Remuneration summary

Part one: Background statement

Our remuneration journey

2017 was a year of significant change with the Separation, changes in our regulatory landscape and the introduction of King IV. These changes have presented a unique opportunity to define the organisation we want to be, including how our remuneration philosophy and principles will give effect to our new corporate strategy. Our new reward philosophy and principles will be deliberate in addressing the views of our stakeholders, and will be informed by a fact base of competitor practices while complying with our changing regulatory landscape.

Our history – regulatory impacts on reward practices

Until we achieve regulatory deconsolidation from Barclays PLC (expected during 2018), we are required to comply with the European Union's Capital Requirements Directive IV (CRD IV), and the Prudential Regulatory Authority Remuneration Rulebook, which create an explicit regulatory and shareholder reward framework. Since 1 January 2017, the European Banking Authority Guidelines (which the Prudential Regulatory Authority accepts) have prohibited the payment of dividends or interest on deferred share awards for material risk takers (for awards from the performance year 2017), and further extended the holding periods from three years to five years which is applicable to the executive directors and material risk takers.

CRD IV, which came into effect in January 2014, has also had a significant impact on our reward practices and pay mix, primarily as a result of the 2:1 maximum ratio of variable to fixed pay for executives and material risk takers. Consequently, we implemented role based pay to remain market competitive. This has distorted the executive and material risk taker pay mix and undermined the nexus between performance and pay. Lower variable pay, partly due to contained short-term incentives and no long-term incentive awards during the period 2014 to 2016, resulted in inadequate executive exposure to the share price and gearing to long-term performance. These regulations are not applicable to local peers and competitors, and have impacted our market competitiveness.

Our new reward strategy is being developed for the future, taking into account regulatory deconsolidation.

While implementing this revised reward strategy is a journey with financial and regulatory constraints, we are confident that it will ultimately build stakeholder confidence in our reward outcomes through a strong and transparent correlation with performance; encourage and direct our employees' discretionary efforts; and ensure we make fair and responsible reward decisions.

Shareholder engagement and voting

We had a 75.7% vote 'for' our remuneration policy at our 2017 annual general meeting. We seek to improve this result and have made our comprehensive disclosure more transparent to enable active and extensive engagement with our shareholders. Our responses to remuneration matters raised by shareholders are outlined below.

Feedback	Actions taken/response to feedback
The pay mix of executives is distorted and too high due to the combination of conventional salary and role based pay.	Role based pay remains in place to ensure market competitiveness until we achieve regulatory deconsolidation from Barclays PLC, after which it will terminate, and we will align fixed pay with the market. 29 material risk takers received role based pay in 2017.
The current 10% new share issuance limit for 'reward shares' is higher than what is considered appropriate.	Currently Barclays Africa does not issue new shares for the release of deferred or long-term incentive share awards. These shares are purchased on the open market, and therefore have no impact on share price dilution. We seek shareholder approval at the 2018 annual general meeting for a maximum 5% limit, and a 0.5% individual limit, for the number of shares awarded across all share incentive schemes.
The variable remuneration arrangements are not subject to performance periods longer than one year.	Long-term incentive awards made in 2017 were under the existing Long-Term Incentive Plan which has a three-year performance period. These will vest between three and five-and-a-half years depending on an individual's material risk taker status. The Group Remuneration Committee (RemCo) determined the 2017 short-term bonus incentive pool based on the 2017 financial year performance of Barclays Africa and individual business units. Specific deferrals of payout are highlighted later in this report.
The level of disclosure around performance measurement should be enhanced.	We held numerous engagements with shareholders, and include additional disclosure regarding targets and stretch in this remuneration report.
No clear linkage to targets on incentives – there should be quantitative stretch targets that can be tracked.	The Long-Term Incentive Plan awards in 2017 have a threshold, target and stretch approach. The RemCo determined the 2017 short-term bonus incentive pool based on affordability as well as the Group's and individual business units' performance (in particular headline earnings).
Success in separating from Barclays PLC should be a factor in the Long-Term Incentive Plan conditions.	The 2017 Long-Term Incentive Plan metrics incorporate a strategic measure which includes progress against organisational objectives such as the Separation.

How we have applied King IV

The RemCo has applied Principle 14 of King IV, and is committed to ensuring that we remunerate fairly, responsibly and transparently. Within this remuneration report, we have made our disclosures and current remuneration policies more transparent and comprehensive. We have considered the recommended practices under Principle 14 by mindfully contemplating how each practice could enhance the quality of our disclosures, considering each recommended practice in light of what is appropriate for Barclays Africa and the sector, and in light of other required and voluntary governance standards with which we comply.

The recommended practices which have been applied in this remuneration report are listed below. We have:

- restructured our remuneration report according to the three parts recommended in King IV. The remuneration policy overview and implementation report focus on executive management as defined within King IV. In addition, within the remuneration policy, the remuneration elements and design principles informing the remuneration arrangements for other employees are included at a high level.
- focused on fair and responsible remuneration, and have contextualised how our policy addresses fair and responsible remuneration for executive management in the context of overall employee remuneration.
- provided details of any obligations in executive employment contracts which could give rise to payments on termination of employment or office.
- adopted the single, total figure reporting within our remuneration disclosures.
- implemented the new voting regime, and have requested advisory endorsement of our remuneration policy and the implementation report.

