FirstRand

remuneration

report

for the year ended 30 June 2023

contents

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All reported data is for the year ended 30 June 2023, unless indicated otherwise.

Feedback on this report can be sent to: investor.relations@firstrand.co.za

Letter from the chairman of the remuneration committee to stakeholders

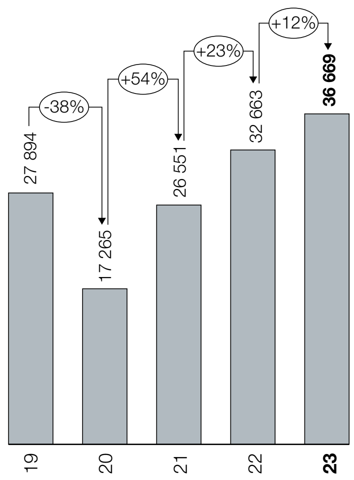
In the year under review, FirstRand delivered normalised earnings growth of 12%. This was driven by good topline growth, reflecting continued momentum in new business origination in all large lending portfolios, ongoing growth from the deposit franchise and the performance of the group's transactional franchise (measured by customer growth and volumes).

FirstRand delivered a normalised return on equity (ROE) of 21.2% (2022: 20.6%), which is at the top end of the target range of 18% to 22%, and produced R12.0 billion of economic profit (2022: R10.1 billion), or net income after cost of capital (NIACC), which is its key performance measure.

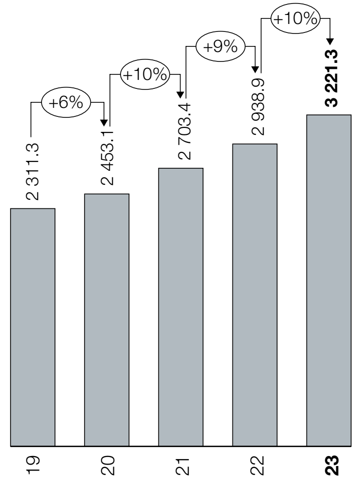
Notwithstanding the record dividend payout for the year ended 30 June 2022, the group grew net asset value (NAV) 10% year-on-year, with 50% of NAV accretion generated from the capital allocated to the UK operations.

Given the high return profile, the group remained capital generative, with the Common Equity Tier 1 (CET1) ratio at 13.2% (2022: 13.9%). The board declared an annual dividend of 384 cents per share.

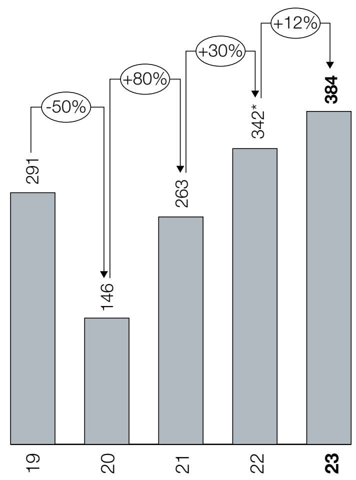
Normalised earnings
(R million)



NAV per share
(cents)



Ordinary dividend per share
(cents)



* *Excludes special dividend of 125 cents per share.*

Remuneration pool

FirstRand's performance management framework is anchored to NIACC and is viewed over a six-year business cycle. This focus on NIACC recognises that variable remuneration can only be determined after the cost of equity in generating earnings has been recovered.

The 2023 short-term incentive (STI) pool increased 10% compared to the prior year. This outcome was driven by:

- The 12% increase in normalised earnings.
- Positive NIACC of R12.0 billion in the current year compared to R10.1 billion in the prior year – up 19%.
- An improvement in ROE from 20.6 % to 21.2%.

The overall increase in the South African executive directors and prescribed officers' STIs is 4%. This is a result of the downward impact on the CEO and CFO's STI resulting from the operational event at MotoNovo, and the appointment of Emrie Brown as CEO of RMB and the resultant mix change compared to the previous CEO's remuneration. Including the Aldermore CEO's STI increase, overall executive and prescribed officers' STI grew 12%. The increase was driven largely by the growth in the Aldermore CEO's STI, converted into Rands. The absolute growth in pound terms of the UK CEO's STI was driven by regulatory changes and is upacked in detail on page 59.

The executive scorecards are covered on pages 41 to 48, and the remuneration outcomes on pages 49 to 60.

Stakeholder engagement

The remuneration policy and implementation reports for the year to June 2022 were tabled at FirstRand's annual general meeting (AGM) in December 2022 for separate non-binding advisory votes by shareholders. Both votes received support from shareholders, passing remuneration policy and implementation report.

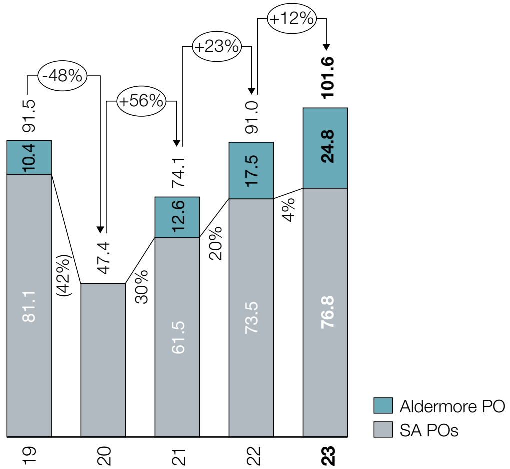
For vote	Remuneration policy	Implementation report
2022*	93.09%	93.44%
2021	74.11%	48.75%
2020	69.59%	41.32%

* *The results met the 75% threshold set by the JSE Listings Requirements.*

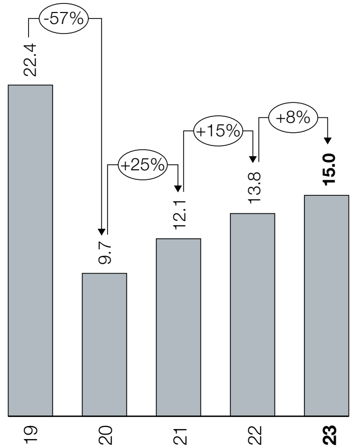
Remco believes the constructive shareholder engagement programme (described in the table below) and its response to many of the shareholder concerns contributed to this outcome. The following engagements were held:

Date	Engagement
July 2023	A subcommittee of Remco hosted a virtual roadshow for FirstRand's largest international and local shareholders to provide insight into Remco's response to shareholder concerns, and to elicit additional feedback.

Executive STI
(R million)



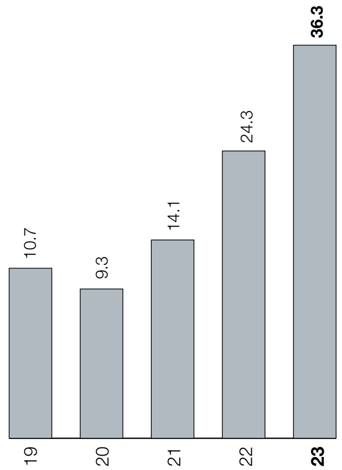
CEO STI
(R million)



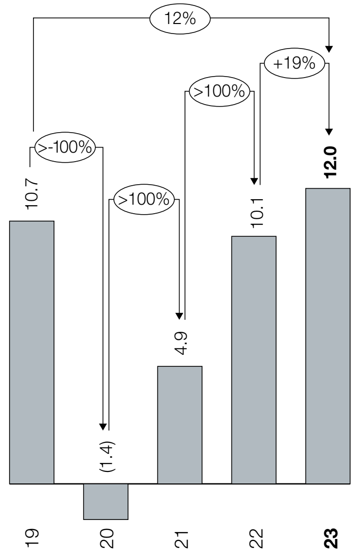
Key shareholder feedback

Shareholder feedback	Remco response
Does Remco consider the inclusion of climate and environmental, social and governance (ESG) deliverables in long-term incentive (LTI) conditions	Remco believes the current incorporation of climate considerations into STI and LTI is appropriate, i.e.: • climate is elevated to the strategic category of the executives' STI scorecard, given the importance and urgency of climate action. This change was made in the current year; and • Remco can downwardly adjust the LTI outcome by up to 20% for materially negative outcomes within managerial control, including if the group has not made sufficient progress against its climate roadmap. Remco will monitor international and local developments to ensure the approach remains appropriate and drives the right outcomes. Social and governance KPIs were also elevated to the strategic and risk and control scorecard categories, respectively.
LTI targets are not sufficiently challenging	Remco believes the structure of the LTI award conditions remains appropriate. FirstRand's LTI vesting conditions reference group performance targets of ROE AND earnings growth over a three-year vesting period. The two metrics drive shareholder returns, specifically: • ROE targets are set with reference to cost of equity. This means that the awards drive delivery of NIACC, reflecting economic value added for shareholders. • Strong earnings growth delivery supports capital levels, NAV and dividend growth. FirstRand applies both performance targets and does not assign weightings to each target. The AND acts as a gate or a constraint to LTI vesting: • If the minimum target of either metric is not met, this acts as a gate and leads to zero vesting. • If both targets are met, the vesting outcome will be set at the lower vesting level of the two (constraint). FirstRand's track record of shareholder value creation is demonstrated as follows: • FirstRand has delivered cumulative NIACC of R36.3 billion over five years, which is a significant outperformance. • FirstRand has paid cumulative dividends of R41 billion since April 2021 (30% of June 2020 NAV). Remco considered shareholder feedback when setting the on-target (100%) vesting level conditions for the 2023 LTI awards, being: • ROE minimum requirement: ≥21%, below 20% no vesting can occur. • 3-year earnings growth CAGR of 10.2% based on current outlook of real GDP plus consumer price index (CPI) plus 4%. No vesting can occur if the 3-year earnings growth CAGR is below real GDP plus CPI, which is 6.2% (based on the current forecast).

Cumulative NIACC over five years
(June 2019 – June 2023)
(R billion)



NIACC
(R billion)



Other remuneration items for the year

Vesting of Covid-19 third tranche

As a result of the Covid-19 crisis and its economic impact, three years of LTIs (2017, 2018 and 2019) did not vest. The failed LTIs affected more than 4 000 employees. This meant FirstRand became an outlier in the market, given that other banks' retention instruments are not allocated to such a large employee cohort and faced retention risk.

In response, Remco introduced a one-off retention instrument in 2020 for employees considered critical to the ongoing sustainability of the business. To compensate shareholders for the vesting certainty, the value of this instrument was struck at half of the original grant value of the 2018 and 2019 awards, and appropriately did not consider the 2017 award failure. Although the value was struck with reference to two years' vesting, the settlement was extended over three years to enhance the retention objective of the instrument. The award vested in three equal tranches (September 2021, 2022 and 2023). There is no additional cost to shareholders, as the instrument is funded by failed award and the share price exposure is hedged.

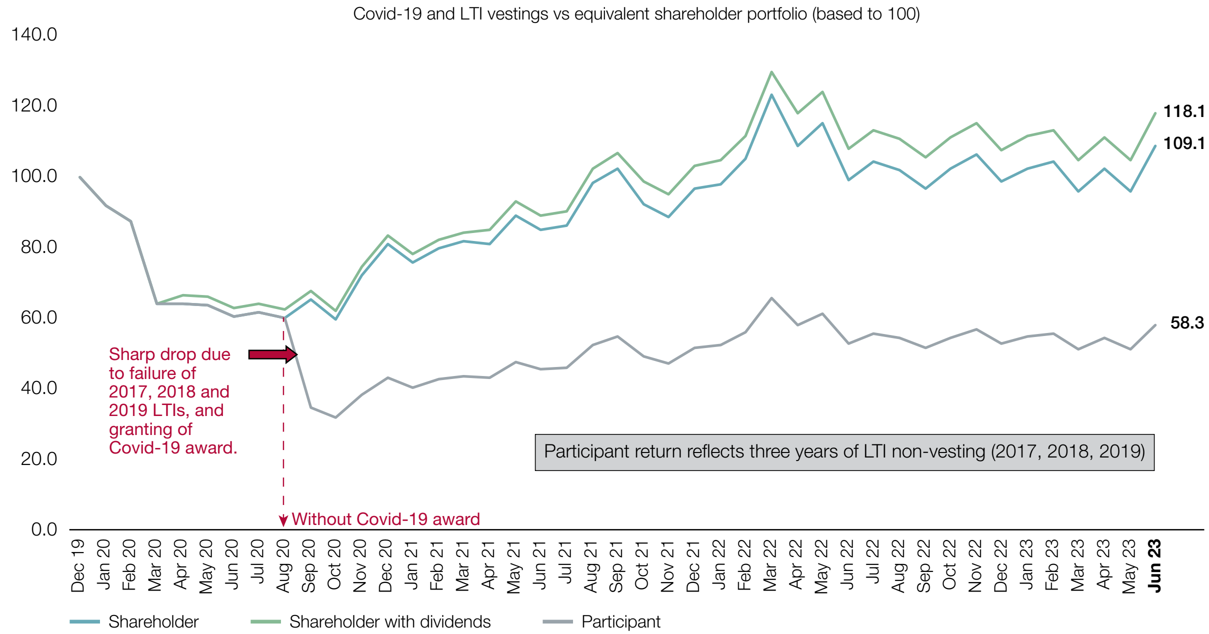
The simultaneous vesting in 2023 of this third and final tranche, as well as the 2020 LTI, is a result of Remco extending the retention period of the Covid-19 award over three years. For executive directors and prescribed officers, the full value of the tranche will be clawed back if the performance conditions to June 2024 are not met. If the employee leaves the group within 12 months of a particular tranche vesting, the full value of the vested tranche is clawed back. This applies to all participants, and results in potential clawback until September 2024, effectively ensuring a four-year retention period.

For the simultaneous vesting to occur, exceptional shareholder value would be created. This has been the case, as demonstrated by the graph below. In addition, even with the simultaneous vesting and the 2020 LTI vesting at 120% shareholders continue to do better than management.

Graded vesting at 120% for LTI awards issued in 2020

Although the compound annual growth in earnings achieved to June 2023 meets the super stretch vesting target (at 150%), this was constrained by the ROE target only meeting the stretch target (120%). Thus vesting was constrained to the lower outcome.

Shareholder vs participant view



A participant (employee) LTI portfolio was awarded in line with allocation principles and pool growth.

This number of LTI award units compared to the equivalent number of shares held by a shareholder. The LTI portfolio was adjusted for LTI forfeits and granting of the Covid-19 LTI instrument. The portfolio index was valued using the market price since 31 December 2019.

Changes implemented during the year

No significant changes were made to the group remuneration policy and practices during the year.

Future focus areas

Remco seeks to ensure that all remuneration practices are aligned with the strategic objectives of the group. The following remain important focus areas:

- Regular engagement with shareholders on remuneration matters.
- Continued refinement of executive scorecards to respond to changes in the markets.
- Ongoing research and evaluation of remuneration best practices.
- Compliance with the new Companies Act requirements on executive remuneration, once promulgated.
- Ensure the appropriate remuneration mix across all staff levels.
- Ensure that FirstRand's fair and responsible pay practices evolve appropriately to remain relevant to both business requirements and market changes.

In conclusion

FirstRand employees delivered a highly positive outcome for shareholders in a challenging operating environment. This performance naturally reflects in the growth of short-term incentive awards to employees, and the group continues to demonstrate that employees are appropriately rewarded for delivering value to shareholders. To this end, Remco believes that the remuneration policy has achieved its stated objectives.

Remco will continue to work with stakeholders to ensure that remuneration practices deliver sustainable and appropriate outcomes.

LOUIS VON ZEUNER ~ Chairman

remuneration
committee

FirstRand's remuneration practices are governed by the FirstRand remuneration committee (Remco), which is a subcommittee of the group board of directors

This committee met five times during the financial year. The company secretary assesses it annually for its skills, independence and efficacy. An independent external service provider assesses it every second year, with an assessment done in the current year. No concerns were raised during the period's assessment.

Remco draws on several other bodies in the group, including the separate remuneration committees of each segment and subsidiary, which all consider individual awards within prescribed threshold levels. These committees all have non-executive director members who can provide feedback and escalate any issues to Remco. Remco is solely responsible for determining the remuneration of executive directors and prescribed officers, and reviews all employees earning above a threshold, in line with King IV and Banks Act regulations.

Remco is also mindful of the various regulatory and governance requirements in each jurisdiction where it operates. These may differ from South African requirements and have been explained in the relevant sections of this report.

Remco membership	Attendance
LL von Zeuner (chairman)*	5/5
GG Gelink*	5/5
RM Loubser*	5/5
WR Jardine*	5/5
JP Burger**	5/5

* *Independent non-executive director.*
** *Non-executive director.*

overview

of the remuneration policy

Scope

Remco's mandate and policy extend across all subsidiaries and businesses in the FirstRand group.

Remuneration regulation

The group applies the following remuneration governance frameworks:

- the requirements of section 64C of the Banks Act, 1990 (Act No. 94 of 1990);
- the JSE Listing Requirements;
- the Financial Stability Board's Principles for Sound Compensation Practices and its Implementation Standards;
- the Basel Committee on Banking Supervision (BCBS) Pillar 3 disclosure requirements standard (March 2017) and Directive 1/2018 issued by the Prudential Authority (PA);
- section 30(4) of the Companies Act 71 of 2008 disclosure requirements; and
- the recommended practices of King IV.

The group's UK operations apply the UK Prudential Regulatory Authority requirements.

The remuneration disclosure requirements of King IV and Pillar 3 are disclosed in this remuneration report.

Remuneration philosophy

The FirstRand founders embedded the view that remuneration must align with shareholder value. This ethos has shaped the group's remuneration philosophy and performance management framework.

The group adopts the principles of an outcomes-based remuneration philosophy, which it believes to be appropriate given the diverse nature of the businesses that make up its portfolio.

The group's remuneration philosophy is founded on the following principles:

- **Attracting and retaining talent** – FirstRand aims to attract and retain the best talent in the market, through competitive reward packages.
- **Aligning with shareholders** – Management should not do better than shareholders. The group's key performance measure, net income after cost of capital (NIACC), ensures that employees only receive variable pay after all obligations have been met, including "paying" shareholders for their equity first. The growth in management remuneration should not exceed the growth in accumulated net asset value and dividends over an economic cycle (currently six years).
- **Pay for performance** – Variable pay is subject to financial and non-financial performance criteria aligned to the company's strategic objectives. To reinforce a culture of sustainable outperformance, the targeted remuneration mix offered to key talent is deliberately weighted towards variable pay (short- and long-term incentives).
- **Sustainable business** – Management also has a responsibility to other stakeholders: regulators, customers, deposit holders, employees and broader society. In determining remuneration, Remco aims to ensure that the group delivers sustainable long-term growth for the benefit of all stakeholders.
- **Fair and responsible remuneration** – FirstRand promotes equal pay for work of equal value and does not tolerate discrimination based on race, gender or any other arbitrary characteristic.

Remuneration philosophy continued

FAIR AND RESPONSIBLE REMUNERATION

The group aims to ensure there is equitable pay amongst employees who do similar work, irrespective of race or gender.

In a performance-based culture, supported by rigorous evaluation, it is inevitable that pay gaps will emerge. In fact, it is important that employees know that outperformance can and will be rewarded. However, inequalities of pay can never be based on arbitrary grounds. The group has robust processes that identify and correct any arbitrary inequalities in pay. These processes compare employees on objective criteria such as performance, skills and experience. The group's process is validated through an annual internal review which identifies and assesses cases of potential income differentials.

Principles that underpin the group's commitment to fair and responsible remuneration include:

Fairness

- The principle of equal pay for work of equal value is applied across all job roles.
- Remuneration practices are impartial and not affected by self-interest or prejudice on arbitrary grounds, including race and gender.
- Employee remuneration is fairly differentiated for performance, skills or expertise, and where unjustifiable income differentials are identified they are corrected.

Responsibleness

- Remuneration outcomes are aligned with group strategy and sustainable value creation.
- Incentives are based on corporate performance conditions and individual performance criteria.
- Incentive schemes do not promote excessive risk-taking. A separate risk remuneration committee ensures that actions outside of risk appetite are not rewarded and that incentive pools are appropriately adjusted for risk.
- Variable remuneration is subject to malus and clawback.

