/04/01	2023/04/01	–
Share incentive plan deferral 2021 – 2024	**2 615**	–	–	**1 308**	184.60	241 457	21 229	–	**1 307**	2024/04/01	2024/04/01	**213 969**
Share incentive plan performance 2020	**35 295**	–	–	**24 173**	184.60	4 462 336	756 491	**11 122**	–	2023/04/01	2023/04/01	–
Share incentive plan performance 2021	**26 679**	–	–	–	–	–	–	–	**26 679**	2024/04/01	2024/04/01	**4 367 619**
Share incentive plan deferral 2022 – 2025	**9 730**	–	–	**3 243**	184.60	598 658	39 135	–	**6 487**	2025/04/01	2025/04/01	**1 061 987**
Share incentive plan performance 2022	**22 241**	–	–	–	–	–	–	–	**22 241**	2025/04/01	2025/04/01	**3 641 074**
Share incentive plan performance 2022	**24 536**	–	–	–	–	–	–	–	**24 536**	2025/09/01	2025/09/01	**4 016 789**
Share incentive plan deferral 2023 – 2026	–	**16 551**	181.25	–	–	–	–	–	**16 551**	2026/04/01	2026/04/01	**2 709 564**
Share incentive plan performance 2023	–	**46 896**	181.25	–	–	–	–	–	**46 896**	2026/04/01	2026/04/01	**7 677 344**
Absa eKhaya Colleague Share Scheme 2023 – 2028	–	**860**	79.61	–	–	–	–	–	**860**	2028/09/01	2028/09/01	**55 530**
Total	**127 069**	**64 307**		**34 697**		6 405 067	1 003 670	**11 122**	**145 557**			**23 743 876**

Directors' and prescribed officers' remuneration

Outstanding share-based long-term incentives

	2023				2023							
	Number of shares under award at 1 January 2023	Number of shares/Trust units awarded during 2023	Share price/ Unit value on award R	Number of shares/cash released during 2023	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 2023	Number of shares/Trust units under award/option at 31 December 2023	End of performance period	Last scheduled vesting date	Fair value of unvested awards at 31 December 2023 R
Prescribed officers												
Saviour Chibiya												
Share incentive plan notional deferral 2020 – 2023	**4 163**	–	–	**4 163**	184.60	768 490	130 143	–	–	2023/04/01	2023/04/01	–
Share incentive plan notional deferral 2021 – 2024	**2 877**	–	–	**1 438**	184.60	265 455	23 444	–	**1 439**	2024/04/01	2024/04/01	**235 579**
Share incentive plan notional performance 2020	**24 175**	–	–	**16 557**	184.60	3 056 422	518 172	**7 618**	–	2023/04/01	2023/04/01	–
Share incentive plan notional performance 2021	**30 602**	–	–		–	–	–		**30 602**	2024/04/01	2024/04/01	**5 009 853**
Share incentive plan notional deferral 2022 – 2025	**11 120**	–	–	**3 707**	184.60	684 312	44 673	–	**7 413**	2025/04/01	2025/04/01	**1 213 582**
Share incentive plan notional performance 2022	**33 362**	–	–	–	–	–	–	–	**33 362**	2025/04/01	2025/04/01	**5 461 693**
Share incentive plan notional deferral 2023 – 2026	–	**16 551**	181.25	–	–	–	–	–	**16 551**	2026/04/01	2026/04/01	**2 709 564**
Share incentive plan notional performance 2023	–	**46 896**	181.25	–	–	–	–	–	**46 896**	2026/04/01	2026/04/01	**7 677 344**
Absa eKhaya Colleague Share Scheme: Phantom award (Zambia) 2023 – 2028	–	**860**	79.61	–	–	–	–	–	**860**	2028/09/01	2028/09/01	**55 530**
Total	**106 299**	**64 307**		**25 865**		4 774 679	716 432	**7 618**	**137 123**			**22 363 145**

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

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

Charles Russon's 2022 and 2023 Share Incentive Plan Performance award will vest over a three-year period.

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.