Fair and responsible pay

Society, including our customers and regulators, expects us to be a force for good, including fair and responsible pay for all employees and those of third-party providers.

PwC Actuarial Services conducted a comprehensive analysis of our annual basic pay, using regression analysis, to assess equal pay for work of equal value. This analysis showed that there are no unjustifiable variances in annual basic pay across Group-wide management and bargaining unit populations. In addition, PwC and Global Remuneration Services/Mercer conducted appropriate reputable remuneration surveys to ensure our internal equity and external competitiveness.

Our annual minimum basic pay of R144 000 is higher than the national minimum and living wage, and where feasible, we monitor the remuneration paid by our third-party service providers. The Group's Gini coefficient increased marginally to 0.45% from 0.44% in 2016, due to the specific interventions to lock-in critical senior employees during the Separation. We continue awarding higher increases to our more junior employees, as outlined on page 86.

Symmetry in reward, risk and conduct is a key tenet of our approach to remuneration. We maintain a sound governance structure of material risk takers to ensure that their remuneration is in line with our Values, and does not encourage undue risk. Our Remuneration Review Panel is an executive sub-committee of the RemCo and is chaired by the Chief Risk Officer. The Remuneration Review Panel makes recommendations to the RemCo on risk management, compliance and control matters relating to remuneration. In particular, it makes recommendations on adjustments to bonus pools, individual awards, malus adjustments and clawback.

We considered executive director and prescribed officer remuneration alongside a detailed comparison to the broader employee population's remuneration to ensure consistency across the Group.

This year we present part two (the main overview of the remuneration policy) and part three (the implementation report) to the shareholders for advisory votes. This is in alignment with the amended JSE Listings Requirements and the provisions of King IV. Part two outlines the Board's measures in the event of a negative vote on the remuneration policy of 25% or more.

Regulatory impacts

Our remuneration approach and disclosures comply with regulatory and statutory provisions relating to reward governance in all the countries in which we operate. They are also in accordance with relevant regulatory requirements in the United Kingdom and European Union.

As part of our commitment to good corporate governance, we have changed the structure of this report to align with the principles and recommended practices of King IV as follows:

- This report is split into three sections: Part one sets out the context of remuneration decisions during the year; part two sets out our remuneration policy and governance; part three addresses the implementation of the remuneration policy during 2017.
- We continue to be transparent, to ensure fair and responsible pay through the disclosure of relative measures such as our 2017 Gini coefficient.
- As required by Regulation 43 of the South African Banks Act, the remuneration of risk, compliance, legal, and internal audit employees is determined independently within each function, rather than by the business they support, though within the parameters of the pool we allocate to them.
- While we remain regulated by the Prudential Regulation Authority, we will comply with the European Union's CRD IV, and, in particular, the 2:1 maximum ratio of variable to fixed pay, and additional holding periods and clawback provisions for material risk takers.
- We take note of the newly promulgated South African Twin Peaks legislation which will establish prudential and conduct regulatory bodies in South Africa to govern and regulate the financial services industry in a similar manner to the United Kingdom and will adapt our remuneration governance to reflect the requirements established by these bodies.

Remuneration advisors

The RemCo is satisfied that the advice received from PwC was objective and independent.

Pay and performance highlights

Our pay decisions considered financial performance holistically, including progress against our Balanced Scorecard, which is fundamental to how our business is run (see page 30). This is in line with improving returns to shareholders and accelerating delivery. Our policy is to pay above the market median for our top performers and critical talent. By retaining our highest-quality people, we best deliver our strategy and shareholder value.

Barclays Africa's 2017 financial results were satisfactory in a challenging macro environment, with normalised headline earnings increasing by 4% (7% in constant currency). We continued to benefit from a diversified portfolio as stronger growth outside South Africa supported overall performance. Group return on equity at 16.4% remained strong and largely in line with the prior year, while earnings were marginally better than the Board-approved target in constant currency terms.

The 2017 annual discretionary bonus incentive pool increased in absolute terms by 2% compared to normalised headline earnings growth of 4%. Total incentives, which grew by 5%, includes:

- formulaic incentives;
- a Separation bonus pool of R184m for individuals who support our separation efforts; and
- the restricted share awards granted in 2017.

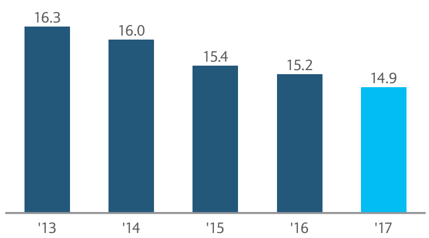
The Separation bonus pool included additional highly skilled resources specifically hired for the project, particularly in the IT function. 334 employees were dedicated full-time to the Separation. The Separation bonus is a temporary pool, which will cease once the Separation has been achieved.