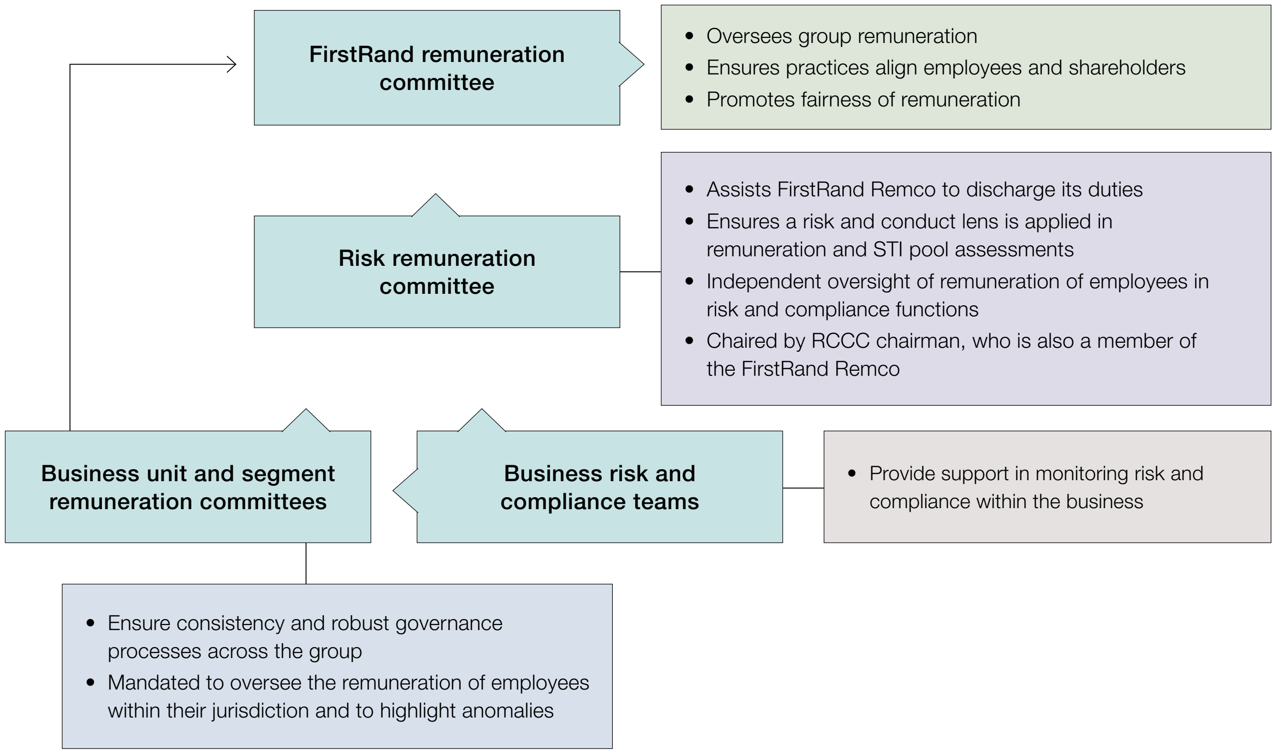
Practices that underpin the group's commitment to fair and responsible remuneration include:

- Adhering to legislative requirements relevant to remuneration and benefits.
- Setting salary ranges per role (based on role evaluations and benchmarking) for recruitment and the annual reviewing of salaries. New employees are placed within the salary range based on their skills, qualifications and experience in the role.
- Annually, at the least, performing remuneration reviews of all employees which consider their performance in their roles as well as market benchmarks.
- Annually reviewing and adjusting for internal income differentials, when required.
- Continually monitoring for pay gaps based on race and gender.

Remuneration governance and risk

FirstRand has adopted the Financial Stability Board Principles and Standards for sound compensation practices, which were introduced to reduce the incentivisation of excessive risk-taking that may arise from the structure of compensation schemes.

The risk remuneration committee provides a risk perspective that feeds into Remco. It is chaired by the risk, capital management and compliance committee (RCCC) chairman, who is a non-executive director. Members include the group executive directors and corporate governance and risk heads. It ensures that actions outside of risk appetite are not rewarded and that incentive pools are appropriately adjusted for risk and conduct events. Business unit risk and compliance teams provide input into business unit remuneration committees to ensure parity across business units, and that remuneration outcomes reflect risk events at all levels.



Remuneration governance and risk continued

Aligning remuneration to group risk appetite

Risk and compliance interact with the remuneration process at three levels:

1. **Business segment short-term incentive (STI) pools:** The group chief risk officer (CRO), together with the business segment CROs, prepare an independent risk profile document, which is submitted to the segment remuneration committees. This ensures that each business segment's STI pool is appropriately adjusted for risk and conduct factors.
2. **Executive directors' and prescribed officers' remuneration scorecards:** The group CRO, with input from the segment CROs, the head of Enterprise Risk Management and head of compliance, makes recommendations on the risk and compliance components of the scorecards used by Remco in setting the STIs of the executive directors and prescribed officers.
3. **Remuneration of risk and compliance functions**

   The remuneration of risk and compliance employees is based on the achievement of risk management objectives and conduct outcomes. The following governance process is followed to ensure this:

   - Risk and compliance employees' remuneration is reviewed and benchmarked annually.
   - The group CRO and group head of compliance provide input into the compensation levels of risk and compliance managers and officers across the group. The risk remuneration committee then provides independent oversight.
   - The risk remuneration committee conducts individual remuneration reviews for all risk and compliance employees earning above a set remuneration threshold. This review considers the following in the allocation of individual remuneration awards:
     - the outcome of a comprehensive performance assessment for each risk function (segments and group functions); and
     - material risk and compliance events.

Malus and clawback

Malus and clawback provisions for STIs and LTIs align employee behaviour to the delivery of sustainable risk-adjusted performance by ensuring that any serious risk event can lead to consequences for award participants. The deferral of short-term incentives and the use of forward-looking LTI performance and vesting periods extend the malus and clawback periods.

Application

Malus and clawback are applied to all variable pay and can be invoked upon the occurrence of trigger events and applied as follows:

- Malus is applicable to awards that have not yet vested or settled, allowing for them to be cancelled on the occurrence of a trigger event.
- Clawback applies once an award has vested upon the occurrence of a trigger event. Remco has the discretion to claw back any variable remuneration in the event of the trigger events detailed below. The clawback applies for three years after payment.

A trigger event may include, *inter alia*:

- the discovery of a material misstatement of performance that resulted in a variable reward made, with the board being satisfied that the employee has contributed to and is responsible for said misstatement;
- the discovery that the assessment upon which the award was made was based on erroneous, inaccurate or misleading information;
- any action or conduct which, in the reasonable opinion of the board, amounts to dishonesty, fraud or misconduct;
- the discovery of a material failure in risk management to which the employee had contributed and is responsible for; and/or
- the discovery that performance related to financial or non-financial targets was misrepresented and that such misstatement led to the over-payment of incentives.

Benchmarking of remuneration

The group conducts annual external benchmarking to ensure fair and competitive remuneration for all employee bands. Ad hoc surveys are also conducted if significant shifts in market practices occur. By using market data, a pay range for each role is determined based on:

- Scarcity of skill
- Critical skillsets and roles
- Market placement

The following independent service providers were used during the year:

- Remchannel (all South African employees)
- AON McLagan Corporate and Investment Bank Survey (RMB employees)
- Emergence Growth (broader Africa employees)
- Mercer (broader Africa employees)
- Willis Towers Watson and AON Consultants (Aldermore employees)
- Bowmans (group executives)

Executive director and prescribed officer benchmarking

Local peer comparisons are performed for executive directors and prescribed officers using JSE-listed banking and financial services peers. Remco uses the benchmark information during annual salary reviews to ensure that the executive directors' and prescribed officers' total remuneration is competitive and aligned with the market.

Components of remuneration

To deliver on its remuneration philosophy and principles, FirstRand's remuneration structure consists of:

- **Fixed pay:** A guaranteed package (GP) that is competitive in the market, reflecting the role, skills and experience of the individual employee.
- **Variable pay:**
  - STIs based on group, segment and individual performance.
  - LTIs calibrated to three-year, forward-looking group performance conditions. The greater the influence of the individual on overall risk and returns of the group, the higher the proportion of long-term incentives awarded.
  - LTIs and deferred STI payments also act as retention mechanisms.

Components of remuneration continued

The diagram below illustrates the different components of fixed and variable pay.

		Eligibility				Not deferred and paid in year	Deferred for six months – one year	Deferred for two years	Deferred/vesting after three years
		AE	MM	SM	E				
Guaranteed package	**Cash package**	✓				**Cash package**			
	Benefits • Retirement contribution • Medical aid and life/ disability cover contribution	✓				**Benefits**			
Short-term incentives	**Cash award**	✓				**Cash award**			
	Deferred cash award	✓					**Deferred cash award***		
	Deferred bonus award (share price linked)		✓	✓	✓			**Deferred bonus award (share price linked)***	
	Deferred annual incentive bonus (DIP)		✓	✓					**Deferred incentive plan (share price linked)**
Long-term incentives	**Rand-based conditional incentive plan:** Share price linked plan based on achieving group performance targets.			✓	✓				**Rand-based – conditional incentive plan (share price linked)**
	Pound-based UK LTI: Share price linked award			✓	✓				**Pound-based – UK LTI**

AE: all employees; MM: middle management; SM: senior management; E: executives.

* *For deferral thresholds, refer to diagram on page 17.*

Components of remuneration continued

Each of these components is based on pools that are set using the methods described in the table below:

GP and benefits	Increases are informed by inflation, benchmarking and union negotiations.	
Short-term incentives	**Annual bonus award** The STI pool is based on: • Unionised staff: Based on a percentage of GP and annually reset to the group's earnings performance. • Managerial: Determined against financial and non-financial performance, with financial linked to earnings growth and NIACC. The outcome is adjusted for risk. Individual allocation is based on individual performance.	**Deferred incentive plan** The pool growth considers increases in guaranteed packages and changes in headcount (both reductions and increases).
Long-term incentives	The pool growth is linked to inflation and adjusted for strategic headcount growth at management level. The allocation of this pool to the operating businesses is determined by considering the franchise value created and the sustainability of the operating businesses' contributions to shareholder value.	

Guaranteed package

The guaranteed package consists of a cash package and benefits. The cash package is market-related and reflects the responsibilities of the role as well as the expertise and skills of the individual employee.

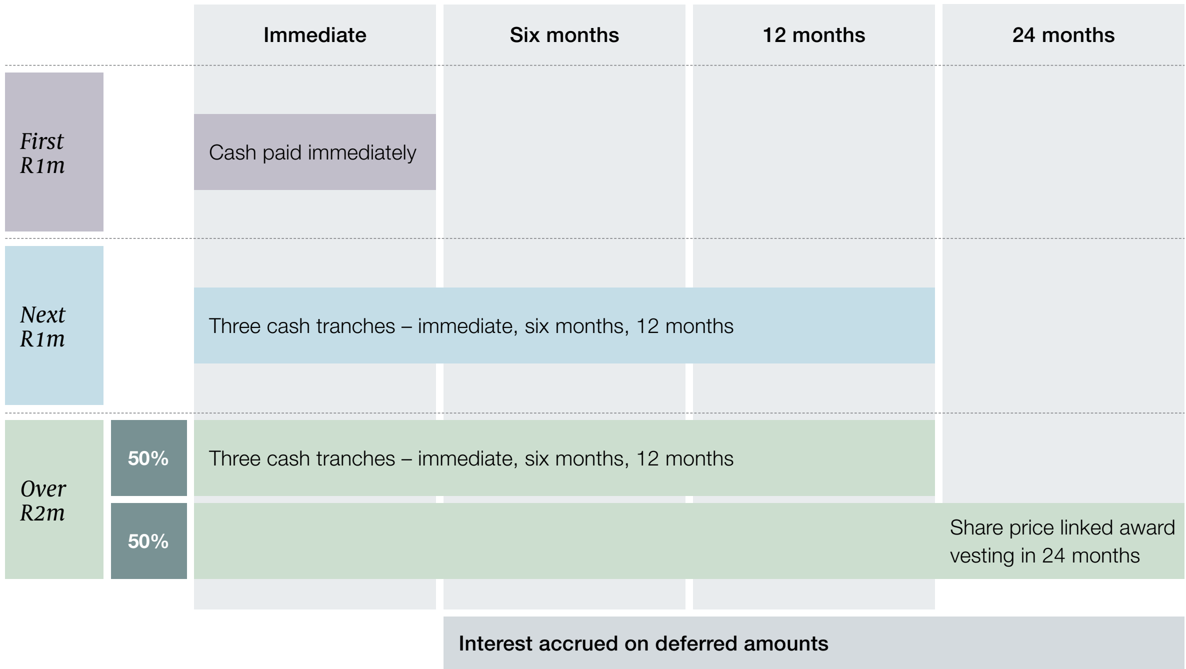
Benefits are compulsory but employees can choose from various options. All employees are contractually obliged to contribute to appropriate retirement savings vehicles. The group has a dedicated forum that works with these entities to improve retirement outcomes by maximising investment returns and minimising costs. All employees are contractually obliged to belong to a medical aid/health care plan and to have life and disability cover.

Short-term incentives

STIs reward both group and individual performance achieved during the year. STIs that exceed a certain threshold are deferred into cash and share price linked awards (eventual payments are linked to the share price). Deferral drives retention of senior employees.

Deferral thresholds:

- **Up to R1 million:** Paid in full in August (this minimum threshold was changed from R650 000 during the current year).
- **Above R1 million up to R2 million:** Paid in three tranches – in August, December and the following June. The second and third tranches include interest.
- **Above R2 million:** A portion is paid in three tranches – in August, December and the following June. The remaining portion is deferred and is linked to the FirstRand share price, which vests after two years (for senior managers the deferral is 30% while deferral for business exco members, executive directors and prescribed officers is 50%).



Short-term incentives continued

STI pool determination

The diagram below outlines the determination of STI pools. A detailed explanation follows.

1 *FirstRand pool determination*

Financial measures

- **Top-down:** group performance (including earnings and NIACC over the business cycle), industry benchmarking
- **Bottom-up:** business unit growth rate in profit before tax, NIACC, volatility over six-year business cycle
- New business initiatives

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Downward adjustments

- Risk assessment with penalties for risk and compliance events

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Non-financial measures

- diversification and quality of earnings;
- execution on strategic objectives;
- risk and control measures; and
- environmental and social imperatives, e.g. organisational culture, transformation, climate.

=

STI % rate applied to pre-tax profit to determine the FirstRand pool

2 *Segment/operating business pool allocation*

Qualification requirements:

- ROE hurdle rates through the cycle met
- NIACC evaluated

STI pool →

Proportional allocation to business units informed by:

- Nature and complexity of the business
- Activities and revenue streams
- Industry reward practices
- Business unit performance

Top-down overall group pool determination

STI pool determination is anchored to a multi-year budget process, which considers strategy, risk appetite and financial resource allocation. Qualitative and quantitative targets are core to the remuneration assessment:

- **Quantitative targets** include earnings growth and ROE targets, which are set to deliver positive NIACC. Normalised earnings are adjusted for the impact of impairments of intangible assets (as these are not part of headline earnings), reducing the STI pool accordingly.
- **Qualitative targets:** Remco will adjust STI pools downwards for material risk and conduct-related events. This involves consideration of:
  - The control environment, internal and external audit results, compliance with risk policies and processes, and platform maturity.
  - Employee, client, business and financial markets conduct.
  - Regulatory compliance.

Remco considers formal submissions from the main businesses through the Risk Remco as described in the Remuneration governance section above.

Short-term incentives continued

Operating business STI pool determined bottom-up

STI pools for the group's various operating businesses are calculated bottom-up against the performance framework, subjected to oversight by the office of the financial director. They are thereafter presented to the Remcos of operating businesses, and the group Remco for challenge and approval.

An operating business must qualify to participate in the STI pool (see qualifying criteria below). STI pool calculations use both financial and non-financial performance measures. The sum of all these pools is constrained by the overall group pool increase.

Differentiated STI range

Range: Firstly, Remco determines an STI pool range as a percentage of pre-incentive profits allocated to the various operating businesses. These ranges are based on the nature and complexity of the relevant business's underlying activities and revenue streams and consider industry reward practices. More complex, diversified businesses are rewarded with a higher rate than monoline businesses.

Annual rate: Remco considers non-financial qualitative factors to determine the appropriate rate within this range. It then applies this rate to qualifying pre-incentive pre-tax profits to determine the bottom-up STI pool per operating business.

These non-financial factors include:

- diversification and quality of earnings;
- execution on strategic objectives;
- risk and control measures; and
- progress against strategic environmental and social governance measures, e.g. organisational culture, transformation and climate.

Risk adjustment

Appropriate risk-taking is factored into STI awards with pools adjusted downwards for sanctions and penalties due to risk or regulatory events, or an undesirable risk profile in an area, as described in the Remuneration governance section above.

Qualifying criteria

For an operating business to qualify for an STI pool, the business must produce earnings and meet individualised ROE hurdle rates which are either equal to or greater than group ROE hurdles. These hurdle rates are set considering the underlying activities and complexity of earnings generated. If ROE hurdles are not met for any given year, the overall ROE profile over six years is considered, to determine if NIACC is cumulatively positive. In this event, the pool will grow at a lower rate than earnings growth.

For support areas, a bottom-up approach is applied based on individual and overall group performance as well as industry benchmarks.

For new business initiatives which do not yet meet group hurdle rates, the bottom-up approach includes measurement of the progress of business strategy and execution against targets.

Final pool allocation

The bottom-up pool determination is constrained by the overall group STI pool calculation and adjusted accordingly. In determining the group STI pool, shareholders must do better than management.

Deferred incentive plan

The deferred incentive plan (DIP) is a deferred bonus designed to drive high performance and ensure retention. Key professional staff who are high performers, with scarce skills, but who do not receive LTIs are eligible for a deferred bonus through the DIP. Executive directors and prescribed officers are not eligible for the DIP. These awards are allocated based on the individual's performance rating for the previous 12 months as part of the annual reward review cycle. Specific allocation guidelines are provided to businesses to inform awards. The award is only forfeited if the individual performance requirements are not met over the three-year vesting period, or if the individual is no longer employed by the group.

Alignment to shareholders is maintained as the final award value is anchored to FirstRand's share price and vests after three years, when employees are settled in cash. The change in the share price for these awards is hedged, ensuring there is no additional cost to the shareholder for share price changes.

The pool for these awards is developed bottom-up and moderated by considering inflation and strategic headcount growth.

Executive directors' and prescribed officers' STI

STI caps for executive directors and prescribed officers

Caps are set relative to the guaranteed packages of the executive directors and prescribed officers. The maximum will only be reached under exceptional circumstances, entailing considerable outperformance on the scorecard metrics that would result in significant shareholder value creation.

	STI caps
Group CEO	300% of guaranteed package
Group CFO Group COO FNB CEO	250% of guaranteed package
RMB CEO	350% of guaranteed package
Aldermore CEO	180% of salary

In the case of South Africa-based executive directors and prescribed officers their guaranteed package is their cost-to-company package. In the case of the Aldermore prescribed officer (PO), the STI cap is applied on his base salary excluding market-adjusted allowance and retirement contributions or other allowances. The lower STI cap for Aldermore reflects market dynamics in the UK, where various remuneration-related regulations are in place.

Executive directors' and prescribed officers' scorecards

After the group STI pool has been determined, Remco considers STIs for executive directors and prescribed officers using a scorecard. The STI scorecard categories and hurdles are only considered if STI pools are available for the year, i.e. the financial metrics have been met. As explained on page 18, STI pool determination is based on financial metrics (earnings and NIACC through the cycle). The achievement of financial metrics is a first requirement before the scorecards are considered for individual STI allocations.

STI determination to scorecards

1 **Step 1 = GATE**

- If annual financial targets and NIACC (measured through the six-year cycle) are not met, there is NO STI pool or a reduced STI pool (dependent on extent of targets not met), and therefore NO or a reduced STI.
- In addition, segment pool growth influences STI growth for POs.

2 Executive directors' and prescribed officers' scorecards

Rating implication for STI calculation	
≤2	Does not qualify for STI
>2 to 3	Reduction to flat year-on-year STI change
>3 to 5	Increase in STI compared to prior year considering personal performance, pool growth and STI ranges per rating band

3 Remco judgement to decrease where required

4 Constrained by STI caps

5 STI quantum

Executive directors' and prescribed officers' STI continued

The executive scorecards have three high-level sections, these being financial (weighting 25%), strategic (50% – 55%) and risk and control (20% – 25%). The strategic section of the scorecard is aligned to the group strategic framework. Each section contains several categories of metrics that determine executive directors' and prescribed officers' STIs. Weightings for the various sections are aligned to the relevant executive's portfolio of responsibility and differ for each executive.

Remco refined the executive scorecards in the year under review. The key change made to the FY23 scorecards is that the environmental, social and governance topics were elevated as strategic imperatives, with adjustments made to relative weightings, e.g. climate weighting aligned with other material growth strategies.

The scorecard sections, weightings and key performance indicators are outlined on page 41 to 48.

The following diagram is the group strategic framework on which the strategic section of the executive scorecard is based.

Group strategic framework on which the FY23 scorecards were based:

FirstRand commits to building a future of SHARED PROSPERITY through enriching the lives of its customers, employees and the societies it serves. This is the foundation to a sustainable future and will preserve the group's enduring promise to create long-term value and superior returns for its shareholders.

Diversified portfolio with unique strategies:

SOUTH AFRICA	BROADER AFRICA	UK
Platform-enabled integrated financial services providing ecosystems that create long-term value for clients and shareholders	Build competitive advantage and scale to deliver economic profit and dividends	Modernise, digitise and scale to a more valuable UK business that delivers economic profit and dividends

Enabled by digital platforms

Disciplined management of financial resources (capital, funding, liquidity and risk capacity) to deliver on financial commitments

Committed, accountable and empowered people key to delivering continued outperformance

Long-term incentives

Long-term incentives are granted to eligible executives and senior managers each year, with conditions tied to the compound performance of the group over three years. Those who are in decision-making positions that affect the overall performance of the group and delivery of value to shareholders are eligible. LTIs are settled in cash or, at the election of the participant, with shares purchased in the open market.

Objectives of the LTI awards

- Remco uses LTIs to align employees to appropriate and positive shareholder outcomes of sustainable and high-quality earnings growth, superior returns and the creation of long-term franchise value. These outcomes are enabled through a graded vesting structure where vesting levels are directly linked to performance outcomes. This demonstrates the group's commitment to pay for performance.
- The final value delivered is based on the group's share price, resulting in further alignment between employees and shareholders.
- Deferred vesting supports retention of critically important executives and senior managers.