Faisal Mkhize's, Cowyk Fox's and Geoffrey Lee's 2020 and 2021 Share Incentive Plan Performance awards will vest over a three year period as they were made prior to them becoming prescribed officers. The 2022 and 2023 Share Incentive Plan Performance award will vest over a three-year period for all prescribed officers. This is aligned to a RemCo-approved amendment to the remuneration framework for improved alignment to market practice.

Saviour Chibiya's outstanding notional share-based long-term awards include awards received prior to becoming a prescribed officer on 1 July 2022. The 2020 and 2021 Notional Share Incentive Plan Performance awards will vest over a three-year period as they were made prior to him becoming a prescribed officer. The 2022 and 2023 Share Incentive Plan Performance award will vest over a three year period for all prescribed officers. This is aligned to a RemCo-approved amendment to the remuneration framework for improved alignment to market practice.

On 1 September 2023, Absa implemented B-BBEE transaction and staff incentivisation scheme, with awards in the form of Trust units (and corresponding Allocated Scheme Shares) made to eligible employees. The scheme will run over a period of five years.

The fair value of the awards is calculated based on the number of shares multiplied by the closing share price (R163.71) or the Trust Unit value (R64.57) on 31 December 2023. For the 2020 to 2023 Share Incentive Plan Performance awards, 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. Dividend equivalents may apply at the time of vesting on the number of shares that vest.

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						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 R
Executive directors											
Arrie Rautenbach											
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	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	130 321	–	–	–	–	–	–	–	130 321	2025/04/01	25 269 242
Share incentive plan performance 2021	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	–	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	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	130 321	–	–	–	–	–	–	–	130 321	2025/04/01	25 269 242
Share incentive plan performance 2021	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	–	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

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 Group Chief Executive and an executive director on 29 March 2022.

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

For all executive directors, the awards will vest over a five-year period.

For all executive directors, the 2022 Share Incentive Plan Performance award will vest over a three-year period.

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

Outstanding share-based long-term incentives

		2022						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 R
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	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	99 370	–	–	–	–	–	–	–	99 370	2025/04/01	19 267 843
Share incentive plan performance 2021	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	–	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											
Share value plan 2019 – 2022	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 2022 – 2024	980	–	–	327	191.00	62 457	1 337	–	653	2024/04/01	126 617
Long-term incentive award 2019	24 915	–	–	5 162	178.10	919 352	149 960	19 753	–	2024/09/02	–
Share incentive plan performance 2020	32 580	–	–	–	–	–	–	–	32 580	2023/04/01	6 317 262
Share incentive plan performance 2022	25 109	–	–	–	–	–	–	–	25 109	2024/04/01	4 868 635
Share incentive plan deferral 2023 – 2025	–	25 022	179.84	–	–	–	–	–	25 022	2025/04/01	4 851 766
Share incentive plan performance 2023	–	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
Faisal Mkhize											
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	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

Directors' and prescribed officers' remuneration

Outstanding share-based long-term incentives

	2022						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 R
Prescribed officers											
Cowyk Fox											
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	19 953	–	–	4 134	185.93	768 635	134 427	15 819	–	2023/03/18	–
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
Geoffrey Lee											
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	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

Directors' and prescribed officers' remuneration

Outstanding share-based long-term incentives

	2022						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 R
Prescribed officers											
Saviour Chibiya											
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	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

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

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

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

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.

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.

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.

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

Outstanding share-based long-term incentives

There are no outstanding cash-based long-term awards for any executive directors or prescribed officers for 2023. These all vested in 2022.

	2022								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 – 2022	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 – 2022	696 334	905 234	–	696 334	–	–	–	208 900	–			2022/03/18
Total	696 334	905 234	–	696 334	–	–	–	208 900	–			
Faisal Mkhize												
Cash value plan 2019 – 2022	128 800	167 440	–	128 800	–	–	–	38 640	–			2022/03/18
Cash value plan (MRT) 2022	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												
Cash value plan 2019 – 2022	327 666	425 966	–	327 666	–	–	–	98 300	–			2022/03/18
Cash value plan (MRT) 2022	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												
Cash value plan 2019 – 2022	196 600	255 580	–	196 600	–	–	–	58 980	–			2022/03/18
Cash value plan (MRT) 2022	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												
Cash value plan 2019 – 2022	189 419	246 245	–	189 419	–	–	–	56 826	–			2022/03/18
Cash value plan (MRT) 2022	1 550 000	1 550 000	–	1 550 000	–	–	–	–	–			2022/04/01
Total	1 739 419	1 796 245	–	1 739 419	–	–	–	56 826	–			

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.