Our decisions on total compensation were made against the backdrop of these performance headlines, while considering our compensation trends over prior years. The outcomes of our decisions on the Group's total compensation for 2017 can be summarised as follows (these are based on normalised profit before tax):

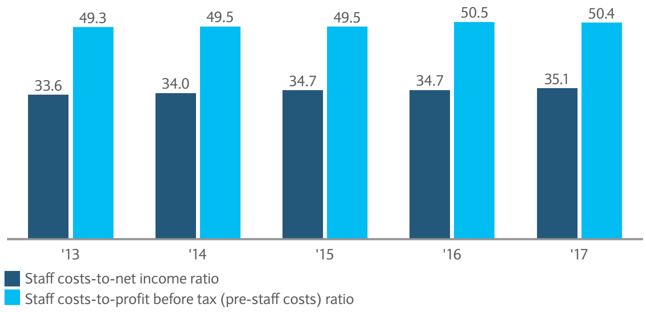
- The staff cost-to-profit before tax (pre-staff costs) ratio decreased by 0.1 percentage points. During 2017, we employed an additional 670 employees.
- The staff cost-to-net income ratio is 35.1%, which is 0.4 percentage points higher than 2016.
- The cost-to-income ratio increased to 56.8% (2016: 55.2%).
- Total staff cost increased to R23 138m (4.7%), of which salaries increased to R18 684m (4.5%).
- The ratio of our annual bonus pool to headline earnings continued to reduce in 2017 (14.9%).

These year-on-year changes illustrate our continued focus on generating quality earnings with a focus on costs.

Ratio of annual bonus pool to headline earnings (%)



Staff cost framework ratios (%)



Part two: Remuneration policy and governance – overview of main provisions

2017 elements of remuneration – pre regulatory deconsolidation

While we apply a common remuneration structure across the Group, we differentiate its implementation according to local market practice and statutory or regulatory requirements. Remuneration is split between fixed and variable elements – variable elements reward the achievement of Group, business unit, team and individual objectives. In the table below we summarise the elements of remuneration as they applied in 2017 (pre regulatory deconsolidation).

Fixed remuneration	**Salary**	Included as part of cost to company and reflects an individual's role, specific skills and experience, and provides the basis for a competitive remuneration package. We position pay at the market median, while remuneration for critical skills is positioned above the market median to attract talented individuals with outstanding track records.
	Role based pay	Created due to the regulatory environment to which we are exposed. Role based pay is not considered as salary (or cost to company) for pension and benefit purposes, unless legally required in a particular geography. Role based pay only applies to material risk takers and will fall away post regulatory deconsolidation, at which point fixed pay will be aligned with the market. 29 material risk takers received role based pay in 2017. Our Chief Executive Officer's role based pay was previously delivered through 50% phantom shares and 50% cash. Our Chief Executive Officer is no longer a member of the Barclays PLC Executive Committee, and as such her role based pay from July 2017 was paid monthly in cash to align with other Barclays Africa executive directors.
	Lifestyle benefits	Competitive benefits (including pension, insurance etc.) appropriate to an employee's role and location.
Variable remuneration	**Annual bonus (non-deferred)**	For executive directors, prescribed officers and material risk takers, 50% of the non-deferred bonus is delivered in cash, and 50% is delivered as shares which are released after 12 months (as a Share Incentive Award – refer below). Executives are given the choice to defer 100% of the annual bonus into shares. For all other employees, 100% of the non-deferred bonus is delivered in cash subject to the provisions set out under the deferred bonus below. All cash portions of the bonuses are paid in March.
	Share Incentive Award (non-deferred)	For executive directors, prescribed officers and material risk takers, 50% of any non-deferred bonus award is delivered as shares at or around the time that the award is paid. This releases after 12 months in March of the following year.
	Annual bonus (deferred)	• For material risk takers between 40% and 60% of their total annual bonus is deferred depending on the individual's material risk taker status. The deferred amount is apportioned as follows: – 50% in shares in three equal annual tranches (five equal tranches for certain material risk takers, including executive directors and prescribed officers), subject to continued service and malus provisions. An additional six-month holding period applies for executive directors, prescribed officers and other material risk takers (Share Value Plan). – 50% in cash released in three equal annual tranches (five equal tranches for certain material risk takers, including executive directors and prescribed officers), subject to continued service and malus provisions (Cash Value Plan). • For all other South African employees, annual bonuses greater than R500 000 are deferred as follows: – **R500 000 to R1 500 000:** 70% immediate cash, 30% deferred over three years equally into the Cash Value Plan and the Share Value Plan – **R1 500 000 to R3 000 000:** 60% immediate cash, 40% deferred over three years equally into Cash Value Plan and the Share Value Plan – **>R3 000 000:** 50% immediate cash, 50% deferred over three years equally into Cash Value Plan and the Share Value Plan • For all non-South African employees, deferral is based on different thresholds, but again deferred over three years, split equally into cash and shares.
	Long-term incentives	Executive management (including other senior management and key employees) are eligible, at the discretion of the RemCo, to participate through annual awards. Awards, the quantum of which is based on appropriate market benchmarks, carry dividend equivalents (except for material risk takers) and performance conditions, with a performance period of three years. These will vest between three and five- and-a-half years depending on an individual's material risk taker status. Where regulatory limitations still apply, the RemCo will apply discretion to delay the vesting of awards to ensure compliance with the relevant requirements.