Governance of the LTI awards

Remco annually approves the:

- principles governing the LTI awards;
- total LTI award pool for the group;
- LTI awards made to executive directors and prescribed officers;
- changes to LTI eligibility policies; and
- performance conditions for new awards, after assessment of the business priorities, forecasts and the prevailing and expected macroeconomic environment.

LTI performance conditions

FirstRand's LTI vesting conditions reference the group's performance targets of ROE AND earnings growth over a three-year vesting period. The two metrics drive shareholder value, specifically:

- ROE targets are set with reference to cost of equity. This means that the awards drive delivery of NIACC, reflecting economic value added for shareholders.
- Strong earnings growth delivery supports capital generation, net asset value (NAV) accretion and dividend payout.

Three-year vesting period		
Vesting conditions: performance targets		
ROE	**AND**	Earnings growth

← Gate/constraint →

FirstRand applies both these performance targets and does not assign weightings to each target. The AND is a constraint to LTI vesting:

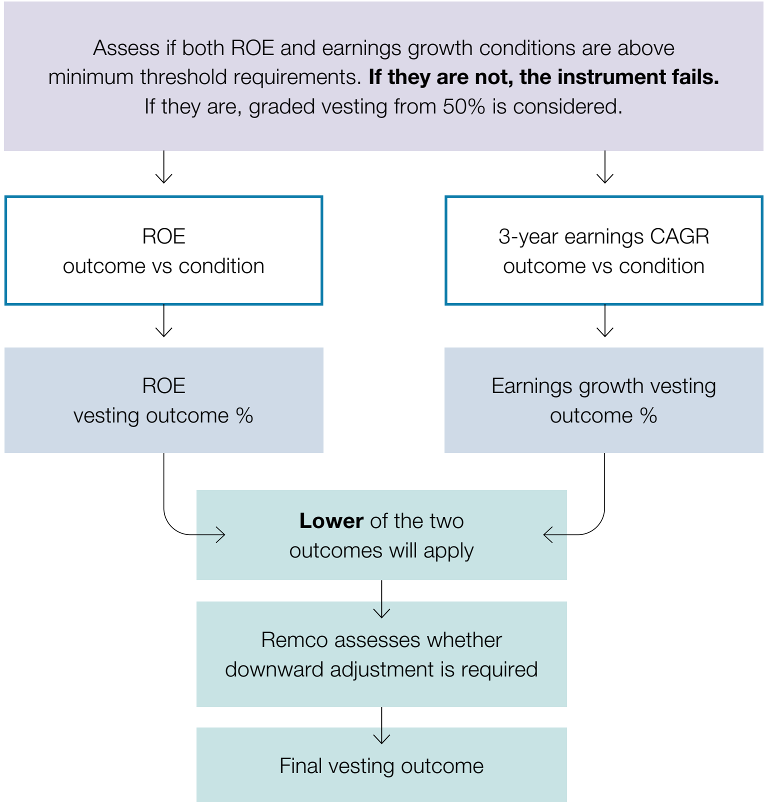
- If the minimum target of either metric is not met, this results in zero vesting.
- If both targets are met, the vesting outcome will be set at the lower vesting level of the two (a further constraint).
- This requirement is more onerous than that for peers.

If separate weightings were imposed, it would create separate instruments, potentially driving behaviour where the one condition is favoured at the cost of the other. The AND approach also ensures that management does not favour growth at the expense of ROE. This ensures economic value is generated for the shareholder.

Remco can reduce the vesting outcome with a downward adjustment of up to 20% for materially negative outcomes within management control. For example:

- issues that materially damaged the group's franchise, including its reputation;
- material enterprise-wide risk and control issues, as recommended by the risk, capital management and compliance committee;
- concerns regarding adherence to the liquidity and capital management strategies in place; and
- lack of progress against the group's climate roadmap over the three-year period (included from 2021).

MECHANICS OF LTI PERFORMANCE CONDITIONS



Remco typically considers the following factors in setting LTI performance conditions:

- The group's ROE projections and the stated long-term through-the-cycle ROE range of 18% to 22%.
- The group's long-term earnings growth target of South African real GDP plus CPI plus 0% to 3%, which considers the following:
  – the size of the South African earnings base and balance sheet, and the challenge of growing these materially above system growth given size of market shares;
  – required investment in platforms and new business development for future growth strategies, given the group's preference to expense and not capitalise where possible;
  – the outcomes of the budget process as well as scenario analyses on the budgets with incorporation of risk and stressed views;
  – the macroeconomic outlook together with the probabilities assigned to the different scenarios; and
  – the requirement to protect the return profile and not incentivise earnings growth at the expense of returns.

Remco followed this approach for the 2023 LTI award conditions (disclosed in the implementation report on page 33).

Long-term incentives continued

The operation of the LTI awards

The diagram below sets out the key features of the LTIs.

Key element	Policy and design features
Award allocation	The allocation of this pool to the operating businesses is determined by considering: • the franchise value created; and • the sustainability of the operating businesses' contributions to shareholder value. The allocation to individuals is driven by eligibility criteria which include seniority, talent classification, ability to influence strategy and individual performance. Awards are made annually, but no one is guaranteed an annual allocation.
Geographical differences	The LTI plans differ for South African, broader Africa and UK employees. • **South African and broader Africa employees:** The FirstRand LTI is denominated in South African rand and is linked to the FirstRand share price. • **UK and Aldermore employees:** The LTI is denominated in British pound and is linked to the FirstRand share price.
Vesting value	All LTI awards are subject to forward-looking performance conditions linked to group outcomes and are settled in cash based on the underlying value of FirstRand shares or in market-procured shares, if so elected by the participant. Therefore, participants are fully exposed to fluctuations in the group's share price over the vesting period.
Shareholder protection	FirstRand protects shareholders from dilution as it does not issue shares to settle awards. As such, the group does not require a dilution limit to protect shareholders from excessive dilution. When shares are required to settle a participant on vesting, these shares are acquired in the market at the prevailing price. FirstRand also protects shareholders against future volatility in the share price and the potential for higher cost arising from a higher share price at vesting by hedging the outstanding awards. The hedge costs are taken through earnings and all performance criteria are measured, including these costs. Shareholders only bear the award value at cost.
LTI award vesting period	The performance conditions for all awards are measured over three years. The awards vest three years from the award date to the extent that the conditions have been met.
Performance conditions	The section above provides detail regarding the performance conditions selected. From 2021, 100% of LTI awards is subject to performance conditions as professional staff are no longer eligible for LTI awards, and participate only in the DIP. For Aldermore employees performance conditions are linked 20% to FirstRand group, in the same way as the FirstRand LTI instrument is, and 80% to Aldermore performance conditions. These are set for each annual award.

Long-term incentives continued

Key element	Policy and design features
Vesting ranges	The vesting of LTI awards is based on a graded vesting structure, where minimum performance conditions are set to achieve each vesting level, namely threshold vesting (50% vesting level), on-target vesting (100% vesting level) and a range of stretch targets. If the performance conditions for threshold vesting have not been met, the vesting outcome will be zero and the award will lapse. ROE and earnings growth conditions are set for each vesting level, with the earnings growth outcome determining the graded vesting percentage.
Maximum LTI vesting level	Graded vesting includes stretch and super stretch targets for vesting above 100%. The LTI awards can vest at a level of up to a maximum of 150%. This level of vesting will correlate with exceptional value for shareholders based on the performance conditions set for these levels of vesting.
In-flight awards	Current in-flight awards were made in September 2020, September 2021 and September 2022. Awards for 2023 will be made in September 2023.
Changes to performance conditions of in-flight awards	Remco does not: • amend the performance conditions of in-flight awards once issued; • reprice share incentive awards for changes in the share price; or • re-test performance conditions or delay measurement of performance conditions.
Downward adjustment	In circumstances where the performance conditions have been met, Remco can reduce the vesting outcome, with a downward adjustment of up to 20% for materially negative outcomes within management control and for a lack of climate plan progress. This allows Remco to ensure that financial targets are not achieved by compromising on risk, compliance and conduct, or climate progress.
Dividends	Dividends are not accrued on LTI awards over the vesting period.
Settlement at vesting	At vesting, the employee will receive the vesting value, based on the share price at the end of the vesting period. Settlement is in cash or shares on election.
Change in employment before award vests	Refer to termination treatment below.
Provisions for malus and clawback	Malus and clawback will apply in terms of the policy on remuneration risk and governance.
Change of control	In the event of a change of control, early or accelerated vesting of awards will not automatically apply. Directors may adjust, replace or convert awards, or take any such action they deem appropriate in the event of a change of control, to protect the interests of both the acquirer and participants and ensure that they are placed in a substantially similar financial position to the position they would have been in if the change of control had not taken place. The intention is to not prejudice the participant or the acquirer.

Other governance matters

Executive contracts and policies

There are no contractual entitlements to payments on termination and no special termination arrangements or golden-parachute agreements in place. Contractual notice and accrued leave are paid out where legally required. Unvested deferred STI awards or unvested LTI awards are dealt with in accordance with the rules of the applicable scheme. Malus and clawback provisions apply to STI and LTI awards.

Notice periods for executive directors and prescribed officers

All executive directors and prescribed officers in South Africa have a notice period of one month, which can be extended by mutual consent. In the UK, Steven Cooper has a notice period of six months. Executives have no guaranteed termination payments.

Buy-out awards and sign-on bonuses

FirstRand differentiates between buy-out awards and sign-on bonuses.

Buy-out awards

The group uses buy-out awards when recruiting employees to compensate them for incentive awards they will forfeit upon leaving their previous roles. For example, these are done:

- when the business is heavily reliant on high-demand scarce skills;
- to replace prospective employees' current benefits; and
- to remain attractive and competitive in the market.

Buy-out awards can be made in cash, deferred awards or LTIs, and will mirror the value, nature and time period attached to the incentive that is being bought out, subject to clawback in the event that the employee leaves. LTI awards are subject to the respective performance conditions. Furthermore, the buy-out is subject to FirstRand leaver forfeiture provisions (refer to termination categories overleaf) and remains subject to malus and clawback in line with policy.

Sign-on bonuses

Sign-on bonuses are rarely paid to attract employees to join the group. These may occur in exceptional circumstances. However, these awards require specific executive approval and are subject to FirstRand leaver forfeiture provisions and malus and clawback in line with policy. Executives are not eligible for sign-on bonuses. These bonuses are generally funded from the business's STI pool, as such there is no additional cost to the shareholder. The funds available for sign-on bonuses is constrained by the STI pool further limiting the use of this option.

Termination categories for outstanding STI and LTI awards

The following conditions apply to outstanding STI and LTI awards upon termination of employment:

	STI	LTI
Resignation and fault terminations		
Resignation or dismissal	Employees who resign or are dismissed before the vesting or payment date of cash or share price linked awards will forfeit these awards.	Employees who resign or are dismissed before the vesting date of the outstanding LTIs will forfeit these awards.
No-fault terminations		
Retirement	The cash and share price linked awards of employees who retire in terms of the group's retirement policy continue for the duration of the vesting period and remain subject to the applicable rules.	The LTI awards of employees who retire in terms of the group's retirement policy continue for the duration of the performance period and remain subject to the applicable rules and performance conditions.
Death, retrenchment, injury, disability or ill health	The cash and share price linked awards of employees are retained and settled within 30 days in terms of the applicable rules.	The awards are pro-rated for the remaining vesting period and adjusted for the performance conditions, which are tested against the roll-forward conditions to date in order to determine probability of vesting. Thereafter the awards are settled within 30 days in terms of the applicable rules.

Other governance matters continued

Minimum shareholding requirement

The shareholding requirements are set relative to guaranteed pay and are outlined in the table below. The effective date was September 2022 or five years from the date on which the relevant executive was appointed, whichever is the latter. The Aldermore CEO has an effective date seven years from joining to comply with the minimum shareholding requirement (MSR), given the deferral requirements under the Capital Requirements Directive V (CRD V).

Minimum shareholding requirements from the effective date	CEO	SA prescribed officers and executive directors	Aldermore prescribed officer*
	300% of GP	200% of GP	100% of salary*

** The Aldermore requirement is lower given the higher level of guaranteed pay in the UK relative to South Africa.*

Remco monitors compliance with the policy through quarterly disclosure to the board as well as annual shareholding disclosure in the remuneration implementation report.

Non-executive director fee principles

- The group chairman's fee covers chairmanship and/or membership of and attendance at the board and all board subcommittee meetings.
- Non-executive directors are paid an annual fee (quarterly in arrears) for their board membership.
- Members of board committees are paid an annual fee (quarterly in arrears) for attendance at committee meetings scheduled during the cycle. Members are not paid for meetings that they do not attend during the governance cycles.
- Chairs of committees are paid a premium, being twice the standard membership fee.

In setting the fees for non-executive directors the following factors are considered:

- Internal benchmark exercises against the fees paid by peer banks (using same comparator group used for executive remuneration benchmarking).
- External benchmark data provided by Remchannel.
- General increases applied to employees (executives and senior management) within the organisation.

Non-binding advisory vote

The 2023 remuneration policy and implementation report will be tabled for a separate non-binding advisory vote by shareholders at the annual general meeting. Remco commits to engage with shareholders if either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised. If this is the case, Remco will invite dissenting shareholders to engage.

implementation

report

The implementation report provides an account of how the remuneration policy was implemented during the year.

The following topics can be found on the referenced pages:

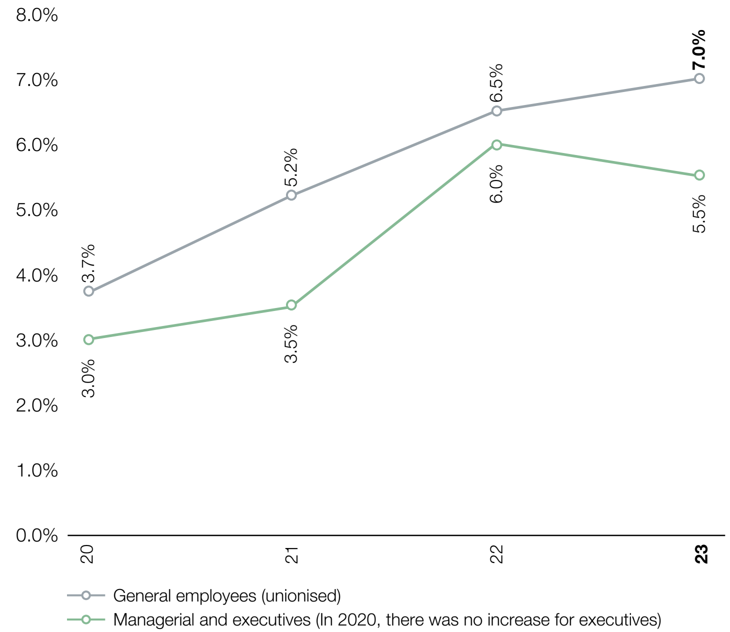
The table below summarises King IV considerations and current year updates:

Element	Current year update
Remuneration policy changes made during the period	No significant changes were made to group remuneration practices.
Adherence to the remuneration policy	Remco is satisfied that the remuneration policy was appropriately implemented during the year, with no material deviations.
Downward adjustment	Aligned with the group's approach to risk-adjusted remuneration, Remco further reduced the STI awards of the group CEO and group CFO in respect of the current year impact of the MotoNovo operational event.
Termination payments made to executive directors and/or prescribed officers	During the period, no termination payments were made to executive directors or prescribed officers.
Malus and clawback applied to executive directors and/or prescribed officers	No malus or clawback was applied during the period for executive directors or prescribed officers.
Buy-out awards	No buy-out awards were made to executive directors or prescribed officers during the current year. Their roles are not eligible for sign-on awards.
Executive director and prescribed officer benchmarking	During the year, executive directors' and prescribed officers' total remuneration was benchmarked by Remchannel using JSE-listed banking peers, namely Standard Bank, Absa, Nedbank, Capitec and Investec. This informed Remco's review of executive remuneration outcomes.
Guaranteed pay increases from August 2023	Remco approved the following increases in GP, applicable from August 2023: **South Africa:** • Managerial: 5.5% • Non-managerial: 7.0% **Broader Africa** Increases are approved by country remuneration committees, taking into account inflation, market positioning and affordability. **Aldermore** • 5.5%

The graph below reflects the average GP increases for South African employees over the past four years. The increases for non-managerial employees have remained higher than those for managers and executives. This differentiated approach mitigates the erosion of buying power and reduction of disposable salaries for non-managerial employees in the light of inflationary and interest rate pressures.

The group's minimum salaries are intended to provide employees with a decent standard of living. The group distinguishes between the minimum salaries for banking and non-banking roles. The former comprise roles involved in banking operations and the latter roles not involved in any banking operations, for example, catering staff and drivers.

The new minimum guaranteed package for banking roles is R198 500 per annum with effect from 1 August 2023. This excludes any performance-related variable pay.



Fair and responsible remuneration

As described in the policy overview, the group undertakes annual benchmarking and income differential analysis to ensure equal pay for work of equal value. The group complied with the collective agreement with unionised employees.

For the 2023 school cycle the staff assistance trust assisted 5 281 employees with their children's school expenses, to the value of R33.9 million. This represents a fulfillment rate of 98% of total staff applications. The qualifying income threshold was an annual salary of R300 000.

Income differentials

The 2023 review identified and addressed cases of unjustifiable income differentials. These were not significant, either individually or in aggregate, and have been adjusted as part of the annual salary review.

Unionised employees

In South Africa, FirstRand is party to a collective bargaining agreement that covers most employees. The agreement ensures that employees are paid a minimum salary in line with their respective levels of employment and salary bands, and are awarded performance bonus payments in line with their performance outcomes. Should any employee with acceptable performance levels earn a salary below the minimum for their role or band, their salary is automatically raised to the minimum. The group ensures that people are paid fairly for their work and that no employee is paid less than a living wage.

Outcome-based remuneration programmes

Outcomes-based remuneration programmes have been implemented for areas in the group requiring large volumes of clerical or procedural work. Employee development plans help employees who show potential to add more value to the group.

In South Africa, the group has in place 20 outcomes-based remuneration (OBR) schemes affecting approximately 4 000 employees. These schemes provide employees with the opportunity to earn variable pay for performance. They have significantly assisted the group in narrowing internal pay gaps.

Variable pay expenditure

The following table details the total cost to the business for both STI and share price linked incentive expenses for the years ended June 2022 and 2023.

The STI expense growth of 11% is in line with growth in normalised earnings of 12% and NIACC growth of 19%. The difference in STI expense growth of 11% and STI pool growth of 10% relates to the accounting treatment of deferred awards which have lagged timing impacts. Share price linked incentive payments increased by 46%, impacted by the following factors:

- **Base effect:** The prior year expense was lower due to the 2019 LTI awards (with performance conditions) not vesting, resulting in an expense reduction, although this was partially offset by the Covid-19 retention award.
- **Graded vesting at 120% for LTI awards issued in 2020:** In 2019, the group introduced graded vesting to its LTI awards. In the graded vesting structure, minimum performance conditions are set to achieve each vesting level from threshold vesting up to a range of stretch targets. Despite the compound annual growth in earnings achieved to June 2023 meeting the super stretch vesting target (at 150%), this was constrained by the ROE target only meeting the stretch target (120%). This vesting was constrained to the lower outcome. The share price exposure of the 2020 award has been hedged and did not contribute to the increased expense reflected below.

	2023	2022	% change
STI	**5 772**	5 220	11%
Share price linked incentive payments	**2 573**	1 766	46%
Variable staff expenditure	**8 345**	6 986	19%

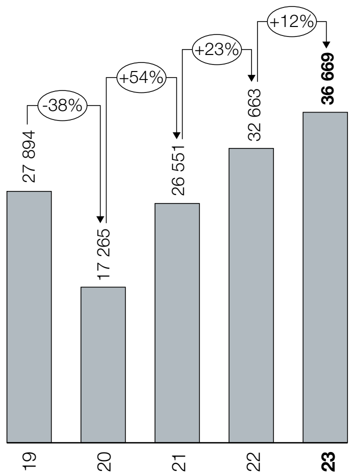
Current year STI pool considerations

FirstRand's performance management framework is anchored to NIACC and is viewed over a six-year business cycle. This focus on NIACC recognises that variable remuneration can only be determined after the cost of equity in generating earnings has been recovered.

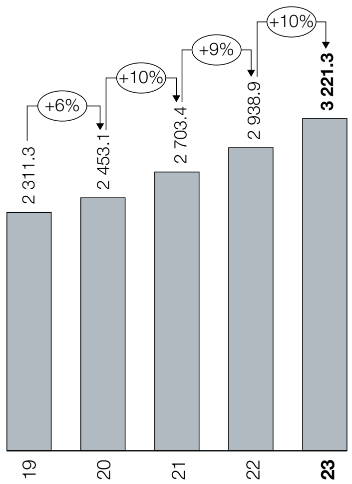
The 2023 STI pool increased 10% compared to the prior year. This outcome was driven by:

- The 12% increase in normalised earnings.
- Positive NIACC of R12.0 billion in the current year compared to R10.1 billion in the prior year – up 19%.
- An improvement in ROE from 20.6 % to 21.2%.