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.

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

Group Chairman and non-executive directors' fees

Non-executive directors' fees paid during 2023

Directors	Group Board R	Group Board committees and sub-committees R	Absa Bank R	Absa Financial Services R	Other R	2023 Total R	2022 Total R	2021 Total R
Alex Darko	483 840	999 218	79 542	–	–	**1 562 600**	2 192 189	2 255 669
Alison Beck	53 460	62 229	–	–	–	**115 689**	–	–
Alpheus Mangale	320 757	322 809	–	–	–	**643 566**	–	–
Daisy Naidoo	644 219	871 764	–	–	–	**1 515 983**	2 883 305	2 549 847
Francis Okomo-Okello	483 840	509 245	79 542	–	156 742	**1 229 369**	1 601 993	1 971 912
Fulvio Tonelli	632 329	966 788	–	–	593 421	**2 192 538**	2 315 064	1 976 831
Ihron Rensburg	644 219	598 445	–	–	115 870	**1 358 534**	1 303 792	1 550 923
John Cummins	632 329	814 119	–	–	–	**1 446 448**	1 378 619	159 671
Luisa Diogo	213 838	240 976	–	–	2 701 036	**3 155 850**	–	–
Nhlanhla Mjoli-Mncube	892 619	738 491	106 917	–	–	**1 738 027**	1 627 935	1 365 207
Peter Mageza	267 298	466 581	–	–	–	**733 879**	–	–
René van Wyk	632 329	1 983 148	106 917	–	–	**2 722 394**	2 727 269	1 816 203
Rose Keanly	626 384	1 242 218	106 917	675 777	–	**2 651 296**	2 737 962	2 362 253
Sello Moloko	6 951 577	–	–	–	–	**6 951 577**	5 610 483	126 974
Swithin Munyantwali	644 219	656 494	–	–	1 320 676	**2 621 389**	1 297 475	1 435 581
Tasneem Abdool-Samad	632 329	1 776 243	106 917	824 874	–	**3 340 363**	3 426 393	3 495 595
Total	14 755 584	12 248 768	586 750	1 500 652	4 887 745	**33 979 499**	29 102 479	21 066 668

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.

Alex Darko retired from the Absa Group Board and as Chairman of Information Technology Committee (ITC) on 30 September 2023.

Alison Beck joined the Absa Group Board, Group Audit and Compliance Committee (GACC) and the Group Risk and Capital Management Committee (GRCMC) on 1 December 2023.

Alpheus Mangale joined the Absa Group Board, the Group Risk and Capital Management Committee (GRCMC) and the Information Technology Committee (ITC) on 1 July 2023.

Francis Okomo-Okello retired from the Absa Group Board and as Chairman of Social, Sustainability and Ethics Committee (SSEC) on 30 September 2023. He was Chairman of the Absa Africa Foundation Advisory Board (a sub-committee of the SSEC), until 30 September 2023, and remained a member from the same date (reported under Other).

Fulvio Tonelli joined the Group Audit and Compliance Committee (GACC) and resigned from the Information Technology Committee (ITC) on 1 July 2023. He is also a director on Absa Bank Kenya PLC board and member of their Audit and Risk Committee, Credit Committee and Strategy Committee (reported under Other).

Ihron Rensburg became the Chairman of Social, Sustainability and Ethics Committee (SSEC) and joined the Directors' Affairs Committee (DAC) as of 1 October 2023. He became the Chairman of the Absa Africa Foundation Advisory Board (a sub-committee of the SSEC) on 1 October 2023 (reported under Other).