Determination of 2017 short-term bonus incentive pools

The RemCo determined the 2017 bonus pools based on affordability and performance, and the continuing requirements of CRD IV on the same basis as prior years by following the principles below:

1. The RemCo determined overall Group, business unit and function bonus pool limits using the prior year's base and adjusting it based on the Group's and individual business units' performance. In addition, we adjusted bonus pools, as appropriate, for adverse risk and control events.
2. Managers then recommended bonus awards within the overall limits after having assessed individual performance against personal objectives and behaviour in line with our Values. A robust process ensures individuals who were accountable, directly or indirectly, for adverse risk events had their remuneration adjusted appropriately.
3. Consistency checks were then conducted at Group, business unit and function level.
4. The RemCo reviewed and approved proposed senior manager awards. The aggregate Group bonus pool was finally approved by the Group Audit and Compliance Committee, based on the Group's 2017 performance.

Service contracts and termination arrangements

For our executives and prescribed officers, our approach to payments in the event of termination takes account of the individual circumstances, including the reason for termination, individual performance, contractual obligations and the terms of the short-term or long-term incentive.

Notice period

All executive directors and prescribed officers have a six-month notice period, with their potential compensation for loss of office being six months' fixed remuneration.

Executive directors may be required to work during the notice period, or may be placed on garden leave, or if not required to work, the full notice period may be provided with pay in lieu of notice (subject to mitigation where relevant).

Treatment of role based pay

Role based pay ceases to be payable from the termination date. Therefore, it will be paid during the notice period and/or garden leave, but not where Barclays Africa elects to make payment in lieu of notice (unless otherwise required by law).

Treatment of annual bonus on termination

There is no automatic entitlement to bonus on termination, but it may be considered at the RemCo's discretion and subject to performance measures being met and pro rated for service. No bonus will be payable in the case of gross misconduct or resignation.

Treatment of unvested deferred bonus awards

Outstanding deferred bonus awards would lapse if the executive director or prescribed officer leaves by reason of resignation or termination for gross misconduct. However, in the case of death, or if the executive director or prescribed officer is an eligible leaver defined as leaving due to injury, disability or ill health, retirement, redundancy, or in circumstances where Barclays Africa terminates the employment, he/she would continue to be eligible to be considered for unvested portions of deferred awards – subject to the rules of the relevant plan – unless the RemCo determines otherwise in exceptional cases. Deferred awards are subject to malus provisions which enable the RemCo to reduce the vesting level of deferred bonuses (including to nil).

In an eligible leaver situation, deferred bonus awards may be considered for release in full on the scheduled release date unless the RemCo determines otherwise in exceptional circumstances.

Treatment of long-term incentive awards

Each long-term plan is treated in accordance with its individual rules.

Adjustments to bonuses for adverse risk and conduct matters

All deferred awards are subject to continued employment and malus provisions. Under these provisions, we may reduce the level of vesting of deferred awards, including to nil, where (but not limited to):

- a participant deliberately misled the Group, the market and/or shareholders in relation to the financial performance of the Group;
- a participant caused harm to our reputation, or where their actions amounted to misconduct, incompetence, poor performance or negligence;
- there is a material restatement of the Group's financial statements;
- there is a material failure of risk management in the Group; and/or
- there is a significant deterioration in the Group's financial health.

The Remuneration Review Panel follows a robust process for considering risk and conduct matters and the associated consequences reflected in individual incentive decisions. When considering individual responsibility, they take 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 or missed opportunities to take adequate steps to address the failure; and
- by virtue of seniority, could be deemed indirectly responsible, including employees who drive the Group's culture and set its strategy.

Where appropriate, we adjust the remuneration of individuals who were directly or indirectly accountable for an event. This includes reductions in current year bonus and in vesting amounts of deferred awards through the application of malus.

Following the recommendations of the Remuneration Review Panel, we determined that certain bonus pools and/or individual awards will be reduced after considering risk and conduct events within the business. Clawback applies to any variable remuneration awarded to a material risk taker from 1 January 2015. The RemCo may apply clawback at any time during the seven-year period from the date on which variable remuneration is awarded, if:

- there is reasonable evidence of employee misbehaviour or material error; and/or
- the Group or business unit suffers a material risk management failure, taking account of the individual's proximity to and responsibility for that incident.

Minimum shareholding requirements

To ensure greater executive exposure to the share price and alignment to shareholders, Executive Committee members are required to have a minimum shareholding of 150% of their annual cost to company (salary and benefits, but excluding role based pay). This must be built up at a rate of at least 20% per annum over five years from 2016.

New reward strategy, 2018 and beyond

We are developing a new remuneration policy, which will underpin our strategy, entrepreneurial culture and risk management approach. The reward policy is being informed by issues raised by our institutional investors and changing regulatory landscape, and we will continue our active engagement with shareholders as this progresses.

Advisory vote on the remuneration policy

The remuneration policy as it appears above is subject to an advisory vote by shareholders at the 2018 annual general meeting. Accordingly, shareholders are requested to cast an advisory vote on part two of this remuneration report (remuneration policy and governance – overview of main provisions).