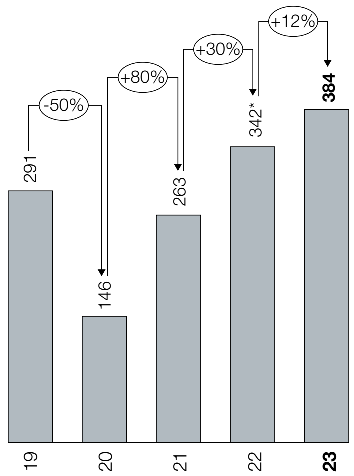
Normalised earnings
(R million)



NAV per share
(cents)

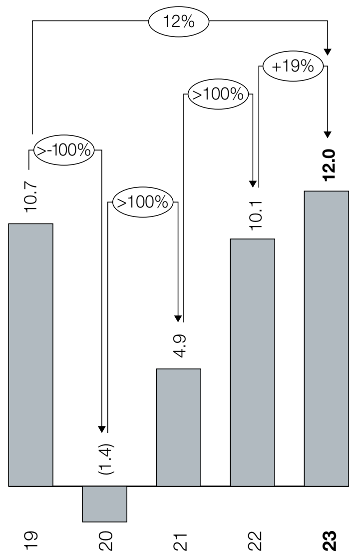


Ordinary dividend per share
(cents)



* *Excludes special dividend of 125 cents per share.*

NIACC
(R billion)



Long-term incentives

Only executives and senior managers receive LTIs.

In-flight LTI awards

There are currently three open LTI awards, namely the 2021, 2022 and 2023 awards (to be issued in September 2023).

LTI awards to be issued

2023 LTI awards

Context for 2023 LTI performance conditions and vesting thresholds:

- The ROE requirement is directly linked to the group's through-the-cycle ROE target range of 18% to 22%. The award will fail with zero vesting if the average ROE over the three-year period is below 20%, the midpoint of the group's target range.
- This, combined with earnings growth for 100% on-target vesting at real GDP plus CPI plus 4% is above the group's long-term earnings growth target of South African real GDP plus CPI plus 0% to 3%.

The table sets out the performance conditions and relevant vesting levels for the 2023 award, measured over the period 1 July 2023 to 30 June 2026. Where the performance conditions set for the threshold level have not been met, the award will lapse with zero vesting.

2023 awards: performance metrics

3-year average ROE	**Vesting level**				
		Threshold*	**On target**	**Stretch**	**Super stretch**
	0%	50%	100%	120%	150%
ROE – minimum requirement**	Zero vesting for ROE below 20%, regardless of earnings growth delivery.	≥20%	≥21%	≥22%	≥22%
AND#					
3-year earnings CAGR	**Vesting level**				
	0%	50%	100%	120%	150%
Normalised earnings per share growth requirement (3-year CAGR)†	Zero vesting for earnings growth delivery below real GDP plus CPI, regardless of ROE delivery (<6.2%)	Real GDP plus CPI	Real GDP plus CPI plus **4%**	Real GDP plus CPI plus **6.5%**	Real GDP plus CPI plus **10.5%**
Growth requirement on current outlook of real GDP plus CPI‡		6.2%	10.2%	12.7%	16.7%
		Linear grading between each growth anchor from 50% threshold to 150% maximum vesting			

* *Below threshold zero vesting will apply.*

** *ROE is measured as the average over the three-year period. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS changes or changes in volatile reserves (including the foreign currency translation reserve).*

\# *After measuring the ROE outcome and growth outcome separately, the lower of either will become the vesting level. Both conditions must be met for vesting at any level to occur. Thereafter, Remco will assess if any downwards adjustment is necessary for the factors listed on page 22.*

† *If real GDP growth is negative, the target will be CPI.*

‡ *The CAGRs in the table reflect current forecasts of real GDP plus CPI which amount to 6.2%.*

LTI awards to vest

2020 LTI awards

The 2020 LTI awards will vest during September 2023, as performance conditions at 30 June 2023 were met.

Context for 2020 LTI performance conditions

- The performance conditions were set during August 2020, amidst the Covid-19 crisis.
- Remco had to consider the macroeconomic outlook and uncertainty at the time.
- In August 2020, the macro view was that:
  - The 2019 South African economic activity would only recover to pre-pandemic levels by June 2023 i.e. losing four years of real GDP growth.
  - Similarly the group's earnings would target the recovery to June 2019 earnings.
  - The group's three-year house view to June 2023 reflected real GDP plus CPI compound annual growth rate (CAGR) of 3.9%.
- Given this uncertainty, Remco added prudential requirements to drive resilience through the crisis and position the business appropriately for the recovery.
- In line with this strategy, Remco introduced minimum requirements for the liquidity coverage ratio (LCR) and Common Equity Tier 1 (CET1) ratios for the period. It also required both earnings and returns to be restored to 2019 levels by June 2023.

Given the macro view, Remco aligned the LTI performance conditions with the strategy at the time, considering:

	Objective	Achieved
1	**Protection of the client franchise**	Growth in active customers and transactional volumes
2	**Protection of the balance sheet**	Maintained conservative provisioning and appropriate origination
3	**Management of liquidity and capital**	Above target ratios
4	**Restore earnings**	Restored in 2022, one year earlier than anticipated (2022 earnings were 17% above 2019 level)
5	**Restore returns and NIACC**	June 2023 NIACC exceeds that of June 2019. ROE back at the top of the range

Performance conditions

The 2020 award performance conditions and relevant vesting levels, measured over the period 1 July 2020 to 30 June 2023, are described below.

To achieve minimum vesting of 70%, the group must exceed the liquidity and capital targets set by the board and measured at 31 March 2023. If the conditions set for 70% vesting are not met, the award lapses (i.e. zero vesting). For vesting above 70%, the ROE and earnings growth conditions noted below apply.

Performance metric	**Vesting level**					
			On target		**Stretch**	**Super stretch**
	70.1%	95%	100%	>100% – <120%	120%	>120% – 150%
ROE – minimum requirement*	N/A	≥COE**	≥COE**	≥18%	**≥20%**	≥22%
	AND#					
	Vesting level					
	70.1%	95%	100%	>100% – <120%	120%	>120% – 150%
Normalised earnings per share growth requirement (3-year CAGR)	4.3%	12%	13.4% to <17.5%	17.5% to <22%	22%	**>22% up to 28.2%**
	Linear grading between each growth anchor					

* *The ROE target is measured as at 30 June 2023.*

** *Set as cost of equity (COE) of 15.5% at award date.*

\# *After measuring the ROE outcome and earnings growth outcome separately, the lower of either will become the vesting level. Both conditions must be met for vesting to occur at any level. Thereafter, Remco will assess if any downwards adjustment is necessary for the factors listed on page 22.*

The group exceeded the 2020 LTI performance conditions:

- The ROE at 30 June 2023 was delivered at 21.2%.
- Normalised earnings per share at 30 June 2023 was 653.7 cents, and delivered a three-year compound annual growth rate of 28.5%.
- Earnings growth delivered was at the 150% vesting level set for the earnings condition, however, the ROE outcome of 21.2% constrained the vesting level to 120%.
- The liquidity and capital targets set by the board for 31 March 2023 were met.

After considering the non-financial measures, as disclosed on page 22, Remco concluded that no downward adjustment of the vesting outcome was necessary.

In-flight LTI awards

2021 LTI awards

Context for 2021 LTI performance conditions and vesting thresholds:

- Remco decreased threshold vesting from 70% to 50% to achieve closer alignment with South African market practice.
- Remco considered it appropriate for the threshold vesting ROE condition to be below the target ROE range of 18% to 22%. It is still well above the group's cost of equity and this period is still part of the post-pandemic recovery phase.
- Combined with earnings growth ahead of the economy, it contributes to shareholder value creation (i.e. positive NIACC). For on-target vesting of 100%, the conditions are more demanding, with earnings growth significantly above that of the economy and ROE within the group's target range of 18% to 22%.
- As both conditions must be met, either could constrain the vesting level.

The table below sets out the performance conditions and relevant vesting levels for the 2021 award, measured over the period 1 July 2021 to 30 June 2024. Where the performance conditions set for the threshold level have not been met, the award will lapse with zero vesting.

2021 awards: performance metrics

ROE	**Vesting level**				
		Threshold*	**On target**	**Stretch**	**Super stretch**
	0%	50%	100%	120%	150%
ROE – minimum requirement**	Zero vesting for ROE below 17%, regardless of earnings growth delivery	≥17%	≥18%	≥20%	≥20%
	AND#				
3-year earnings CAGR	**Vesting level**				
	0%	50%	100%	120%	150%
Normalised earnings per share growth requirement (3-year CAGR)†	Real GDP plus CPI <1%	Real GDP plus CPI plus 1%	Real GDP plus CPI plus 3%	Real GDP plus CPI plus 5%	Real GDP plus CPI plus 8%
Growth requirement on current outlook of real GDP plus CPI‡	Zero vesting for earnings growth delivery below real GDP plus CPI plus 1%, regardless of ROE delivery (i.e. <8.2%)	8.2%	10.2%	12.2%	15.2%
		Linear grading between each growth anchor from 50% threshold to 150% maximum vesting			

* *Below threshold zero vesting will apply.*

** *ROE is measured at 30 June 2024. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS changes or changes in volatile reserves.*

\# *After measuring the ROE outcome and growth outcome separately, the lower of either will become the vesting level. Both conditions must be met for vesting to occur at any level. Thereafter, Remco will assess if a downward adjustment is necessary for the factors listed on page 22.*

† *If real GDP growth is negative, the target will be CPI.*

‡ *The CAGRs in the tables reflect current forecasts of real GDP plus CPI which amount to 7.2%.*

2022 LTI awards

Context for 2022 LTI performance conditions and vesting thresholds:

- The ROE requirement is directly linked to the group's through-the-cycle ROE target range of 18% to 22% (if the group achieves an ROE above this range, the vesting level could be above 120%, if earnings growth is delivered above the 120% vesting level requirement).
- This, combined with earnings growth linked to the group's long-term earnings growth target of South African real GDP plus CPI plus 0% to 3%, will contribute to strong cumulative NIACC growth.

The table below sets out the performance conditions and relevant vesting levels for the 2022 award, measured over the period 1 July 2022 to 30 June 2025. Where the performance conditions set for the threshold level have not been met, the award will lapse with zero vesting.

2022 awards: performance metrics

3-year average ROE	**Vesting level**				
		Threshold*	**On target**	**Stretch**	**Super stretch**
	0%	50%	100%	120%	150%
ROE – minimum requirement**	Zero vesting for ROE below 19%, regardless of earnings growth delivery	≥19%	≥20.5%	≥22%	≥22%
	AND#				
3-year earnings CAGR	**Vesting level**				
	0%	50%	100%	120%	150%
Normalised earnings per share growth requirement (3-year CAGR)†	Real GDP plus CPI plus <1.5%	Real GDP plus CPI plus 1.5%	Real GDP plus CPI plus 2.5%	Real GDP plus CPI plus 5%	Real GDP plus CPI plus 9%
Growth requirement on current outlook of real GDP plus CPI‡	Zero vesting for earnings growth delivery below real GDP plus CPI plus 1.5%, regardless of ROE delivery (i.e. <8.4%)	8.4%	9.4%	11.9%	15.9%
		Linear grading between each growth anchor from 50% threshold to 150% maximum vesting			

* *Below threshold zero vesting will apply.*

** *ROE is measured as the average over the three-year period. The ROE calculation is based on NAV taking into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes, IFRS changes or changes in volatile reserves.*

\# *After measuring the ROE outcome and growth outcome separately, the lower of either will become the vesting level. Both conditions must be met for vesting at any level to occur. Thereafter, Remco will assess if any downward adjustment is necessary for the factors listed on page 22.*

† *If real GDP growth is negative, the target will be CPI.*

‡ *The CAGRs in the table reflect current forecasts of real GDP plus CPI which amount to 6.9%.*

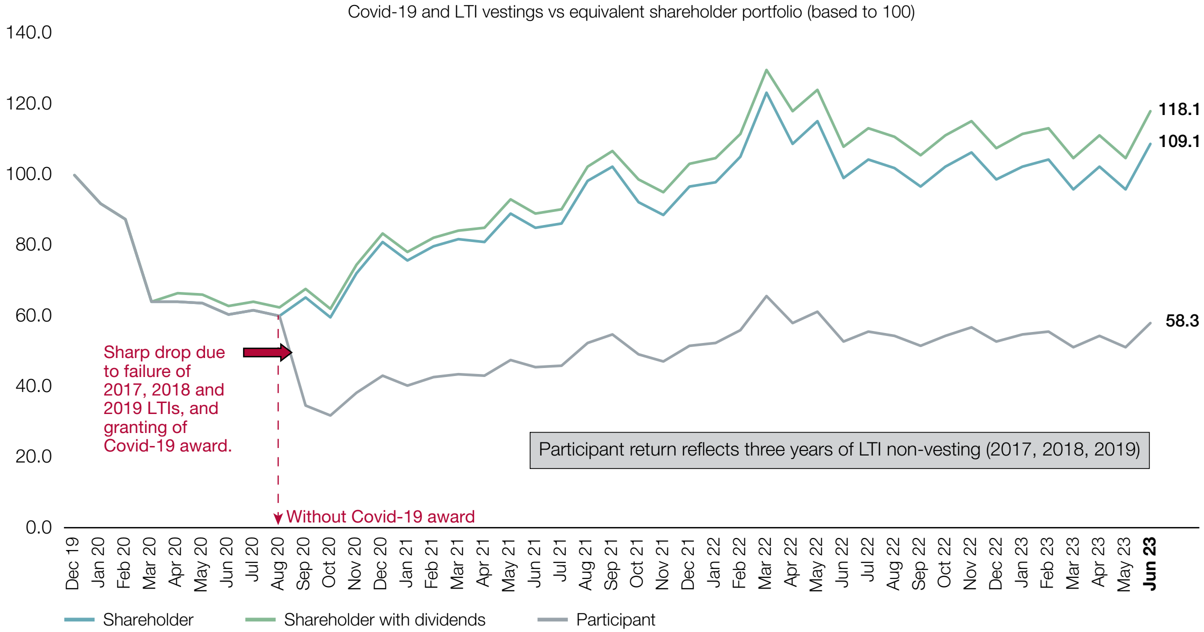
Covid-19 award

As a result of the Covid-19 crisis and its economic impact, three years of LTIs (2017, 2018 and 2019) did not vest. The failed LTIs affected more than 4 000 employees. This made FirstRand an outlier in the market, given that other banks' retention instruments are not allocated to such a large employee cohort and presented a talent retention risk for the group. In response, Remco introduced a one-off Covid-19 instrument in 2020 for employees considered critical to the ongoing sustainability of the business. The value of the Covid-19 instrument was struck at half of the original grant value of the 2018 and 2019 awards and appropriately did not consider 2017 award failure. Although the value was struck with reference to two years' vesting, the settlement was extended over three years to enhance the retention objective of the instrument. There is no additional cost to shareholders, as the instrument is funded by the failed awards and the share price exposure is hedged.

The award achieved its objectives:

Objective	**Management retention was achieved**	**Management was incentivised to steer the group through the crisis and ensure it was well positioned for the recovery**	**FirstRand's philosophy that management does not do better than shareholders remains intact**
Result	• 86% of the award recipients were retained over the past three years. • In line with the condition, clawback was invoked for resignations following a vested tranche.	The group's earnings exceeded those of 2019, one year earlier than expected, with all commitments achieved. Liquidity, capital and risk appetite were appropriately managed.	Shareholders recovered 100% while management received 50%.

Shareholder vs participant view



A participant (employee) LTI portfolio was awarded in line with allocation principles and pool growth.

This number of LTI award units compared to the equivalent number of shares held by a shareholder. The LTI portfolio was adjusted for LTI forfeits and granting of the Covid-19 LTI instrument. The portfolio index was valued using the market price since 31 December 2019.

Covid-19 award continued

To further ensure that shareholders were not prejudiced by the award:

- Remco set a floor for the pricing of the award to avoid excessive value generation due to a depressed share price – this floor was not reached.
- Share price appreciation is hedged as part of the normal LTI hedging programme.
- The issuance is linked to the share price and is cash settled (no shares issued).

The award's distinctive elements cater for different levels of seniority.

Senior employees

For eligible senior employees, the award was made in September 2020, vesting in three equal tranches over three years, subject to the following conditions:

- If an employee leaves the group within 12 months of a particular tranche vesting, the full value of the vested tranche is clawed back and the unvested portion of the award is forfeited. This results in potential clawback until September 2024.
- As the 2018 and 2019 LTIs failed, the three tranches of the Covid-19 instrument vested, with the last tranche vesting in September 2023.

Remco did consider vesting over two years (in September 2021 and 2022) aligned to the failing awards, but deliberately extended the vesting and clawback period to promote retention. Remco also wanted to align the vesting to the point in time when it estimated that 2019 earnings would be reached.

Executive directors and prescribed officers

In 2021, in response to previous shareholder feedback, Remco introduced performance conditions for executive directors and prescribed officers for all three tranches of the instrument, including both financial and risk elements.

Performance conditions	
Financial	Average ROE of at least 18% over the three years to June 2024. • This is within the group's ROE target range of 18% to 22%. • The ROE at the time was 12.9%. • If in any year the ROE delivered is below 18% but not lower than 17.5%, the tranche will vest as long as the average ROE of at least 18% over the three years has been met.
Risk	The group must exceed the liquidity and capital targets set by the board, measured over the period up to 31 March 2023, and comply with its risk policies as assessed by Remco after seeking input from the risk committee to the applicable rules and performance conditions.
Malus and clawback	
If these conditions are not met the vested value of the affected tranche will be clawed back.	The clawback performance underpin period commenced on 1 July 2021 and must be sustained until 30 June 2024.

For executive directors and prescribed officers:

- Tranche 1 and 2 – all performance conditions met
- Tranche 3 – if performance conditions are not met in June 2024, there is clawback

Executive directors' and prescribed officers' remuneration

Information relating to each executive director's and prescribed officer's remuneration for the year under review, and details of share awards and dealings in FirstRand shares, are set out in the following section. The analysis provides a view of executive directors' and prescribed officers' single-figure emoluments and outstanding incentives, as required by King IV.

The analysis also includes the quantitative disclosures required by Regulation 43 of the Banks Act and the PA directive to incorporate Basel Pillar 3 remuneration requirements.

FirstRand defines its prescribed officers as the group's executive directors, the CEOs of the group's Retail and Commercial, and Corporate and Institutional segments, and the CEO of the Aldermore group. These officers are members of the group strategic executive committee and attend board meetings.

Executive scorecard outcomes

The key performance indicators for the various scorecard categories are outlined below. The group continues to refine the measures for the various scorecard categories, with quantitative measures used where possible. However, certain categories reflect a qualitative assessment where quantitative measures are not applicable.

Category	Section		KPIs
Financial	Normalised earnings growth		Long-term normalised earnings growth target: **Real GDP+CPI+ >0% to 3%** Short-term target: **FY23 budgeted earnings**. *(Based on group financial performance for EDs and weighted between own operating business/ segment and group financial performance for POs.)*
	ROE		Long-term ROE target range: **18% to 22%** Short-term target: **FY23 budgeted ROE and NIACC** *(Based on group financial performance for EDs and weighted between own operating business/ segment and group financial performance for POs.)*
Strategic	Grow business at macro+	More customers	Target **increase in FNB's active retail/commercial customer base and net increase in primary-banked relationships at RMB.**
		More to customers	**Increase in cross-sell ratio** VSI for FNB. Increase in clients banked across markets, corporate transactional banking and investment banking in RMB. Target: **FY23 budgeted advances and deposits.**
		More efficiently	Target: **FY23 budgeted operating expenses.**
	Broaden financial services offering		**Insurance KPIs:** Growth in **EV, VNB, lives covered, APE, PBT and penetration of FNB** customer base relative to FY23 budget. Qualitative measure includes tracking of short-term insurance relative to business case as well as progress in broader Africa. **Investment management KPIs:** growth in **AUM, AUA, trade values, account base, investment performance and PBT relative to FY23 budget.**
	Build competitive advantage and scale broader Africa portfolio to deliver economic profit and dividends		Growth in **PBT, ROE, customers, advances, deposits and expenses relative to FY23 budget.**
	Modernise, digitise and scale to a more valuable UK business that delivers economic profit and dividends		• **Aldermore group KPIs** (delivery of the financial plan (PBT, ROE and NIACC), risk and control (CET1, LCR, earnings volatility), people (engagement, allocation). • FirstRand's **ROI KPI** – CAGR since investment **must exceed weighted average cost of capital.**

List of abbreviations used in the table:

VSI:	Vertical sales index
EV:	Embedded value
VNB:	Value of new business
APE:	Annual premium equivalent
PBT:	Profit before tax
AUM:	Assets under management
AUA:	Assets under administration
CAGR:	Compound annual growth rate

Category	Section	KPIs
Strategic	Shared prosperity – delivery against purpose	• Meaningful **progress against phased approach to deliver shared prosperity (purpose).** • Deep understanding of shared prosperity and associated drivers. • All large business units and enablers move into Phase 3. • Broader Africa onboarded, with clear understanding of shared prosperity benefits by boards and senior leadership. • Establishment of shared prosperity focused business areas and clear articulation of strategy to maximise positive impacts and minimise negative impacts.
	Enabled by digital platforms	Progress measured against **build, utilise, migrate and decommission** components of platform build-out.
	Disciplined management of financial resources	• **Exceed minimum prudential requirements within internal targets** – active management and optimisation of funding/liquidity and capital stack. • **Actively manage and tilt balance sheet to reflect economic cycle** to enhance return profile on risk-adjusted basis and improve financial metrics. • Ensure that management of financial resources **does not introduce additional risk above natural risk profile.** Optimise **pricing of financial resources to ensure economic cost of resources appropriately transmitted to business.** • Target **highest credit counterparty rating in SA banking sector on standalone basis.** • **FRM frameworks and pricing** of resources **incorporate shared prosperity objectives.**
	Climate	• Engagement with target clients (e.g. consumer education and engagement with material corporate clients in climate-sensitive sectors). • Incorporation of climate risk into credit risk models and/or underwriting criteria. • Broad-based awareness of and training on climate risk. • Business unit strategies articulated and product development for client set.
	Human capital	Organisational culture: • Deep understanding of organisational culture and health, and associated drivers. • Strong leadership and focus on the FirstRand Promises, people matters in the business and a focus on providing leadership and resources to employees in such away that they can perform optimally. • Commitment and openness to organisational and people diagnostics and appropriate responses to the results of these diagnostics. Results from organisational diagnostics indicate healthy levels of trust and engagement, and low culture risk. • Ensure appropriate succession for critical roles (emergency, “ready now” and medium-to long-term). Appropriate processes in place to identify and develop diverse pool of candidates. Effective retention strategies for top talent. Evidence of growing talent internally.