Luisa Diogo joined the Absa Group Board, the Group Risk and Capital Management Committee (GRCMC), the Social, Sustainability and Ethics Committee (SSEC) and the Board Finance Committee (BFC) on 1 September 2023. She is also the Chairman of the Absa Bank Moçambique, SA board and the fee covers chairmanship as well as membership of any board committees. She also serves as Chairman of Global Alliance Seguros, S.A. (both reported under Other).

Peter Mageza joined the Absa Group Board, the Group Audit and Compliance Committee (GACC), the Remuneration Committee (RemCo) and Information Technology Committee (ITC) on 1 August 2023; and became Chairman of the ITC and joined the Directors' Affairs Committee (DAC) as of 1 October 2023.

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.

Swithin Munyantwali joined the Group Credit Risk Committee (GCRC) on 1 July 2023. In addition to the director fees received, a fee was paid for consulting work in the US, rendered in September/October 2023 (reported under Other).

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 framework, 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 2023, a total of 15 individuals were classified as senior managers and 76 individuals as other material risk takers. There were no material changes in 2023 to the methodology to classify material risk takers.

The Pillar 3 reporting includes all individuals who held 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		2023 Senior managers Rm	2023 Other material risk takers Rm
Fixed remuneration	**Number of employees**	***15***	***76***
	Total fixed remuneration	**86**	**348**
	Of which: cash based[1]	86	348
	Of which: deferred	–	–
	Of which: shares or other share linked instruments	–	–
	Of which: deferred	–	–
	Of which: other forms	–	–
	Of which: deferred	–	–
Variable remuneration	**Number of employees**	***15***	***76***
	Total variable remuneration	**201**	**545**
	Of which: cash based[2]	47	181
	Of which: deferred	–	–
	Of which: shares or other share linked instruments[3, 4]	154	364
	Of which: deferred	154	364
	Of which: other forms	–	–
	Of which: deferred	–	–
Total remuneration		**287**	**893**

1 Total fixed remuneration for this disclosure includes the full value of leave encashments during the year, where applicable.
2 This includes, for 2023, the cash short-term incentive payable in March 2024 in respect of performance for the 2023 financial year.
3 Includes for 2023, the Share Incentive Plan awards made during the 2023 financial year and deferred short-term incentives in respect of the 2023 financial year to be made in April 2024. All awards are subject to continued service and malus and clawback provisions.
4 Includes the value of the Absa eKhaya Colleague Share Scheme awards outstanding on 31 December 2023.

Basel Pillar 3 remuneration disclosures [REMA] continued

Special payments [REM2]

	2023					
	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]

Deferred and retained remuneration	2023 Total amount of outstanding deferred remuneration as at the end December 2023 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]	–	–	–	–	–
Shares[5]	358	358	15	(41)	120
Cash linked instruments	–	–	–	–	–
Other	–	–	–	–	–
Other material risk takers					
Cash[4]	–	–	–	–	0.1
Shares[5, 6]	763	763	44	(88)	328
Cash linked instruments	–	–	–	–	–
Other	–	–	–	–	–
Total	1 121	1 121	59	(129)	448

[1] This includes only amounts paid in excess of contractual entitlements.

[2] Ex post explicit adjustments reflect dividend equivalents determined and paid on vesting for the share value plan (JSVP), Share Incentive Plan (deferred, performance, and retention awards) and Long-Term Incentive plan (the vesting period for senior managers for these awards is five years, if they were on Exco at the award date) awards 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 2023 and the vesting date. The RemCo approved the performance conditions for the 2021 Share Incentive Plan Performance award measured for the three-year performance period ending December 2023. The amount reflected therefore represents the value of awards that will lapse in April 2024 due to partial fulfilment of the 2021 Share Incentive Plan performance conditions based on the share price on 31 December 2023.

[4] Includes the last tranche of a cash joiner award vested in March 2023.

[5] Includes the share value plan (JSVP), Share Incentive Plan (deferred, performance and retention awards), Absa eKhaya Colleague Share Scheme, and the Long-Term Incentive Plan (for senior managers the vesting period for these awards is five years, if they were on ExCo at the award date) awards.

[6] Includes the vesting value for three employees who terminated their service after the April 2023 vesting date.

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