Measures to be taken if the vote is less than 75%

In the event that the remuneration policy and/or the implementation report have been voted against by 25% or more of the voting rights exercised at the annual general meeting, the Board commits to steps in good faith and with best reasonable effort, towards the following at a minimum:

- An engagement to ascertain the reasons for the dissenting votes
- Appropriately addressing legitimate and reasonable objections and concerns raised, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes

In addition, the background statement of the remuneration report following such negative voting will disclose details on:

- whom the company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes; and
- the nature of steps taken to address legitimate and reasonable objections and concerns.

Policy regarding non-executive directors' fees

The proposed fees for non-executive directors are approved by the Directors' Affairs Committee and are recommended to Barclays Africa Board for approval and inclusion for shareholders vote at the annual general meeting.

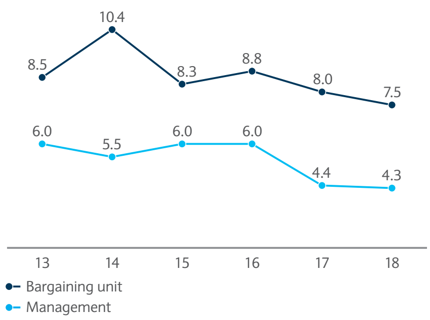
Part three: Implementation of remuneration policy for financial year 2017

This implementation report details the principles implemented in 2017. Additional disclosures relating to senior managers and material risk takers are provided in our 2017 Pillar 3 risk and capital management report.

Fixed remuneration increases

Recognising the need to remunerate executive management fairly and responsibly in the context of overall remuneration, we award higher increases to junior levels than to executive levels, as shown alongside.

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



The following table details the fixed remuneration for executive directors and prescribed officers which will be effective from 1 April 2018 as well as for the previous three years.

	2015		2016		2017		**2018**		
	Cost-to-company R 000	Role based pay R 000	Cost-to-company R 000	Role based pay R 000	Cost-to-company R 000	Role based pay R 000	**Cost-to-company R 000**	**Role based pay R 000**	2018 fixed pay % change
Executive directors									
Maria Ramos	8 000	6 500	8 000	6 500	8 600	6 500	**8 600**	**6 500**	–
David Hodnett	6 542	3 500	7 000	5 000	7 000	5 000	**7 000**	**5 000**	–
Peter Matlare	–	–	6 500	3 500	6 500	3 500	**6 500**	**3 500**	–
Jason Quinn	–	–	5 300	–	5 300	–	**6 000**	**–**	13
Prescribed officers									
Nomkhita Nqweni	4 000	1 500	5 000	2 500	5 000	2 500	**5 000**	**2 500**	–

Summary of 2017 total incentive outcomes

	2015 R 000	2016 R 000	**2017 R 000**	YoY change %
Non-deferred bonus pool	1 787	1 766	**1 817**	3
Deferred bonus pool	412	510	**505**	(1)
Annual bonus pool	2 199	2 276	**2 322**	2
Commission and other incentives	125	124	**136**	10
Retention awards	134	–	**–**	–
Separate bonus pool related to Barclays PLC sell-down	–	82	**184**	124
Restricted awards		191	**156**	(18)
Total incentives granted	2 458	2 673	**2 798**	5
Total permanent employees (number)	39 964	39 356	**40 026**	2
Total employees who received a bonus (number)	36 686	36 227	**37 358**	3

The annual discretionary bonus incentive pool has increased by 2% in absolute terms on a normalised basis, with a total value of R2 322m. A separate bonus pool of R184m was approved to support the Separation. Including the Separation bonus pool and restricted share awards, the total incentives increase is 5%.

Incentives as reflected in the income statement, including buy-outs of forfeited bonuses for a limited number of senior new hires, higher formulaic bonuses (in line with production and cost targets) and an accrual release in the prior year, increased by 8%. Excluding these items, the normalised incentive pool increased by 2% as reflected above, which is in line with performance.

Executive Committee incentives, included in the above table, have increased from R93m in 2016 to R95m in 2017, an increase of 2.6% on the prior year. If the 2016 pool is annualised for a full year of service for the Deputy Chief Executive Officer: Rest of Africa Banking, the 2017 pool is 3.3% lower than 2016.

Aligned with the restricted share awards in 2016, the RemCo granted restricted share awards to 53 key employees (to the total value of R156m), including executive directors and prescribed officers, to retain skills critical during the Separation and beyond. No further restricted share awards will be made in 2018. The details of the 2017 restricted awards were as follows:

Restricted share awards

- **Form of award:** Shares under the rules of the Barclays Africa Share Value Plan.
- **Award date:** 1 October 2017.
- **Performance period:** Two years, ending on 30 September 2019.
- **Deferral periods:** The deferral period for material risk takers will be aligned to the requirements as set out by the Prudential Regulatory Authority. The Group deferral approach will apply to non-material risk takers.