Category	Section	KPIs
Strategic	Transformation	• Measure progress on improvement in diversity at senior and top management level, taking consideration of the group's EE plans and targets. • B-BBEE scorecard (preferential procurement, empowerment financing, skills development, consumer education, access to financial services, etc.)
	Stakeholder management	Qualitative assessment of frequency and quality of engagements with and feedback received from shareholders, debt holders, rating agencies and regulators for executive directors. Qualitative assessment of health of client relationships for POs – factors considered include brand health, customer loyalty, customer satisfaction/complaints and net promoter scores.
	CSI	• Leverage group skills, resources, IP and partnerships to accelerate the delivery of the foundations' mandate at scale (i.e. create multiplier effect). • Deep understanding of the group's purpose by the corporate foundation trustee board with clear focus areas where the foundation can work alongside FirstRand. • Effective operating model for social investing activities working with trustees of the different foundations.
Risk and control	Good corporate governance Control environment Market and business conduct Risk appetite and volatility Credit losses/impairments Operational, market and investment risks	• Significant integration of governance considerations into policies, business processes and frameworks – evidenced and supported by documentation and reporting showing significant improvement year-on-year in prioritised governance metrics and frameworks and resultant scoring by ESG rating agencies from a governance perspective. • Notable decrease in number of "significant improvement required" and "unacceptable" audit findings. • No significant group compliance concerns raised at group risk committee meetings. • Proactive organisational resilience response to energy crisis for the group, vendors and clients. • Material improvement and/or near industry-leading customer complaints statistics. • No material regulatory fines/adverse feedback. Training statistics of key areas, e.g. AML training, at ≥98% completion rates. • Within earnings volatility tolerances and top two in industry in terms of key risk and volatility metrics and clearly articulated segment-level risk appetite frameworks actively applied in budget process. • Impairments aligned to/better than peer group, with strong coverage levels (taking different accounting practices into consideration). • Cyber security training at high levels of completion (>95%). • Credit, operational, market and investment risks within risk appetite and limits/thresholds.

Executive directors' and prescribed officers' remuneration continued

Aldermore prescribed officer

In the UK, Aldermore is subject to the CRD V banking regulation. Aldermore follows UK market practice, where a balanced scorecard determines an STI pool called annual incentive plan (AIP), which is subject to company performance and then individual performance to determine incentive awards as a percentage of salary.

Section	KPI
Financial (60%)	Delivery of the strategy and financial plan (PBT, ROE and NIACC)
Risk (20%)	Risk appetite
	Highest standards of risk management practices and behaviours
Non-financial (20%)	Group employee net promoter score (eNPS)
	Voluntary employee attrition

Executive directors' and prescribed officers' remuneration continued

Link between executive scorecards and allocation of short-term incentives

The calculation of the short-term incentive component for South African executives takes the following into account:

- external benchmarking (guaranteed package, STI, LTI and total remuneration);
- calculated pool growth (refer to pages 18 to 19); and
- individual performance scorecards, considering overall and category performance ratings and the STI ranges per rating band

Overall rating classifications for executive directors and prescribed officers:

Overall rating	Rating classification	FY23 STI ranges per rating band (% of guaranteed package)	Rating implication for STI calculation	
1	Unacceptable		≤2	Does not qualify for STI.
2	Underperformance		>2 to 3	Reduction to flat year-on-year STI change.
3	Meets core performance and delivery expectations	CEO: discretionary up to 300% COO, CFO: discretionary up to 250% FNB CEO: discretionary up to 250% RMB CEO: discretionary up to 350%	>3 to 5	Increase in bonus compared to prior year considering personal performance, pool growth and STI ranges per rating band.
4	Performance and delivery expectations exceeded			
5	Exceptional performance and delivery			

The linkage of the above is detailed individually for each executive director and prescribed officer on pages 49 to 60.

Individual performance reviews for the year ended 30 June 2023

This section includes summarised performance reviews per executive director and prescribed officer. They demonstrate the link between the STI award and performance rating, benchmarking, overall pool growth and changes in reward mix.

The STIs for all executive directors and prescribed officers are below the caps disclosed in the Policy section of this report.

Executive director or prescribed officer	2023 STI as % of GP	STI cap as % of GP
Alan Pullinger (group CEO)	147%	300%
Mary Vilakazi (group COO)	140%	250%
Harry Kellan (group CFO)	142%	250%
Jacques Celliers (FNB CEO)	209%	250%
Emrie Brown (RMB CEO)	265%	350%
Steven Cooper (Aldermore CEO)	153%	180%*

* *The Aldermore STI cap is a percentage of salary excluding allowances. Given CRD V regulation with extended deferrals, Steven's remuneration mix was revised in the previous year, with the STI maximum increasing from 125% to 180% and LTI maximum decreasing from 135% to 67.5% of salary.*

FY23 executive director scorecards

			CEO: FIRSTRAND (*Alan Pullinger*)					COO: FIRSTRAND (*Mary Vilakazi*)					CFO: FIRSTRAND (*Harry Kellan*)				
			Category weight	Measure weight	Effective weighting	Overall category score	KPI score	Category weight	Measure weight	Effective weighting	Overall category score	KPI score	Category weight	Measure weight	Effective weighting	Overall category score	KPI score
Financial	**Category**	**Measure**		**100%**	**25%**				**100%**	**25%**				**100%**	**25%**		
	FirstRand group earnings and returns	Normalised earnings	25%	50%	12.5%	3.5	3.5	25%	50%	12.5%	3.5	3.5	25%	50%	12.5%	3.5	3.5
		ROE		50%	12.5%		3.5		50%	12.5%		3.5		50%	12.5%		3.5
Strategic	**Category**	**Measure**		**100%**	**55%**				**100.0%**	**50%**				**100.0%**	**50%**		
	Grow business at macro+ (more customers, more to customers, all done more efficiently)	More customers	55%	10%	5.5%	3.8	3.9	50%	7.5%	3.8%	3.8	3.9	50%	10.0%	5.0%	3.8	3.9
		More to customers (cross-sell, deposit franchise growth, advances growth from targeted origination strategies in line with risk appetite)		10%	5.5%		4.1		7.5%	3.8%		4.1		10.0%	5.0%		4.1
		More efficiently (cost management, optimisation)		10%	5.5%		2.4		7.5%	3.8%		2.4		10.0%	5.0%		2.4
	Broaden financial services offering	Growth in insurance and asset management businesses		5%	2.8%		3.5		12.5%	6.3%		3.5		5%	2.5%		3.5
	Build competitive advantage and scale broader Africa portfolio to deliver economic profit and dividends	Manage overall broader Africa portfolio to sustainable NIACC positive position; growth in PBT, ROE, customers, advances, deposits, expenses		10%	5.5%		4.1		12.5%	6.3%		4.1		10%	5.0%		4.1
	Modernise, digitise and scale to a more valuable UK business that delivers economic profit and dividends	Financial performance (normalised earnings growth and ROE), ROI		10%	5.5%		4.0		5%	2.5%		4.0		12.5%	6.3%		4.0
	Enabled by digital platforms	Progress on platform deliverables (build, utilise, migrate, decommission)		5%	2.8%		3.6		5%	2.5%		3.6		5%	2.5%		3.6
	Shared prosperity – delivery against stated purpose	Adherence to shared value principles, progress on implementation		5%	2.8%		3.7		7.0%	3.5%		3.8		5%	2.5%		3.7
	Disciplined management of financial resources	Adherence to FRM guidelines, fiduciary, enablement		12.5%	6.9%		4.0		12.5%	6.3%		4.2		12.5%	6.3%		4.0
	Climate	Climate risk client engagement, product development, incorporation in credit underwriting/models		10%	5.5%		4.0		10%	5.0%		4.0		10.0%	5.0%		4.0
	Human capital	Organisational culture, talent management and succession planning		5%	2.8%		3.6		2.5%	1.3%		3.6		2.5%	1.3%		3.6
	Transformation	Employment equity, procurement, B-BBEE scorecard		5%	2.8%		3.8		5.0%	2.5%		3.8		5.0%	2.5%		3.8
	Stakeholder management	Health of key relationships (customers, investors, regulators)		2.5%	1.4%		4.1		2.5%	1.3%		4.1		2.5%	1.3%		4.1
	Social investing	Effectively leveraging group resources; alignment of corporate foundation with group purpose.		0%	0.0%		n/a		3%	1.5%		4.0		0%	0.0%		n/a
Risk and control	**Category**			**100%**	**20%**				**100%**	**25%**				**100%**	**25%**		
	Control environment		20%	20%	4.0%	3.8	3.8	25%	20%	5.0%	3.8	3.8	25%	20%	5.0%	3.8	3.8
	Market and business conduct			20%	4.0%		3.6		20%	5.0%		3.6		15%	3.8%		3.6
	Risk appetite and volatility			15%	3.0%		4.0		15%	3.8%		4.0		17.5%	4.4%		4.0
	Credit loss/impairments			20%	4.0%		4.3		20%	5.0%		4.3		22.5%	5.6%		4.3
	Operational, market and investment risks			20%	4.0%		3.4		20%	5.0%		3.4		20%	5.0%		3.4
	Corporate governance			5%	1.0%		4.0		5%	1.3%		4.0		5%	1.3%		4.0
Total score/rating for executive director			100%			3.7		100%			3.7		100%			3.7	

FY23 prescribed officer scorecard (CEO: R&C/FNB)

			FNB/R&C PRESCRIBED OFFICER *(Jacques Celliers)*				
			Category weight	Measure weight	Effective weighting	Overall category score	KPI score
Financial	**Category**	**Measure**		**100%**	**25%**		
	Earnings and returns	**GROUP PERFORMANCE:**	25%	20%	5%	3.5	3.5
		Normalised earnings		10%	2.5%		3.5
		ROE		10%	2.5%		3.5
		OPERATING BUSINESS:		80%	20%		3.5
		Normalised PBT		40%	10%		3.5
		ROE		40%	10%		3.5
Strategic	**Category**	**Measure**		**100%**	**50%**		
	Grow business at macro+ (more customers, more to customers, all done more efficiently)	More customers	50%	10%	5.0%	3.7	4.0
		More to customers (cross-sell, deposit franchise growth, advances growth from targeted origination strategies in line with risk appetite)		10%	5.0%		4.0
		More efficiently (cost management, optimisation)		12%	6.0%		2.7
	Broaden financial services offering	Growth in insurance and asset management business		10%	5.0%		3.4
	Build competitive advantage and scale broader Africa portfolio to deliver economic profit and dividends	Manage overall broader Africa portfolio to sustainable NIACC positive position		10%	5.0%		4.1
	Shared prosperity – inclusive value creation	Adherence to shared value principles, progress on implementation		5%	2.5%		3.8
	Enabled by digital platforms	Progress on platform deliverables (build, utilise, migrate, decommission)		10%	5.0%		3.7
	Disciplined management of financial resources	Adherence to FRM guidelines and delivery on enablement initiatives		10%	5.0%		3.9
	Climate	Climate risk client engagement, product development, incorporation in credit underwriting/models		8%	4.0%		3.9
	Human capital	Organisational culture, talent management and succession planning		5%	2.5%		3.6
	Transformation	Employment equity, procurement, B-BBEE scorecard		5%	2.5%		3.8
	Health of customer relationships	Customer satisfaction/complaints and net promoter scores		5%	2.5%		4.0
Risk and control	**Category**			**100%**	**25%**		
	Control environment		25%	20%	5.0%	3.9	3.9
	Market and business conduct			25%	6.3%		3.8
	Risk appetite and volatility			10%	2.5%		4.0
	Credit loss/impairments			20%	5.0%		4.3
	Operational risk			20%	5.0%		3.5
	Corporate governance			5%	1.3%		4.0
Total score/rating for R&C/FNB prescribed officer			**100%**			**3.7**	

FY23 prescribed officer scorecard (CEO: RMB/C&I)

			RMB/C&I PRESCRIBED OFFICER *(Emrie Brown)*				
			Category weight	**Measure weight**	**Effective weighting**	**Overall category score**	**KPI score**
Financial	**Category**	**Measure**		**100%**	**25%**		
	Earnings and returns	**GROUP PERFORMANCE:**	25%	20%	5%	3.5	3.5
		Normalised earnings		10%	2.5%		3.5
		ROE		10%	2.5%		3.5
		OPERATING BUSINESS:		80%	20%		3.5
		Normalised PBT		40%	10%		3.5
		ROE		40%	10%		3.5
Strategic	**Category**	**Measure**		**100%**	**37%**		
	Grow business at macro+ (more customers, more to customers, all done more efficiently)	More customers	50%	10%	5.0%	3.5	3.8
		More to customers (cross-sell, deposit franchise growth, advances growth from targeted origination strategies in line with risk appetite)		10%	5.0%		3.7
		More efficiently (cost management, optimisation)		12%	6.0%		2.0
	Broaden financial services offering	Growth in insurance and asset management business		7.5%	3.8%		3.0
	Build competitive advantage and scale broader Africa portfolio to deliver economic profit and dividends	Manage overall broader Africa portfolio to sustainable NIACC positive position		12.5%	6.3%		4.1
	Shared prosperity – inclusive value creation	Adherence to shared value principles, progress on implementation		5%	2.5%		3.5
	Enabled by digital platforms	Progress on platform deliverables (build, utilise, migrate, decommission)		5%	2.5%		3.6
	Disciplined management of financial resources	Adherence to FRM guidelines and delivery on enablement initiatives		12%	6.0%		3.6
	Climate	Climate risk client engagement, product development, incorporation in credit underwriting/models		11%	5.5%		4.1
	Human capital	Organisational culture, talent management and succession planning		5%	2.5%		3.5
	Transformation	Employment equity, procurement, B-BBEE scorecard		5%	2.5%		3.5
	Health of client relationships	Customer satisfaction/complaints and net promoter scores		5%	2.5%		4.0
Risk and control	**Category**			**100%**	**24%**		
	Control environment		25%	15%	3.8%	3.7	3.6
	Market and business conduct			20%	5.0%		3.3
	Risk appetite and volatility			15%	3.8%		4.0
	Credit loss/impairments			20%	5.0%		4.3
	Operational, market and investment risks			25%	6.3%		3.3
	Corporate governance			5%	1.3%		4.0
Total score/rating for C&I/RMB prescribed officer			**100%**			**3.5**	

Alan Pullinger
FirstRand CEO

Alan demonstrated highly effective leadership as the group continued its long track record of delivering growth and superior returns through effective execution of its core strategies and disciplined allocation of financial resources.

This year's performance, and the level and quality of value delivered to shareholders, reflect the consistent and ongoing execution of the group's strategy. The 12% increase in the group's normalised earnings was driven by good topline growth, reflecting continued momentum in new business origination in all large lending portfolios, ongoing growth from the deposit franchise and the performance of the group's transactional franchise (measured by customer growth and volumes).

FirstRand delivered a normalised ROE of 21.2% (2022: 20.6%), which is at the top end of the target range of 18% to 22%, and produced R12.0 billion of economic profit (2022: R10.1 billion) or NIACC, which is its key performance measure.

Notwithstanding the record dividend payout for the year ended 30 June 2022, the group grew NAV 10% year-on-year, with 50% of NAV accretion generated from the capital allocated to the UK operations.

Given the high return profile, the group remained capital generative, with the CET1 ratio at 13.2% (2022: 13.9%) notwithstanding the impact of the special dividend in the prior year. The board declared an annual dividend of 384 cents per share.

Alan is a strong advocate of the environmental, social and governance agenda, in particular of the development of business and financial resource management (FRM) strategies to support the group's response to climate change. Another ESG topic that Alan has been fully engaged on is the health of the group's customer relationships. He continues to drive the group's platform strategy, proactively engaging business on progress and competitive positioning.

Alan continues to be accessible to investors, recognising the need to engage regularly given the prevailing macro uncertainties in many of the jurisdictions where the group operates.

Alan is an active participant in important industry bodies and has constructive relationships with the group's key regulators.

As indicated in the scorecard, Alan's overall rating was 3.7. His STI award increased 8% which is lower than the STI pool growth of 10% due to the downward adjustment, also implemented in the previous year, relating to the disclosed operational event at MotoNovo. His guaranteed package, effective August 2023, increased 5% and his LTI award increased 6%.

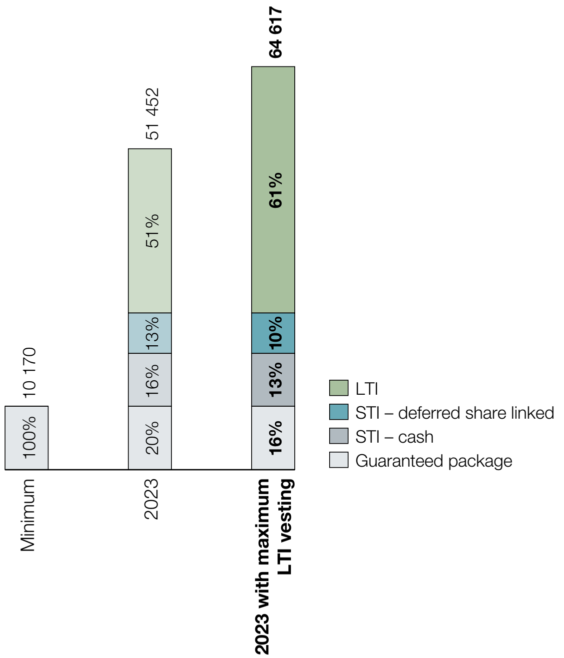
R thousand	**2023**	2022	% change
Guaranteed package	**10 170**	9 622	6%
STI	**14 952**	13 824	8%
Cash payment	**5 984**	5 491	
Cash deferred	**2 492**	2 421	
Share price linked	**6 476**	5 912	
LTI award*	**26 330**	24 840	6%
Total	**51 452**	48 286	7%

* *LTI award values at award date (September 2021 and 2022).*

2023 remuneration mix and maximum vesting outcome

The following graph provides an illustration of the remuneration outcome relative to 2023, should maximum vesting on the LTI occur in three years' time. It also provides the mix of the current year remuneration package.

CEO
(R thousands)



Basis of graph preparation:

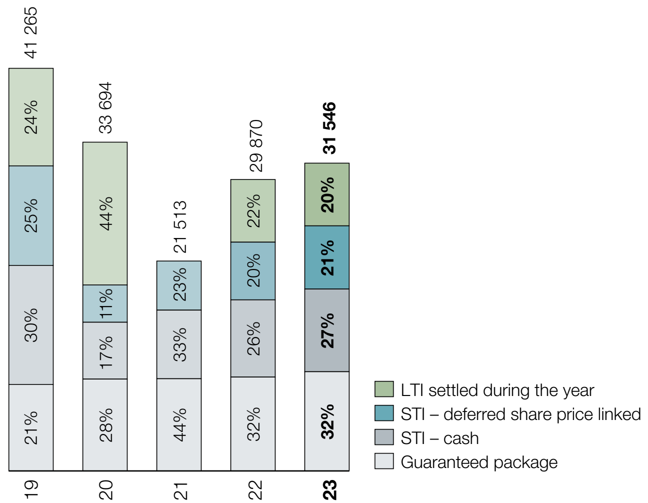
The remuneration outcome graphs included with each of the executives' remuneration tables below are prepared with the following inputs:

- The guaranteed package of 2023 is reflected as the minimum remuneration.
- The 2023 remuneration reflects the total remuneration received during 2023. The LTI is the grant value of the award made during the year, i.e. the September 2022 issuance.
- The 2023 remuneration with maximum LTI vesting provides the 2023 remuneration, with the LTI at the maximum potential vesting outcome of 150% in three years' time. This vesting level will only be achieved if an exceptional super stretch performance has been delivered, with the performance conditions requiring an ROE higher than 22% combined with a compound annual growth rate in earnings of 16.7% (real GDP plus CPI plus 10.5%) over the three years. The value excludes any share price change. There is no additional cost to the group because the share price changes have been hedged.

Single-figure (five-year) view

The following graph provides the total remuneration mix over a five-year period. It has been prepared in accordance with King IV requirements, therefore the LTI reflected is the award settled in the financial year. The 2022 and 2023 LTI values reflect the settlement of the first and second Covid-19 tranche, as the three LTI awards (2017, 2018 and 2019) failed to vest due to performance conditions not being met.

CEO
(R thousands)



Awards for 2024 – outcome of annual salary review in August 2023

- **Alan benchmarks well in the industry.**
- **His guaranteed pay increased by 5% in line with that of other executives, and marginally below that of managerial staff.**
- **An LTI of R28 million, that could vest in 2026 if performance conditions are met, represents an increase of 6%, marginally below overall pool growth.**

VESTING OUTCOMES IN FY24

- **The LTI of R24 million awarded in 2020 will vest in September 2023 because performance conditions for the three years to June 2023 have been met.**
- **The third Covid-19 tranche with award value of R6.4 million will vest in September 2023.**

Mary Vilakazi
FirstRand COO

In her role as group COO, Mary is an integral member of the executive team, working closely with the CEO and CFO in the execution of strategy and the management of the financial, risk and control elements of the business. The executive team collectively took accountability for the ongoing execution of the group's growth strategies.

This year's performance, and the level and quality of value delivered to shareholders, reflect the consistent and ongoing execution of the group's strategy. The 12% increase in the group's normalised earnings was driven by good topline growth, reflecting continued momentum in new business origination in all large lending portfolios, ongoing growth from the deposit franchise and the performance of the group's transactional franchise (measured by customer growth and volumes).

FirstRand delivered a normalised ROE of 21.2% (2022: 20.6%), which is at the top end of the target range of 18% to 22%, and produced R12.0 billion of economic profit (2022: R10.1 billion) or NIACC, which is its key performance measure.

Notwithstanding the record dividend payout for the year ended 30 June 2022, the group grew NAV 10% year-on-year, with 50% of NAV accretion generated from the capital allocated to the UK operations.

Given the high return profile, the group remained capital generative, with the CET1 ratio at 13.2% (2022: 13.9%) notwithstanding the impact of the special dividend in the prior year. The board declared an annual dividend of 384 cents per share.

Mary oversees the growth strategies of insurance and wealth and investment management, which are critical to the group's ambition to diversify sources of non-interest revenue and deliver integrated financial services. Profits from FNB's insurance activities increased 26%, driven by a strong performance from FNB with good premium income, reduced claims ratios and required reserving. FNB Life is now the third-largest long-term insurance product provider in the FNB client base. Ashburton Investments, the group's asset management business, had healthy growth with assets under management (AUM) increasing 21% to R131 billion.

Mary has ultimate oversight of the broader Africa portfolio which, despite the macroeconomic challenges across all jurisdictions, grew customers, transactional volumes and deposits.

Mary is a strong advocate of FirstRand's social licence to operate. As chair of the sustainability and governance executive committee she demonstrates excellent leadership with regard to ensuring that the group's purpose to deliver shared prosperity is anchored across strategy, operations and governance. Mary works closely with the social investing team and group foundations to better integrate corporate social investment (CSI) activities with broader business activities.

As indicated in the scorecard, Mary's overall rating was 3.7. Her STI award increased 9%, marginally below pool growth of 10%, in favour of an LTI award increase.

Her guaranteed package, effective August 2023, increased 6.5% and the LTI award increased 9.8%.

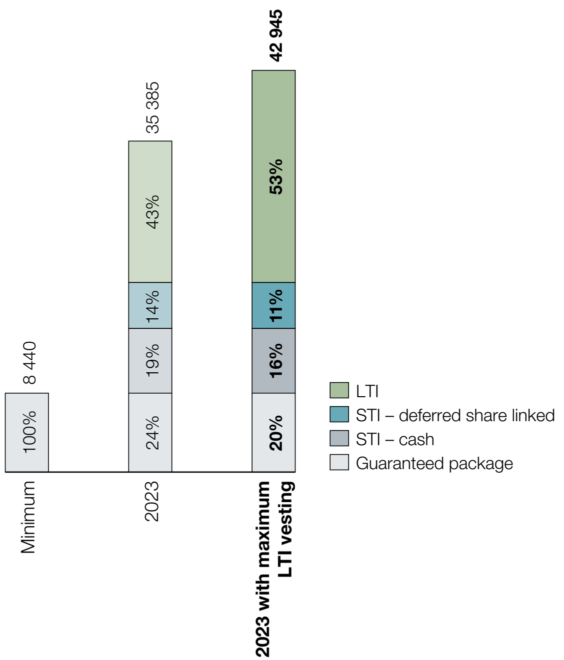
R thousand	**2023**	2022	% change
Guaranteed package	**8 440**	7 930	6%
STI	**11 825**	10 813	9%
Cash payment	**4 942**	4 488	
Cash deferred	**1 971**	1 919	
Share price linked	**4 912**	4 406	
LTI award*	**15 120**	14 000	8%
Total	**35 385**	32 743	8%

* *LTI award values at award date (September 2021 and 2022).*

2023 remuneration mix and maximum vesting outcome

The following graph provides an illustration of the remuneration outcome relative to 2023, should maximum vesting on the LTI occur in three years' time. It also provides the mix of the current year remuneration package.

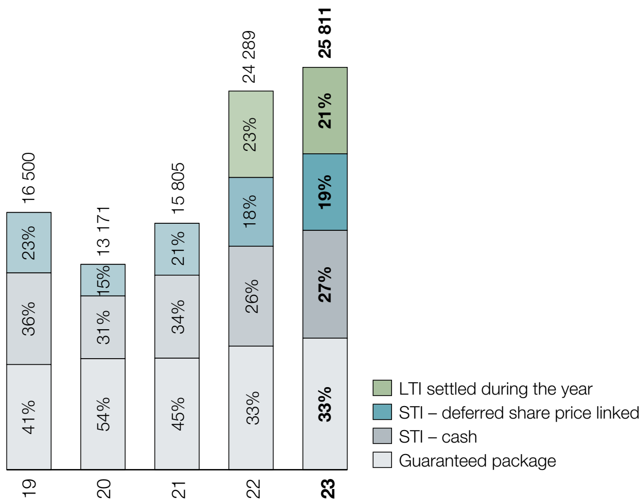
COO
(R thousands)



Single-figure (five-year) view

The following graph provides the total remuneration mix over a five-year period. It has been prepared in accordance with King IV requirements, therefore the LTI reflected is the award settled in the financial year. The 2022 and 2023 LTI values reflect the settlement of the first and second Covid-19 tranche, as the three LTI awards (2017, 2018 and 2019) failed to vest due to performance conditions not being met.

COO
(R thousands)



Awards for 2024 – outcome of annual salary review in August 2023

- **Mary benchmarks well in the industry.**
- **Her guaranteed pay increased by 6.5%, slightly above that of other executives and managerial staff.**
- **An LTI of R16.6 million, that could vest in 2026 if performance conditions are met, represents an increase of 9.8%, higher than overall pool growth. This reflects a slight rebalancing of long-term and short-term incentive awards.**

VESTING OUTCOMES IN FY24

- **The LTI of R11.2 million awarded in 2020 will vest in September 2023 because performance conditions for the three years to June 2023 have been met.**
- **The third Covid-19 tranche with award value of R5.5 million will vest in September 2023.**

Harry Kellan
FirstRand CFO

In his role as group CFO, Harry is an integral member of the executive team, working closely with the CEO and COO in the day-to-day execution of strategy and the management of the financial, risk and control elements of the business.

This year's performance, and the level and quality of value delivered to shareholders, reflect the consistent and ongoing execution of the group's strategy. The 12% increase in the group's normalised earnings was driven by good topline growth, reflecting continued momentum in new business origination in all large lending portfolios, ongoing growth from the deposit franchise and the performance of the group's transactional franchise (measured by customer growth and volumes).

FirstRand delivered a normalised ROE of 21.2% (2022: 20.6%), which is at the top end of the target range of 18% to 22%, and produced R12.0 billion of economic profit (2022: R10.1 billion) or NIACC, which is its key performance measure.

Notwithstanding the record dividend payout for the year ended 30 June 2022, the group grew NAV 10% year-on-year, with 50% of NAV accretion generated from the capital allocated to the UK operations.

Given the high return profile, the group remained capital generative, with the CET1 ratio at 13.2% (2022: 13.9%), notwithstanding the impact of the special dividend in the prior year. The board declared an annual dividend of 384 cents per share.

Harry worked in partnership with risk and financial resource management on credit appetite parameters and capital allocation, which resulted in a disciplined approach to origination. He is the group's custodian of the performance measurement framework.

Harry continues to be accessible to investors and regulators, recognising the need to engage regularly given the prevailing global climate of uncertainty.

As indicated in the scorecard, Harry's overall rating for the year was 3.7. His STI award increased 9%, which is marginally lower than the STI pool growth of 10% due to the downward adjustment, also implemented in the previous year, relating to the disclosed operational event at MotoNovo. Harry's guaranteed package, effective August 2023, increased 5% and his LTI award increased 8%.

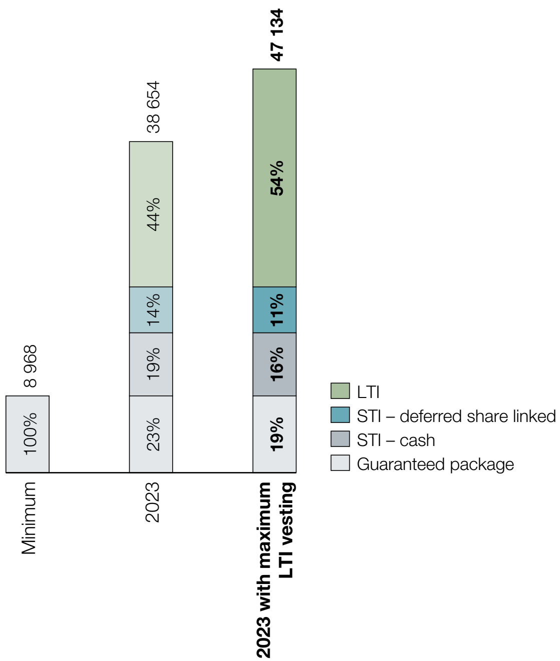
R thousand	**2023**	2022	% change
Guaranteed package	**8 968**	8 442	6%
STI	**12 726**	11 675	9%
Cash payment	**5 242**	4 775	
Cash deferred	**2 121**	2 062	
Share price linked	**5 363**	4 838	
LTI award*	**16 960**	16 000	6%
Total	**38 654**	36 117	7%

* *LTI award values at award date (September 2021 and 2022).*

2023 remuneration mix and maximum vesting outcome

The following graph provides an illustration of the remuneration outcome relative to 2023, should maximum vesting on the LTI occur in three years' time. It also provides the mix of the current year remuneration package.

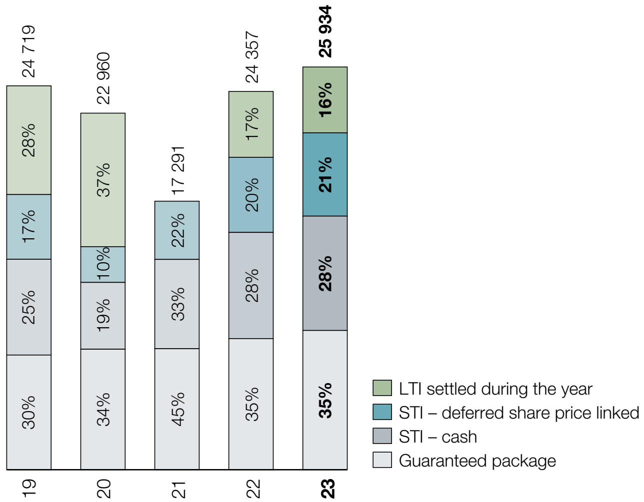
CFO
(R thousands)



Single-figure (five-year) view

The following graph provides the total remuneration mix over a five-year period. It has been prepared in accordance with King IV requirements, therefore the LTI reflected is the award settled in the financial year. The 2022 and 2023 LTI values reflect the settlement of the first and second Covid-19 tranche, as the three LTI awards (2017, 2018 and 2019) failed to vest due to performance conditions not being met.

CFO
(R thousands)



Awards for 2024 – outcome of annual salary review in August 2023

- **Harry benchmarks well in the industry.**
- **His guaranteed pay increased by 5%, in line with that of other executives and marginally below that of managerial staff.**
- **An LTI of R18.3 million, that could vest in 2026 if performance conditions are met, represents an increase of 8%, in line with the pool growth for all eligible employees.**

VESTING OUTCOMES IN 2024

- **The LTI of R13.95 million awarded in 2020 will vest in September 2023 because performance conditions for the three years to June 2023 have been met.**
- **The third Covid-19 tranche with award value of R4.24 million will vest in September 2023.**

Jacques Celliers
FNB CEO

In his role as CEO of FNB and the total retail and commercial segment (which includes WesBank), Jacques demonstrated highly effective leadership. FNB delivered solid revenue and balance sheet growth whilst ensuring superior returns, and its ROE improved to 41.7%.

The focus on core customers ensured that the transactional franchise performed well, underpinned by active customer acquisition, growth in customer activity and higher transactional volumes. FNB commercial delivered strong growth in advances as a direct result of the focus on deploying the balance sheet tactically in those sectors showing above-cycle growth and which are expected to perform well, even in an inflationary environment. FNB delivered good growth in deposits across its retail, commercial and broader Africa portfolios.

FNB's operational performance continued to benefit from its strategy to be a platform-enabled provider of integrated financial services. This is demonstrated by the improvement in the cross-sell ratio.

Jacques continues to drive FNB's ecosystem offering, which is scaling strongly. Digitally active customer numbers continued to grow off an already high base.

Jacques has been particularly focused on improving customer service outcomes. FNB is a leader in financial inclusion offerings, demonstrated by the success of the eWallet platform and the accessibility of its digital interfaces.

As indicated in the scorecard, Jacques's overall rating was 3.7. His STI grew 9%, marginally below overall pool growth of 10%. His guaranteed package, effective August 2023, increased 5% and his LTI award increased 7%.

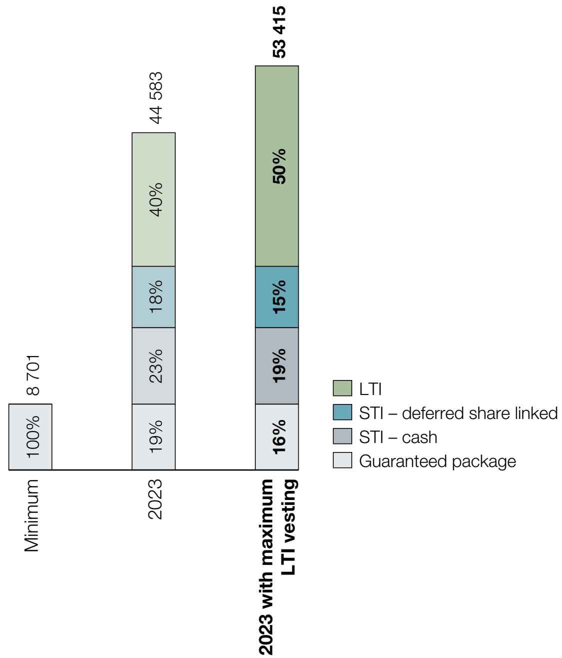
R thousand	**2023**	2022	% change
Guaranteed package	**8 701**	8 233	6%
STI	**18 218**	16 714	9%
Cash payment	**7 073**	6 455	
Cash deferred	**3 036**	2 902	
Share price linked	**8 109**	7 357	
LTI award*	**17 664**	16 664	6%
Total	**44 583**	41 611	7%

* *LTI award values at award date (September 2021 and 2022).*

2023 remuneration mix and maximum vesting outcome

The following graph provides an illustration of the remuneration outcome relative to 2023, should maximum vesting on the LTI occur in three years' time. It also provides the mix of the current year remuneration package.

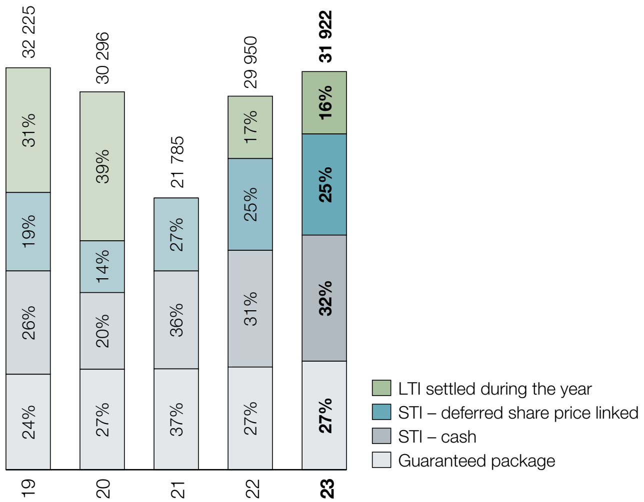
FNB CEO
(R thousands)



Single-figure (five-year) view

The following graph provides the total remuneration mix over a five-year period. It has been prepared in accordance with King IV requirements, therefore the LTI reflected is the award settled in the financial year. The 2022 and 2023 LTI values reflect the settlement of the first and second Covid-19 tranche, as the three LTI awards (2017, 2018 and 2019) failed to vest due to performance conditions not being met.

FNB CEO
(R thousands)



Awards for 2024 – outcome of annual salary review in August 2023

- **Jacques benchmarks well in the industry.**
- **His guaranteed pay increased by 5%, in line with that of other executives and marginally below that of managerial staff.**
- **An LTI of R18.9 million, that could vest in 2026 if performance conditions are met, represents an increase of 7%, similar to the pool growth for all eligible employees.**

VESTING OUTCOMES IN FY24

- **The LTI of R16.1 million awarded in 2020 will vest in September 2023 because performance conditions for the three years to June 2023 have been met.**
- **The third Covid-19 tranche with award value of R5 million will vest in September 2023.**

Emrie Brown
RMB CEO

In her new role as CEO of RMB and the corporate and institutional segment, Emrie demonstrated highly effective leadership. RMB continued to capitalise on the economic recovery taking place. In line with overall group strategic objectives, RMB continued to implement key financial resource management principles in the business to enable growth, whilst protecting returns.

RMB's performance was also the result of the strength of its diversified portfolio, as well as ongoing execution on its strategy to be an integrated corporate and investment bank with compelling propositions for corporate and institutional clients.

RMB's broader Africa portfolio delivered a particularly strong performance, growing PBT 55% to R3.9 billion (which now represents 31% of RMB's overall PBT). This offset a muted performance by the domestic franchise.

RMB's sustainable finance team continued to assist in providing clients with ESG solutions. This business unit has performed well, delivering a number of innovative deals in the year under review.

As indicated in the scorecard, Emrie's overall rating was 3.5. Her STI increased 1.9%, given the rebalancing of her remuneration mix in favour of a guaranteed package and LTIs (prior and current year), and with consideration of RMB's muted performance. Her guaranteed package, effective August 2023, grew 13.7% given the mix change that accounts for her role change. Emrie's guaranteed package has been benchmarked and is aligned with peers. Her LTI award, effective August 2023, increased 10%.

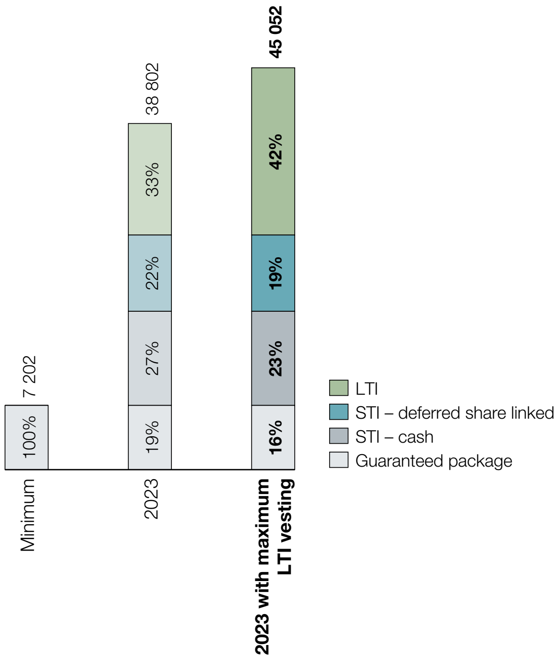
R thousand	**2023***
Guaranteed package	**7 202**
STI	**19 100**
Cash payment	**7 367**
Cash deferred	**3 183**
Share price linked	**8 550**
LTI award*	**12 500**
Total	**38 802**

* *Emrie was RMB CEO effective 1 October 2022.*
** *LTI award value at award date (September 2022).*

2023 remuneration mix and maximum vesting outcome

The following graph provides an illustration of the remuneration outcome relative to 2023, should maximum vesting on the LTI occur in three years' time. It also provides the mix of the current year remuneration package.

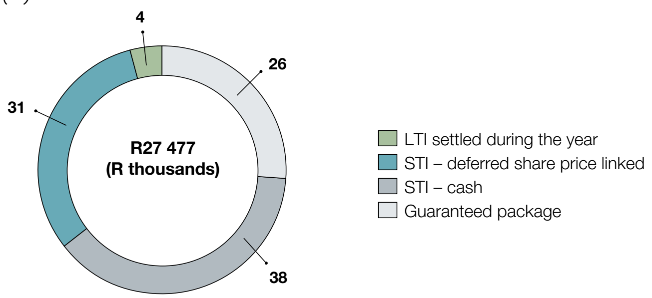
RMB CEO
(R thousands)



Single-figure view

This is Emrie's first financial year as RMB CEO. The following graph provides her total remuneration mix prepared in accordance with King IV requirements. The LTI reflected is the award settled in the financial year. The 2023 LTI value reflects the settlement of the second Covid-19 tranche, as the 2019 LTI failed due to performance conditions not being met.