Performance conditions:

- Individual performance rating of 'strong' or above through to the end of the performance period – this will be measured through key business and individual objectives, including a participant's contribution to the Separation
- Participant remaining an employee of Barclays Africa or Barclays PLC and not being under notice when the payment, award or recommendation is made
- The employee not being under investigation or suspension when the award is made

The 2017 restricted awards for executive directors and prescribed officers are outlined on page 88.

Short-term incentive awards

A summary of the Group's and business units' performance follows:

Barclays Africa: The 2017 financial results were satisfactory in a challenging macro environment, with normalised headline earnings increasing by 4% (7% in constant currency). We benefited from our diversified portfolio, as stronger growth outside South Africa supported overall performance. Return on equity at 16.4% (on a normalised basis) remained strong and largely in line with the prior year. Group earnings were marginally better than Board-approved target in constant currency terms.

South Africa Banking: Achieved 4% normalised earnings growth reflective of low revenue growth and supported by lower impairments. Low revenue growth partially reflects regulatory changes in RBB and slow balance sheet growth in a weak growth environment in South Africa; however, momentum showed some improvement in the second half of the year. Return on equity of 20.9% remains strong and in line with prior-year returns. South Africa Banking earnings were higher than the Board-approved target.

Rest of Africa Banking: Performance supported overall Group performance as normalised headline earnings growth increased by 24% in constant currency, and return on equity improved from 15.1% to 16.6%. Strong financial performance reflects lower impairments and strong top-line growth from Corporate, partially offset by material regulatory headwinds in Kenya. Rest of Africa Banking earnings were well ahead of the Board-approved target.

WIMI: Normalised earnings were 8% lower than the prior year following single name credit impairment in Wealth and higher claims in the Western Cape in the first half of 2017. Underlying performance was supported by improved claims management in South Africa Banking and Rest of Africa Banking and embedded value of new business improved reflecting the benefits of collaboration with RBB. Earnings were lower than the Board-approved target.

Individual performance, which included Balanced Scorecard results, was assessed by the RemCo for the award of short-term incentives to executive directors and prescribed officers. These are reflected in the outcomes shown in the following table:

		Executive directors				Prescribed officer
		Maria Ramos	David Hodnett	Peter Matlare	Jason Quinn	Nomkhita Nqweni
Group performance as a % of fixed remuneration[1]	Weighting/on-target	80	40	40	40	40
	Maximum[3]	160	80	80	80	80
	Outcome	76	38	38	38	38
Business/function performance as a % of fixed remuneration[1]	Weighting/on-target	–	40	40	40	40
	Maximum[3]	–	80	80	80	80
	Outcome	–	49	42	74	26
Individual performance[2] as a % of fixed remuneration[1]	Weighting/on-target	20	20	20	20	20
	Maximum[3]	40	40	40	40	40
	Outcome	24	34	20	38	17
Final award as a % of fixed remuneration[1] (Group performance + business/function performance + individual performance)	Maximum[3]	200	200	200	200	200
	Outcome	100	121	100	150	81

[1] Fixed remuneration refers to the cost-to-company and role based pay packages as at 31 December 2017.
[2] Determined on individual performance and/or RemCo discretion.
[3] The maximum is set at 200% of fixed remuneration as required by CRD IV.

Long-Term Incentive Plan and restricted share awards

The following table details the Long-Term Incentive Plan and restricted share awards made to executive directors and prescribed officers during 2017.

	Restricted share awards				Long-Term Incentive Plan awards	
	2016		2017		2017	
	Award R000	Proportion[1] of fixed remuneration %	Award R000	Proportion[1] of fixed remuneration %	Award R000	Proportion[1] of fixed remuneration %
Executive directors						
Maria Ramos	8 000	55	8 000	53	24 000	159
David Hodnett	7 000	58	7 000	58	21 000	175
Peter Matlare	–	–	–	–	19 500	195
Jason Quinn	3 000	57	3 000	57	14 000	264
Prescribed officers						
Nomkhita Nqweni	3 000	40	3 000	40	14 000	187

[1] Based on cost-to-company plus role based pay as outlined on page 87.

The performance criteria applicable to the 2017 Long-Term Incentive Plan awards are measured over a three year period. The criteria and relevant weightings are shown in the table below. Vesting periods, based on material risk taker status, vary from three to five-and-a-half years. The vesting period for all executive directors and prescribed officers is five-and-a-half years.

Financial	Constant currency growth in normalised average headline earnings per share		30%
	Normalised return on equity		30%
Strategic	Transformation: achievement of defined race and gender targets (Rest of Africa excludes race)		20%
	Organisational change	Successful Separation	20%
		Satisfactory control environment	

The vesting outcomes during the year are detailed on page 178 of the Group's consolidated and separate financial statements.

Termination of office payments

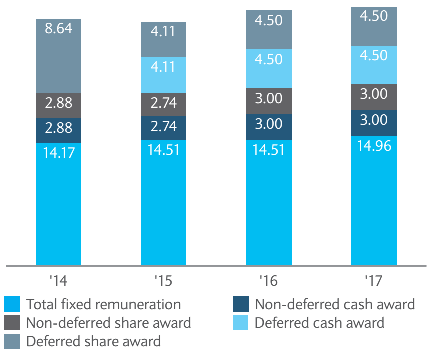
No payments were made on termination of employment or office of any members of executive management.