RMB CEO
(%)



Awards for 2024 – outcome of annual salary review in August 2023

- **Emrie's guaranteed pay increased by 13.7%, reflecting the mix change in order to align with local peer benchmarks given her new role.**
- **An LTI of R13.8 million, that could vest in 2026 if performance conditions are met, represents an increase of 10% to cater for mix change.**

VESTING OUTCOMES IN FY24

- **The LTI of R8 million awarded in 2020 will vest in September 2023 because performance conditions for the three years to June 2023 have been met.**
- **The third Covid-19 tranche with award value of R1.2 million will vest in September 2023.**

Steven Cooper
Aldermore CEO

Steven has demonstrated strong leadership over the past 12 months. He executed on strategic actions designed to set the business up to meet its objectives to deliver sustainable growth in earnings and returns. These objectives include:

- finalising the recruitment and assimilation of the Aldermore leadership team;
- growth in property finance, despite highly challenging market conditions;
- technology transformation;
- managing the remediation of the operational event at MotoNovo;
- restoring strategic direction and enhancing the culture of Aldermore, highlighted by significant improvements in employee engagement scores to the upper decile of the financial services market; and
- continuing to further embed group FRM disciplines.

These changes are starting to impact the business positively, as can be seen in the performance in the year under review. Notwithstanding the impact of the NOSIA operational event at MotoNovo, UK operations' PBT grew 6% to £215 million (2022: £203 million) supported by strong growth in NII (+16%) and optimisation of funding in an environment characterised by rapidly rising interest rates.

In the prior year, Steven's remuneration mix was amended given the longer deferral periods under CRD V regulation, with maximum LTI awards decreasing and the STI awards increasing. As such, Steven's STI award grew 34% with the corresponding 48% decline in LTI award. His guaranteed package, effective August 2023, increased 4.8% with the LTI award increasing at the same rate.

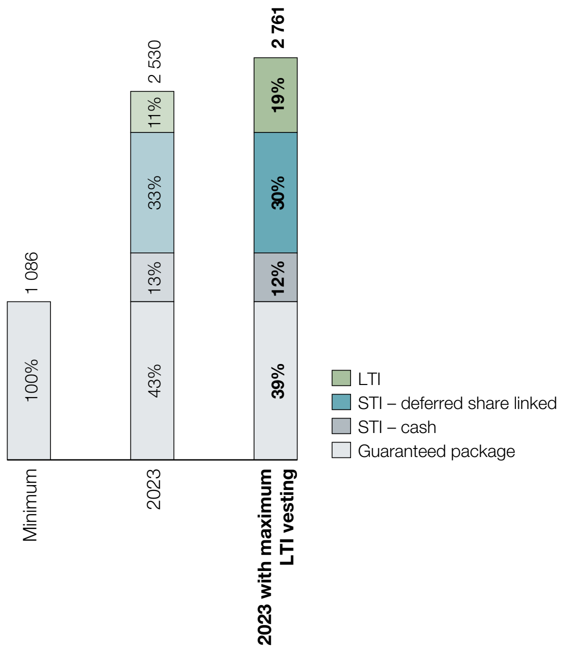
£ thousand	**2023**	2022	% change
Guaranteed package	**1 086**	1 048	4%
STI	**1 162**	867	34%
Cash payment	**335**	276	
Cash deferred	**–**	–	
Share price linked	**827**	591	
LTI award*	**282**	542	(48%)
Total	**2 530**	2 457	3%

* *LTI award values at award date (September 2021 and 2022) are reflected at 55% of maximum, being the on-target expectation.*

2023 remuneration mix and maximum vesting outcome

The following graph provides an illustration of the remuneration outcome relative to 2023 should maximum vesting on the LTI occur in three years' time. It also provides the mix of the current year remuneration.

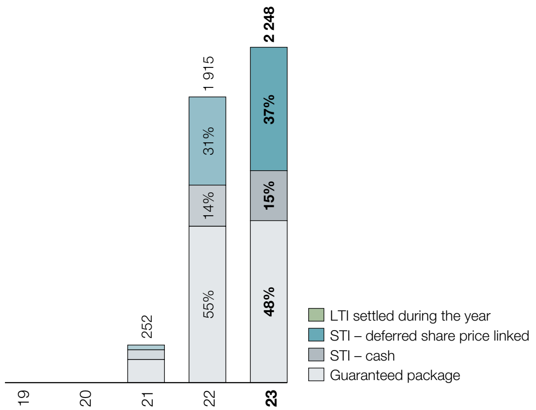
Aldermore CEO
(£ thousands)



Single-figure (five-year) view

Steven has only been in the employ of the group since May 2021, which is less than three years. Therefore none of his LTIs were eligible for vesting.

Aldermore CEO
(£ thousands)



Awards for 2024 – outcome of annual salary review in August 2023

- Steven's remuneration mix is aligned with CRD V regulation. His STI maximum is 180% of his salary and his LTI maximum is 67.5%.
- His guaranteed package increased by 4.8%, in line with that of other executives.
- An LTI of £282 000 (assuming 55% on-target vesting) could vest in 2026 if performance conditions are met.

VESTING OUTCOMES IN FY24

Steven joined the group in the 2021 financial year. As such his first LTI will vest only in September 2024 if performance conditions are met.

Remuneration tables

Single figure

Cash package, retirement contributions and other allowances reflect what was paid to the prescribed officers during the year ended 30 June 2023. The FirstRand annual remuneration cycle runs from 1 August to 31 July.

The following analysis provides two amounts per individual to accommodate the King IV alternative single-figure view. For King IV single-figure reporting, the value presented is the LTI settled in the financial year at original award value.

Item	Explanation
Cash package paid during the year	Salary
Retirement contributions paid during the year	Contributions to retirement savings
Other allowances	Medical aid, disability cover, life cover, dread disease cover
Performance-related STI: Cash	Variable compensation (STI) paid in cash in respect of performance in the year ended June is paid in three tranches during the following year ending on 30 June, i.e. August, December and June (with interest on the deferred payments).
Performance-related STI: Share price linked deferred over three years	A portion of variable compensation (STI) is deferred as share price linked awards and vests after two years, based on continued employment and good standing. Referred to as the BDIP (bonus deferred incentive plan).
Reporting approach: **Long-term conditional share price linked incentive plan** **Value of LTI allocated during the year**	Long-term incentive awards are made annually under the CIP and vesting is dependent on certain corporate performance targets being met on a cumulative basis over three years. The value presented in the table is the LTI award allocated during the financial year (i.e. September) reflecting award value at grant date.
King IV reporting approach: **Long-term conditional share price linked incentive plan** **Value of LTI settled during the year**	The value presented in the table is the LTI award that has vested and settled during the financial year, (i.e. award made three years prior) at original award value. The value in the table is shown as the original award value at grant date and not settlement value. The economic risk of share price fluctuation is borne by the employee as FirstRand hedges the risk. As such the group does not incur additional costs above the award value at grant date and FirstRand shareholders are not diluted.
Covid-19 retention award	The Covid-19 retention instrument was awarded in September 2020. The award is linked to the FirstRand share price and vests in three equal proportions (tranches) over three years (September 2021, 2022 and 2023), if performance conditions are met. In September 2021 and 2022 the first and second Covid-19 tranche vested as the 2018 and 2019 LTI award failed, respectively. As the award was equally split over three years, the third tranche will vest in September 2023.

Remuneration tables continued

R thousand	**2023**	2022	2021	2020	2019
AP Pullinger (group CEO)[1]					
Cash package paid during the year	**9 639**	9 137	8 995	8 971	8 493
Retirement contributions paid during the year	**211**	191	177	179	167
Other allowances	**320**	294	278	264	205
Guaranteed package	**10 170**	9 622	9 450	9 414	8 865
Performance-related STI:					
Cash	**8 476**	7 912	7 031	5 825	12 200
– Within 6 months[2]	**5 984**	5 491	4 905	–	8 350
– Within 1 year	**2 492**	2 421	2 126	5 825	3 850
Share price linked – deferred 2 years (BDIP)[3]	**6 476**	5 912	5 032	3 825	10 200
Variable pay	**14 952**	13 824	12 063	9 650	22 400
Total guaranteed and variable pay	**25 122**	23 446	21 513	19 064	31 265
Value of LTI awards allocated under the CIP during the financial year[4]	**26 330**	24 840	24 000	20 046	18 500
Total reward including LTIs	**51 452**	48 286	45 513	39 110	49 765
Value of LTI awards allocated under the Covid-19 scheme during the financial year[5]	**–**	–	19 273	–	–
Single-figure reporting					
Total guaranteed and variable pay	**25 122**	23 446	21 513	19 064	31 265
Value of LTI awards settled under the CIP during the financial year[6]	**–**	–	–	14 630	10 000
Value of LTI awards settled under the Covid-19 scheme during the financial year[7]	**6 424**	6 424	–	–	–
Total reward including settled LTIs (single figure)	**31 546**	29 870	21 513	33 694	41 265

Refer to footnotes on page 65.

R thousand	**2023**	2022	2021	2020	2019
M Vilakazi (group COO)[1]					
Cash package paid during the year	**8 069**	7 596	6 849	6 816	6 468
Retirement contributions paid during the year	**162**	141	124	132	125
Other allowances	**209**	193	182	173	157
Guaranteed package	**8 440**	7 930	7 155	7 121	6 750
Performance-related STI:					
Cash	**6 913**	6 407	5 325	4 025	5 875
– Within 6 months[2]	**4 942**	4 488	3 767	–	4 133
– Within 1 year	**1 971**	1 919	1 558	4 025	1 742
Share price linked – deferred 2 years (BDIP)[3]	**4 912**	4 406	3 325	2 025	3 875
Variable pay	**11 825**	10 813	8 650	6 050	9 750
Total guaranteed and variable pay	**20 265**	18 743	15 805	13 171	16 500
Value of LTI awards allocated under the CIP during the financial year[5]	**15 120**	14 000	11 184	10 775	8 500
Total reward including LTIs	**35 385**	32 743	26 989	23 946	25 000
Value of LTI awards allocated under the Covid-19 scheme during the financial year*	**–**	–	16 638	–	–
Appointment buy-out award					
Buy-out cash bonus	**–**	–	–	–	7 500
Buy-out LTI award	**–**	–	–	–	14 000
Total appointment award	**–**	–	–	–	21 500
Single-figure reporting					
Total guaranteed and variable pay	**20 265**	18 743	15 805	13 171	16 500
Buy-out cash bonus	**–**	–	–	–	7 500
Value of LTI awards settled under the CIP (during the financial year)[6]	**–**	–	–	–	–
Value of LTI awards settled under the Covid-19 scheme (during the financial year)*	**5 546**	5 546	–	–	–
Total reward including LTIs (Single figure)	**25 811**	**24 289**	**15 805**	**13 171**	**24 000**

Remuneration tables *continued*

Remuneration tables continued

R thousand	**2023**	2022	2021	2020	2019
HS Kellan (group financial director)[1]					
Cash package paid during the year	**8 661**	8 182	7 548	7 526	7 175
Retirement contributions paid during the year	**71**	67	61	61	54
Other allowances	**236**	193	182	173	156
Guaranteed package	**8 968**	8 442	7 791	7 760	7 385
Performance-related STI:					
Cash	**7 363**	6 837	5 750	4 300	6 167
– Within 6 months[2]	**5 242**	4 775	4 050	–	4 328
– Within 1 year	**2 121**	2 062	1 700	4 300	1 839
Share price linked – deferred 2 years (BDIP)[3]	**5 363**	4 838	3 750	2 300	4 167
Variable pay	**12 726**	11 675	9 500	6 600	10 334
Total guaranteed and variable pay	**21 694**	20 117	17 291	14 360	17 719
Value of LTI awards allocated under the CIP during the financial year[4]	**16 960**	16 000	13 950	13 440	12 000
Total reward including LTIs	**38 654**	36 117	31 241	27 800	29 719
Value of LTI awards allocated under the Covid-19 scheme during the financial year[5]	**–**	–	12 720	–	–
Single-figure reporting					
Total guaranteed and variable pay	**21 694**	20 117	17 291	14 360	17 719
Value of LTI awards settled under the CIP during the financial year[6]	**–**	–	–	8 600	7 000
Value of LTI awards settled under the Covid-19 scheme during the financial year[7]	**4 240**	4 240	–	–	–
Total reward including settled LTIs (single figure)	**25 934**	24 357	17 291	22 960	24 719

Refer to footnotes on page 65.

R thousand	**2023**	2022	2021	2020	2019
J Celliers (CEO FNB)[1]					
Cash package paid during the year	**8 249**	7 838	7 765	7 742	7 364
Retirement contributions paid during the year	**165**	149	138	138	131
Other allowances	**287**	246	182	173	156
Guaranteed package	**8 701**	8 233	8 085	8 053	7 651
Performance-related STI:					
Cash	**10 109**	9 357	7 850	6 150	8 287
– Within 6 months[2]	**7 073**	6 455	5 450	–	5 741
– Within 1 year	**3 036**	2 902	2 400	6 150	2 546
Share price linked – deferred 2 years (BDIP)[3]	**8 109**	7 357	5 850	4 150	6 287
Variable pay	**18 218**	16 714	13 700	10 300	14 574
Total guaranteed and variable pay	**26 919**	24 947	21 785	18 353	22 225
Value of LTI awards allocated under the CIP during the financial year[4]	**17 664**	16 664	16 100	15 515	14 500
Total reward including LTIs	**44 583**	41 611	37 885	33 868	36 725
Value of LTI awards allocated under the Covid-19 scheme during the financial year[5]	**–**	–	15 008	–	–
Single-figure reporting					
Total guaranteed and variable pay	**26 919**	24 947	21 785	18 353	22 225
Value of LTI awards settled under the CIP during the financial year[6]	**–**	–	–	11 943	10 000
Value of LTI awards settled under the Covid-19 scheme during the financial year[7]	**5 003**	5 003	–	–	–
Total reward including settled LTIs (single figure)	**31 922**	29 950	21 785	30 296	32 225

Remuneration tables continued

R thousand	2023	2022	2021	2020	2019
E Brown (CEO RMB)[1],[8]					
Cash package paid during the year	**7 025**	–	–	–	–
Retirement contributions paid during the year	**116**	–	–	–	–
Other allowances	**61**	–	–	–	–
Guaranteed package	**7 202**	–	–	–	–
Performance-related STI:					
Cash	**10 550**	–	–	–	–
– Within 6 months[2]	**7 367**	–	–	–	–
– Within 1 year	**3 183**	–	–	–	–
Share price linked – deferred 2 years (BDIP)[3]	**8 550**	–	–	–	–
Variable pay	**19 100**	–	–	–	–
Total guaranteed and variable pay	**26 302**	–	–	–	–
Value of LTI awards allocated under the CIP during the financial year[4]	**12 500**	–	–	–	–
Total reward including LTIs	**38 802**	–	–	–	–
Value of LTI awards allocated under the Covid-19 scheme during the financial year[5]	**–**	–	–	–	–
Single-figure reporting					
Total guaranteed and variable pay	**26 302**	–	–	–	–
Value of LTI awards settled under the CIP during the financial year[6]	**–**	–	–	–	–
Value of LTI awards settled under the Covid-19 scheme during the financial year[7]	**1 175**	–	–	–	–
Total reward including settled LTIs (single figure)	**27 477**	–	–	–	–

R thousand	2023	2022	2021	2020	2019
J Formby (CEO RMB)[9]					
Cash package paid during the year	**1 775**	6 793	6 281	4 644	3 607
Retirement contributions paid during the year	**24**	88	98	74	60
Other allowances	**44**	177	225	190	194
Guaranteed package	**1 843**	7 058	6 604	4 908	3 861
Performance-related STI:					
Cash	**–**	11 258	9 775	8 375	13 000
– Within 6 months[2]	**–**	7 722	6 733	–	8 883
– Within 1 year	**–**	3 536	3 042	8 375	4 117
Share price linked – deferred 2 years (BDIP)[3]	**–**	9 258	7 775	6 375	11 000
Variable pay	**–**	20 516	17 550	14 750	24 000
Total guaranteed and variable pay	**1 843**	27 574	24 154	19 658	27 861
Value of LTI awards allocated under the CIP during the financial year[4]	**13 780**	13 000	12 150	9 100	8 300
Total reward including LTIs	**15 623**	40 574	36 304	28 758	36 161
Value of LTI awards allocated under the Covid-19 scheme during the financial year[5]	**–**	–	8 700	–	–
Single-figure reporting					
Total guaranteed and variable pay	**1 843**	27 574	24 154	19 658	27 861
Value of LTI awards settled under the CIP during the financial year[6]	**–**	–	–	7 500	5 000
Value of LTI awards settled under the Covid-19 scheme during the financial year[7]	**2 900**	2 900	–	–	–
Total reward including settled LTIs (single figure)	**4 743**	30 474	24 154	27 158	32 861

Refer to footnotes on page 65.

Remuneration tables continued

£ thousand	2023	2022	2021	2020	2019
S Cooper (Aldermore CEO)[1]					
Cash package paid during the year	**757**	730	143	–	–
Retirement contributions paid during the year	**52**	50	10	–	–
Other allowances	**277**	268	2	–	–
Guaranteed package	**1 086**	1 048	155	–	–
Performance-related STI:					
Cash	**335**	276	65	–	–
– Within 6 months[10]	**335**	276	65	–	–
– Within 1 year	**–**	–	–	–	–
Share price linked – deferred[11]	**827**	591	32	–	–
Variable pay	**1 162**	867	97	–	–
Total guaranteed and variable pay	**2 248**	1 915	252	–	–
Value of LTI awards allocated under the CIP (during the financial year)[4,12]	**282**	542	–	–	–
Total reward including LTIs	**2 530**	2 457	252	–	–
Buy-out award paid in cash	**–**	–	997		
Single-figure reporting					
Total guaranteed and variable pay	**2 248**	1 915	252	–	–
Value of LTI awards settled under the CIP during the financial year[6]	**–**	–	–	–	–
Total reward including settled LTIs (single figure)	**2 248**	1 915	252	–	–

1 *FirstRand defines its prescribed officers as the group's executive directors, and the CEOs of the group's Retail and Commercial, and Corporate and Institutional segments, as well as the CEO of the Aldermore Group. These officers are members of the group strategic executive committee and attend board meetings.*

2 *Variable compensation (STI), paid in cash in respect of the year ended June, is paid in three tranches during the following year ending on 30 June, i.e. August, December and June (with interest on the deferred payments).*

3 *A portion of variable compensation is deferred as share price linked awards and vests after two years. Previously vesting was split equally over two and three years for the executive directors and prescribed officers (2019 and 2020).*

4 *Long-term incentive awards are made annually under the CIP. Vesting is subject to performance conditions and targets on a cumulative basis over three years. The value presented in the table is the LTI allocated in the financial year and is reflected at award value at grant date.*

5 *The Covid-19 retention instrument was awarded in September 2020. The award is linked to the FirstRand share price and vests in three equal proportions (tranches) over three years (September 2021, 2022 and 2023), if performance conditions are met.*

6 *For King IV single-figure reporting, the value presented in the table is the LTI vested and settled in the financial year at original award value. It is zero if conditions are not met and awards are forfeited.*

7 *For King IV single-figure reporting, the value presented in the table under the Covid-19 scheme is the LTI vested and settled at original award value in the financial year. It is zero if conditions are not met and awards are forfeited.*

8 *Emrie Brown was RMB CEO effective 1 October 2022, however her guaranteed package is for the entire year.*

9 *James Formby was no longer a prescribed officer effective 1 October 2022, therefore his guaranteed package disclosed is for three months only.*

10 *The Aldermore performance-related STI cash component is paid in full in August.*

11 *The Aldermore performance-related STI share price linked component is released in equal annual tranches over the deferral period required by Capital Requirements Directive 5 (CRD V) regulations.*

12 *The Aldermore LTI allocated amount is the on-target value assumed at 55% of maximum. The LTI is a 50% share price linked award and 50% deferred cash award.*

Remuneration tables continued

Outstanding incentives

The outstanding incentive disclosure has been prepared in the format required by King IV. King IV reporting requires the number of units of outstanding incentive schemes, the value of outstanding incentive schemes and value on settlement.

The following table summarises the basis of preparation of the remuneration tables:

Item	Explanation
Settlement value	Settlement value is the actual amount paid during the year. For the deferred share price linked STI awards this includes: • growth in share price; and • interest earned. For the LTI awards this includes: • growth in share price.
Deferred share price linked STI award (BDIP)	Reflected in the year accrued for past performance. Vesting occurs after two years based on continued employment and good standing.
LTI awards under the CIP	Reflected in the year allocated, i.e. allocation occurs in September each year and is disclosed in the outstanding incentive table in the corresponding financial year. The LTI award is a long-term retention incentive for future performance and vesting is dependent on certain corporate performance targets being met on a cumulative basis over three years.
Unvested awards at year end	**Deferred share price linked STI** Deferred share-linked STI vesting depends on continued employment over two years. **LTIs** LTI vesting depends on performance conditions and targets being met on a cumulative basis over three years. The assumption is 100% vesting up until the final vesting date, when the final vesting percentage will be determined. For information purposes, the maximum possible value of the unvested awards as at June 2023 is the market value of the total number of share price linked units at R68.50 per share on the last trading day of the financial year (30 June 2023). **Covid retention instrument** The Covid-19 retention instrument was awarded in September 2020. The award is linked to the FirstRand share price and vests in three equal proportions (tranches) over three years (September 2021, 2022 and 2023), if performance conditions are met. In September 2021 and 2022 the first and second Covid-19 tranche vested as the 2018 and 2019 LTI award failed, respectively. As the award was equally split over three years, the third and final tranche will vest in September 2023.
Unpaid cash tranches	The cash award to be paid within the next 12 months has not been included in the outstanding incentive table.