Executive directors and prescribed officer remuneration outcomes

Maria Ramos, Chief Executive Officer

	2014 R	2015 R	2016 R	**2017 R**
Salary	6 978 920	7 282 552	7 622 073	**8 130 855**
Role based pay	6 500 000	6 500 000	6 500 000	**6 500 000**
Medical aid	81 840	89 208	97 680	**106 476**
Retirement benefits	567 593	592 593	244 599	**175 000**
Other employee benefits	42 860	44 960	44 960	**46 981**
Total fixed remuneration	14 171 213	14 509 313	14 509 312	**14 959 312**
Non-deferred cash award	2 880 000	2 740 000	3 000 000	**3 000 000**
Non-deferred share award	2 880 000	2 740 000	3 000 000	**3 000 000**
Deferred cash award	–	4 110 000	4 500 000	**4 500 000**
Deferred share award	8 640 000	4 110 000	4 500 000	**4 500 000**
Awarded value of long-term incentives				
Total variable remuneration	14 400 000	13 700 000	15 000 000	**15 000 000**
Total remuneration	28 571 213	28 209 313	29 509 312	**29 959 312**

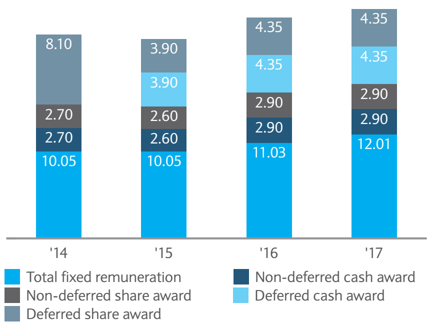
Total remuneration (Rm)



David Hodnett, Deputy Chief Executive Officer: South Africa Banking

	2014 R	2015 R	2016 R	**2017 R**
Salary	5 903 600	5 913 471	6 388 552	**6 656 796**
Role based pay	3 500 000	3 500 000	4 250 000	**5 000 000**
Medical aid	105 288	114 768	125 664	**136 980**
Retirement benefits	483 037	484 593	226 599	**175 000**
Other employee benefits	62 438	38 480	39 498	**40 536**
Total fixed remuneration	10 054 363	10 051 312	11 030 313	**12 009 312**
Non-deferred cash award	2 700 000	2 600 000	2 900 000	**2 900 000**
Non-deferred share award	2 700 000	2 600 000	2 900 000	**2 900 000**
Deferred cash award	–	3 900 000	4 350 000	**4 350 000**
Deferred share award	8 100 000	3 900 000	4 350 000	**4 350 000**
Awarded value of long-term incentives				
Total variable remuneration	13 500 000	13 000 000	14 500 000	**14 500 000**
Total remuneration	23 554 363	23 051 312	25 530 313	**26 509 312**

Total remuneration (Rm)

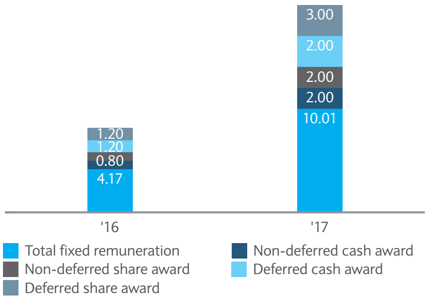


Peter Matlare, Deputy Chief Executive Officer: Rest of Africa Banking

Peter Matlare was appointed on 1 August 2016, and thus the 2016 earnings reflected are not for the full year.

	2016 R	**2017** **R**
Salary	2 439 812	**5 806 948**
Role based pay	1 458 333	**3 500 000**
Medical aid	55 828	**182 568**
Retirement benefits	200 617	**481 482**
Other employee benefits	15 180	**38 314**
Total fixed remuneration	4 169 770	**10 009 312**
Non-deferred cash award	800 000	**2 000 000**
Non-deferred share award	800 000	**2 000 000**
Deferred cash award	1 200 000	**3 000 000**
Deferred share award	1 200 000	**3 000 000**
Awarded value of long-term incentives		
Total variable remuneration	4 000 000	**10 000 000**
Total remuneration	8 169 770	**20 009 312**

Total remuneration (Rm)



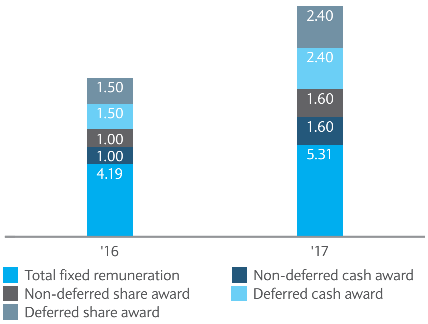
Jason Quinn, Financial Director

Jason Quinn was appointed Financial Director 1 September 2016.

	2016 R	**2017** **R**
Salary	3 459 337	**4 793 007**
Role based pay	333 333	–[1]
Medical aid	84 012	**90 732**
Retirement benefits	284 843	**392 593**
Other employee benefits	26 495	**32 981**
Total fixed remuneration	4 188 020	**5 309 313**
Non-deferred cash award	1 000 000	**1 600 000**
Non-deferred share award	1 000 000	**1 600 000**
Deferred cash award	1 500 000	**2 400 000**
Deferred share award	1 500 000	**2 400 000**
Awarded value of long-term incentives		
Total variable remuneration	5 000 000	**8 000 000**
Total remuneration	9 188 020	**13 309 313**

[1] On his appointment as Financial Director, Jason's cost-to-company increase incorporated the termination of his role based pay.

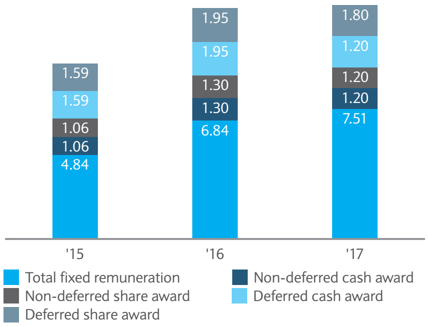
Total remuneration (Rm)



Nomkhita Nqweni, Chief Executive: Wealth, Investment Management and Insurance

	2015 R	2016 R	**2017 R**
Salary	3 246 561	4 049 835	**4 667 804**
Role based pay	1 166 667	2 500 000	**2 500 000**
Medical aid	46 464	50 412	**54 444**
Retirement benefits	271 605	195 216	**175 000**
Other employee benefits	111 349	47 182	**112 064**
Total fixed remuneration	4 842 646	6 842 645	**7 509 312**
Non-deferred cash award	1 060 000	1 300 000	**1 200 000**
Non-deferred share award	1 060 000	1 300 000	**1 200 000**
Deferred cash award	1 590 000	1 950 000	**1 800 000**
Deferred share award	1 590 000	1 950 000	**1 800 000**
Awarded value of long-term incentives			
Total variable remuneration	5 300 000	6 500 000	**6 000 000**
Total remuneration	10 142 646	13 342 645	**13 509 312**

Total remuneration (Rm)



Single total figure remuneration

This table provides a summary of all remuneration that is received or receivable for the reporting period, and all the remuneration elements that it comprises, where applicable disclosed at fair value.

	Salary R	Benefits R	Role based pay R	Annual bonus[1] R	Deferred remuneration[2, 3] R	Total remuneration R
2017						
Maria Ramos	**8 130 855**	**328 457**	**6 500 000**	**6 000 000**	**16 599 738**	**37 559 050**
David Hodnett	**6 656 796**	**352 516**	**5 000 000**	**5 800 000**	**15 349 721**	**33 159 033**
Peter Matlare	**5 806 948**	**702 364**	**3 500 000**	**4 000 000**	**6 000 000**	**20 009 312**
Jason Quinn	**4 793 007**	**516 306**	–[3]	**3 200 000**	**7 649 785**	**16 159 098**
Nomkhita Nqweni	**4 667 804**	**341 508**	**2 500 000**	**2 400 000**	**6 449 785**	**16 359 097**
2016						
Maria Ramos	7 622 073	387 239	6 500 000	6 000 000	17 000 000	37 509 312
David Hodnett	6 338 552	391 761	4 250 000	5 800 000	15 700 000	32 480 313
Peter Matlare	2 439 812	271 625	1 458 333	1 600 000	2 400 000	8 169 771
Jason Quinn	3 459 337	395 350	333 333	2 000 000	6 000 000	12 188 020
Nomkhita Nqweni	4 049 835	292 810	2 500 000	2 600 000	6 900 000	16 342 646

1 The annual bonus comprises the total bonus earned and settled within one year (from financial year-end). Therefore, the annual bonus in the table above includes both the immediate cash payment, as well as deferred components, settled within one year.

2 The deferred remuneration includes:
2017: Deferred bonus earned for the 2017 financial period but settled from 2018 onwards. The fair value of the restricted shares granted in the 2017 financial period.
2016: Deferred bonus earned for the 2016 financial period but settled from 2017 onwards. The fair value of the restricted shares granted in the 2016 financial period.

3 No long-term incentive remuneration is reflected. Grants made in 2017 under the Long-Term Incentive Plan have a three-year performance period, and will be included in the year in which they vest. Grants made in 2017 are detailed on page 88.

Minimum shareholding requirements

The RemCo is confident that, based on awards made this year, the shareholding of each executive director and prescribed officer is progressing at the rate required to attain the minimum shareholding requirements.

Statement regarding compliance with remuneration policy

The RemCo has satisfied itself that the remuneration policy as detailed in the 2017 remuneration report was complied with, and there were no substantial deviations from the policy during the year.

Increase in non-executive directors' fees

Special resolution 3 in the notice of annual general meeting, sets out the proposed non-executive directors' fees for the period 1 May 2018 to 30 April 2019. A general increase of 5.5% has been applied to the previous fees.

Advisory vote on the implementation report

The implementation report as it appears above is subject to an advisory vote by shareholders at the 2018 annual general meeting. Accordingly, shareholders are requested to cast an advisory vote on part three of this remuneration report (implementation report for the financial year 2017).

Approval of remuneration report by the Board of directors

This remuneration report was approved by the Board of directors on 12 March 2018.