Remuneration tables continued

	Units								
	Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year[1]	Number of awards settled in year	Number of awards forfeited in year	Closing number of awards[2,3] 30 Jun 2023	Value on settlement in 2023[4] R thousand
AP Pullinger									
Deferred share price linked STI awards									
2019 (3-year deferral)	September 2019	5 100	September 2022	78 221	–	(78 221)	–	–	5 573
2020 (2-year deferral)	September 2020	1 912	September 2022	48 738	–	(48 738)	–	–	3 182
2020 (3-year deferral)	September 2020	1 913	September 2023	48 738	–	–	–	48 738	–
2021 (2-year deferral)	September 2021	5 032	September 2023	81 658	–	–	–	81 658	–
2022 (2-year deferral)	September 2022	5 912	September 2024	95 234	–	–	–	95 234	–
2023 (2-year deferral)	September 2023	6 475	September 2025	–	–	–	–	–	–
Balance deferred share price linked STIs		**26 344**		352 589	–	(126 959)	–	225 630	8 755
LTI awards under the CIP[5]									
2019	September 2019	20 046	September 2022	307 455	–	–	(307 455)	–	–
2020	September 2020	24 000	September 2023	611 621	–	–	–	611 621	–
2021	September 2021	24 840	September 2024	403 156	–	–	–	403 156	–
2022	September 2022	26 330	September 2025	–	424 137	–	–	424 137	–
Balance LTIs		**95 216**		1 322 232	424 137	–	(307 455)	1 438 914	–
LTI awards under the Covid-19 scheme[6]									
2020	September 2020	6 424	September 2022	163 719	–	(163 719)	–	–	10 164
2020	September 2020	6 425	September 2023	163 719	–	–	–	163 719	–
Balance Covid-19 award		**12 849**		327 438	–	(163 719)	–	163 719	10 164

Refer to footnotes on page 72.

Remuneration tables continued

	Units								
	Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year[1]	Number of awards settled in year	Number of awards forfeited in year	Closing number of awards[2,3] 30 Jun 2023	Value on settlement in 2023[4] R thousand
M Vilakazi									
Deferred share price linked STI awards									
2019 (3-year deferral)	September 2019	1 938	September 2022	29 716	–	(29 716)	–	–	2 117
2020 (2-year deferral)	September 2020	1 012	September 2022	25 802	–	(25 802)	–	–	1 685
2020 (3-year deferral)	September 2020	1 013	September 2023	25 802	–	–	–	25 802	–
2021 (2-year deferral)	September 2021	3 325	September 2023	53 965	–	–	–	53 965	–
2022 (2-year deferral)	September 2022	4 406	September 2024	70 977	–	–	–	70 977	–
2023 (2-year deferral)	September 2023	4 912	September 2025	–	–	–	–	–	–
Balance deferred share price linked STIs		**16 606**		206 262	–	(55 518)	–	150 744	3 802
LTI awards under the CIP[5]									
2019	September 2019	10 775	September 2022	165 261	–	–	(165 261)	–	–
2020	September 2020	11 184	September 2023	285 015	–	–	–	285 015	–
2021	September 2021	14 000	September 2024	227 221	–	–	–	227 221	–
2022	September 2022	15 120	September 2025	–	243 557	–	–	243 557	–
Balance LTIs		**51 079**		677 497	243 557	–	(165 261)	755 793	–
LTI awards under the Covid-19 scheme[6]									
2020	September 2020	5 546	September 2022	141 331	–	(141 331)	–	–	8 774
2020	September 2020	5 546	September 2023	141 331	–	–	–	141 331	–
Balance Covid-19 award		**11 092**		282 662	–	(141 331)	–	141 331	8 774

Refer to footnotes on page 72.

Remuneration tables continued

	Units								
	Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year[1]	Number of awards settled in year	Number of awards forfeited in year	Closing number of awards[2,3] 30 Jun 2023	Value on settlement in 2023[4] R thousand
HS Kellan									
Deferred share price linked STI awards									
2019 (3-year deferral)	September 2019	2 084	September 2022	31 959	–	(31 959)	–	–	2 277
2020 (2-year deferral)	September 2020	1 150	September 2022	29 306	–	(29 306)	–	–	1 914
2020 (3-year deferral)	September 2020	1 150	September 2023	29 306	–	–	–	29 306	–
2021 (2-year deferral)	September 2021	3 750	September 2023	60 863	–	–	–	60 863	–
2022 (2-year deferral)	September 2022	4 838	September 2024	77 924	–	–	–	77 924	–
2023 (2-year deferral)	September 2023	5 362	September 2025	–	–	–	–	–	–
Balance deferred share price linked STIs		**18 334**		229 358	–	(61 265)	–	168 093	4 191
LTI awards under the CIP[5]									
2019	September 2019	13 440	September 2022	206 136	–	–	(206 136)	–	–
2020	September 2020	13 950	September 2023	355 530	–	–	–	355 530	–
2021	September 2021	16 000	September 2024	259 682	–	–	–	259 682	–
2022	September 2022	16 960	September 2025	–	273 196	–	–	273 196	–
Balance LTIs		**60 350**		821 348	273 196	–	(206 136)	888 408	–
LTI awards under the Covid-19 scheme[6]									
2020	September 2021	4 240	September 2022	108 053	–	(108 053)	–	–	6 708
2020	September 2021	4 240	September 2023	108 053	–	–	–	108 053	–
Balance Covid-19 award		**8 480**		216 106	–	(108 053)	–	108 053	6 708

Refer to footnotes on page 72.

Remuneration tables continued

	Units								
	Issue date	Value at grant date R thousand	Settlement date	Opening balance	Awards made during year[1]	Number of awards settled in year	Number of awards forfeited in year	Closing number of awards[2,3] 30 Jun 2023	Value on settlement in 2023[4] R thousand
J Celliers									
Deferred share price linked STI awards									
2019 (3-year deferral)	September 2019	3 144	September 2022	48 217	–	(48 217)	–	–	3 435
2020 (2-year deferral)	September 2020	2 075	September 2022	52 880	–	(52 880)	–	–	3 453
2020 (3-year deferral)	September 2020	2 075	September 2023	52 880	–	–	–	52 880	–
2021 (2-year deferral)	September 2021	5 850	September 2023	94 946	–	–	–	94 946	–
2022 (2-year deferral)	September 2022	7 357	September 2024	118 508	–	–	–	118 508	–
2023 (2-year deferral)	September 2023	8 109	September 2025	–	–	–	–	–	–
Balance deferred share price linked STIs		**28 610**		367 431	–	(101 097)	–	266 334	6 888
LTI awards under the CIP[5]									
2019	September 2019	15 515	September 2022	237 961	–	–	(237 961)	–	–
2020	September 2020	16 100	September 2023	410 296	–	–	–	410 296	–
2021	September 2021	16 664	September 2024	270 458	–	–	–	270 458	–
2022	September 2022	17 663	September 2025	–	284 534	–	–	284 534	–
Balance LTIs		**65 942**		918 715	284 534	–	(237 961)	965 288	–
LTI awards under the Covid-19 scheme[6]									
2020	September 2021	5 003	September 2022	127 485	–	(127 485)	–	–	7 914
2020	September 2021	5 003	September 2023	127 484	–	–	–	127 484	–
Balance Covid-19 award		**10 006**		254 969	–	(127 485)	–	127 484	7 914

Refer to footnotes on page 72.

Remuneration tables continued

	Issue date	Value at grant date R thousand	Settlement date	Units[8] Opening balance	Awards made during year[1]	Number of awards settled in year	Number of awards forfeited in year	Closing number of awards[2,3] 30 Jun 2023	Value on settlement in 2023[4] R thousand
E Brown									
Deferred share price linked STI awards									
2020 (2-year deferral)	September 2020	4 650	September 2022	118 502	–	(118 502)	–	–	7 738
2021 (2-year deferral)	September 2021	6 350	September 2023	103 061	–	–	–	103 061	–
2022 (2-year deferral)	September 2022	8 375	September 2024	134 907	–	–	–	134 907	–
2023 (2-year deferral)	September 2023	8 550	September 2025	–	–	–	–	–	–
Balance deferred share price linked STIs		**27 925**		356 470	–	(118 502)	–	237 968	7 738
LTI awards under the CIP[5]									
2019	September 2019	3 600	September 2022	55 215	–	–	(55 215)	–	–
2020	September 2020	8 000	September 2023	203 874	–	–	–	203 874	–
2021	September 2021	8 400	September 2024	136 333	–	–	–	136 333	–
2022	September 2022	12 500	September 2025	–	201 353	–	–	201 353	–
Balance LTIs		**32 500**		395 422	201 353	–	(55 215)	541 560	–
LTI awards under the Covid-19 scheme[6]									
2020	September 2020	1 175	September 2022	29 944	–	(29 944)	–	–	1 859
2020	September 2020	1 175	September 2023	29 944	–	–	–	29 944	–
Balance Covid-19 award		**2 350**		59 888	–	(29 944)	–	29 944	1 859
S Cooper (£ thousand)									
Deferred share price linked STI awards[7]									
2021 (3-year deferral)	September 2021	32	September 2022-2024	–	–	–	–	–	11
2022 (7-year deferral)	September 2022	591	September 2023-2025	–	–	–	–	–	–
2023 (7-year deferral)	September 2023	827	September 2024-2026	–	–	–	–	–	–
Balance deferred share price linked STIs		**1 450**		–	–	–	–	–	11
LTI awards under the CIP[8]									
2020	September 2020	–	September 2023	–	–	–	–	–	–
2021	September 2021	542	September 2024	–	–	–	–	–	–
2022	September 2022	282	September 2025	–	–	–	–	–	–
Balance LTIs		**824**		–	–	–	–	–	11

Refer to footnotes on page 72.

Remuneration tables continued

1 *FirstRand share price linked schemes are determined on monetary value and not on the number of shares. The allocation of deferred share price linked STI awards is determined after year end, using the average three-day volume-weighted average price (VWAP) eight days after the results announcement. This means that the number of deferred share price linked STI award units allocated in 2023 is only calculated after the annual financial statements are issued.*

2 *Deferred share price linked STI awards vesting depends on continued employment over two years. Previously vesting was split equally over two and three years for the executive directors and prescribed officers (2019 and 2020).*

3 *FirstRand does not apply graded vesting to LTI awards allocated before September 2019, with awards thereafter having graded vesting. For these incentive schemes, LTI vesting depends on performance conditions and targets being met on a cumulative basis over three years. The group does not apply a probability of vesting to the unvested awards and the assumption is 100% vesting up until the final remuneration committee decision, given the current environment and uncertainty in quantifying the probability of vesting. For information purposes, the maximum possible value of the unvested awards as at June 2023 is the market value of the total number of shares at R68.50 per share on the last trading day of the financial year (30 June 2023).*

4 *The values at settlement date include share price growth and interest earned (deferred share price linked STI awards) from grant date.*

5 *The 2019 LTIs failed based on the performance conditions not being met on a cumulative three-year basis, up to 30 June 2022. As such the second tranche of the Covid-19 instrument vested and was settled in September 2022, with the performance conditions being tested as at June 2023 (clawback was not applied, as the Covid-19 award performance conditions were met).*

6 *The Covid-19 retention instrument was awarded in September 2020. The value was converted to share price linked instruments on the award date and will vest in equal proportions (tranches) over three years (September 2021, 2022 and 2023) if the performance conditions are met.*

7 *The Aldermore performance-related STI share price linked component is released in equal annual tranches over the deferral period required by CRD V regulations.*

8 *Aldermore incentive awards are not convertible into units.*

Remuneration tables continued

Long-term executive management retention scheme

In addition to the group's existing long-term incentive plan, and in order to better align executive interests with those of the group's shareholders, the group introduced a long-term executive management retention scheme (LTEMRS) in December 2016.

This is a five-year scheme in which members of the group's strategic committee were eligible to participate, on a voluntary basis, by purchasing a predetermined fixed number of participation awards. Participants paid an upfront cash deposit of 10% for their predetermined fixed number of participation awards, with the balance being funded by the group through a facilitated mechanism. The fixed number for each participant was converted into a number of participation awards, determined by the share price of R53.33, being the three-day volume-weighted average price of the FirstRand share price at the date of award, being 15 December 2016. The scheme and the funding mechanism ensure that participants have full risk and potential reward of their participation awards (downside risk and upside potential). Continued employment is a condition for vesting of the cash settled scheme. Early termination before the expiry of three full years of service carries the full cost of early termination, including a full forfeit of any potential benefit, with a sliding scale of forfeiture being applied in years four and five. No cost to the group is associated with the LTEMRS as the scheme is economically hedged.

In the 2020 financial year, Remco approved a two-year extension of the scheme, from the original vesting date of September 2021 to September 2023. If the participant leaves after September 2020 but before the amended vesting date of September 2023, the participant will forfeit 20% of the upside of the scheme and carry 100% downside risk in line with the scheme. The extension of the scheme is considered an amendment of terms and therefore an increased rate, linked to the real interest rate, has been applied to the outstanding funding.

This scheme will vest and terminate during September 2023.

LTEMRS PARTICIPATION AWARD MADE IN DECEMBER 2016

Designation	**Awards (thousand)**
Executive directors	
AP Pullinger	**188**
HS Kellan	**563**
Prescribed officers	
J Celliers	**469**

Minimum shareholding requirement

With effect from 1 September 2017, executive directors and prescribed officers were required to hold FirstRand shares to the value of at least 50% of their last three years' annual post-tax LTI vesting. The first compulsory assessment was September 2022.

Given the failure of the 2017 and 2018 LTI vestings, this policy was revised in 2021. The revised shareholding requirements are set relative to guaranteed pay and are outlined in the adjacent table. The effective date remained September 2022 or five years from the date on which the relevant executive was appointed, whichever is the later. The Aldermore CEO has an effective date seven years from joining to comply with the MSR given the newly introduced deferral requirements under CRD V.

THE LEVEL OF COMPLIANCE WITH THE MINIMUM SHAREHOLDING REQUIREMENT AND EFFECTIVE DATE IS OUTLINED IN THE TABLE BELOW

Executive directors and prescribed officers	Effective date	Minimum shareholding requirement	Period since appointment as executive director or prescribed officer	Level of compliance
AP Pullinger	September 2022	300% of GP	>5 years	Compliant
HS Kellan	September 2022	200% of GP	>5 years	Compliant
M Vilakazi	September 2023	200% of GP	>5 years	Compliant
J Celliers	September 2022	200% of GP	>5 years	Compliant
E Brown	October 2028	200% of GP	<1 year	Compliant
S Cooper	September 2028	100% of salary	>2 years	New to role and group, compliance required by target date

Beneficial ownership and number of shares are outlined on page 75.

Minimum shareholding requirement continued

CURRENT DIRECTORS' AND PRESCRIBED OFFICERS' INTEREST IN ORDINARY SHARES IN FIRSTRAND LIMITED

	30 June 2023					
	Direct beneficial (thousands)	Indirect beneficial (thousands)	Held by associates (thousands)	**Total 2023 (thousands)**	Total 2022 (thousands)	Percentage holding %
Executive directors and prescribed officers						
A Pullinger	5 933	–	108	**6 041**	5 737	0.11
HS Kellan*	1 345	667	153	**2 165**	1 884	0.04
M Vilakazi**	252	–	–	**252**	–	0.00
J Celliers	447	49	–	**496**	426	0.01
S Cooper**	–	89	–	**89**	–	0.00
EA Brown#	418	–	–	**418**	–	0.01
Non-executive directors						
JP Burger†	–	5 912	124	**6 036**	6 888	0.11
GG Gelink**	102	–	–	**102**	102	0.00
WR Jardine**	11	232	4	**247**	247	0.00
RM Loubser	–	1 810	2	**1 812**	1 812	0.03
Z Roscherr	659	–	–	**659**	659	0.01
T Winterboer**	15	–	–	**15**	15	0.00
L von Zeuner**	5	3	–	**8**	8	0.00
TC Isaacs**,‡	–	–	4	**4**	–	0.00
Total	9 187	8 762	395	**18 344**	17 778	0.32

* *Has 2 000 000 debt securities in FirstRand Bank Ltd which do not form part of this calculation.*
** *Percentage is insignificant in relation to total issued share capital.*
\# *Appointed as RMB CEO effective 1 October 2022.*
† *900 000 shares have been pledged as collateral at a financial institution.*
‡ *Appointed June 2023.*

Director interests remain unchanged from the end of the financial year to date of this report.

Basel Pillar 3 remuneration tables

The remuneration disclosure requirements of Regulation 43 of the Banks Act and Basel Pillar 3 are disclosed below. The definition of senior management and material risk-takers (MRTs) for the purposes of this regulatory reporting are in line with the SARB Guidance Note 4 of 2020.

In the absence of local remuneration regulations that define an MRT, the group has referenced both the Bank of England Prudential Authority (PRA) and CRD V (the European Regulations) to arrive at a definition of MRT for FirstRand. This approach ensures alignment with the PA's guidance. This definition was used to identify affected individuals, for the purpose of Guidance Note 4 of 2020 and for the purposes of Basel Pillar 3 remuneration reporting.

The definition of senior management and MRTs is as follows:

Qualitative criteria

- Senior management: FirstRand executive directors and prescribed officers, and business executive committees responsible for banking activities, i.e. FNB, RMB, Centre and Aldermore executive committees.
- Other material risk-takers: Staff whose individual actions have a material impact on the risk exposure of the group based on the ability to:
  - commit a significant amount of the group's risk capital;
  - significantly influence the group's overall liquidity position; or
  - significantly influence other material risks.
- Heads of risk, compliance, audit, legal, finance and IT (control functions).

Quantitative criteria

- Any individual with total reward in 2023 of >R14 million.

REM1: REMUNERATION AWARDED DURING THE FINANCIAL YEAR

		2023	
R million		**Senior management**	**Other material risk-takers**
Fixed/guaranteed remuneration	Number of employees	**67**	**61**
	Total fixed remuneration	**353**	**215**
	Of which: cash-based[1]	**All**	**All**
Variable remuneration and LTIs	Total variable remuneration and LTI	**600**	**447**
	Of which: cash-based		
	Of which: deferred[2]	**287**	**268**
	Of which: share price linked instruments		
	Of which: deferred[3,4]	**313**	**179**
Total		**953**	**662**

1. *Fixed remuneration is cash based and is not deferred.*
2. *Variable compensation (STI) paid in cash in respect of the year ended June is paid in three tranches during the following year ending on 30 June, i.e. August, December and June (with interest on the deferred payments).*
3. *Variable compensation for performance in the current year deferred as a share price linked award vests two years after the award date, based on continued employment and good standing.*
4. *Long-term incentive awards are made annually under CIP and vesting is dependent on certain corporate performance targets being met on a cumulative basis over three years. The value presented in the table is LTI-settled in the financial year at original award value. During the 2023 financial year, the 2019 LTIs failed based on performance conditions not being met. As such, the second tranche of the Covid-19 instrument vested and was settled in September 2022.*

Basel Pillar 3 remuneration tables continued

REM2: SPECIAL PAYMENTS

	2023					
	Guaranteed bonus[1]		Buy-out awards[2]		Severance payments[4]	
£/R million	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior management – South Africa (R)	–	–	1	3	–	–
Senior management – Aldermore (£)	–	–	3	0.9	3	0.1
Other material risk-takers (R)	–	–	1	17[3]	2	9

1. FirstRand does not pay guaranteed bonuses to management.
2. Value of lump sum payments made to employees in the month of joining during the financial year. Refer to page 26 for buy-out definitions.
3. Represents issuance of the group's LTI awards to match employee's forfeiture over the respective timeframe.
4. Rand value of severance payments/allocations related to retrenchment and company-initiated early retirement during the financial year.

REM3: DEFERRED REMUNERATION

	2023				
R million	Total amount of outstanding deferred remuneration at year end[1]	Of which: total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment[2]	Total amount of amendment during the year due to ex post explicit adjustments[3]	Total amount of amendment during the year due to ex post implicit adjustments[4]	Total amount of deferred remuneration paid out in the financial year[5,7]
Senior management					
– Cash	287	287	–	9	249
– Share price linked instruments[6]	1 375	1 375	–	73	207
Other material risk-takers					
– Cash	268	268	–	8	238
– Share price linked instruments	782	782	(0.6)	42	110
Total	**2 712**	**2 712**	**(0.6)**	**132**	**804**

1. Deferred remuneration is in the form of cash and share-linked instruments (LTIs and deferred share-linked STIs).
2. Full amount of deferred remuneration is subject to malus and clawback, share price fluctuations and performance conditions.
3. Ex post explicit adjustments are direct adjustment clauses (for instance, subject to malus, clawbacks or similar reversals or downward revaluations of awards).
4. Ex post implicit adjustments reflect changes in the share price growth and interest earned on the awards paid out (settled) in the financial year.
5. The values at settlement date include share price growth and interest earned from grant date.
6. Deferred share price linked STI award vesting depends on continued employment over two years. LTI vesting depends on performance conditions and targets being met on a cumulative basis over three years. The group does not apply a probability of vesting to the unvested awards and the assumption is 100% vesting up until the final remuneration committee decision, given the current environment and uncertainty in quantifying the probability of vesting.
7. During the 2023 financial year, the 2019 LTIs failed based on performance conditions not being met. As such, the second tranche of the Covid-19 instrument vested and was settled in September 2022.

Incorporation of climate considerations into remuneration practices

Delivery against climate risk and opportunity management objectives has been incorporated into the remuneration scorecards for executive directors and prescribed officers, key environmental and social risk (ESR) teams and teams focused on sustainable finance.

The following teams and individuals have climate-related objectives that affect their variable remuneration packages:

Executive directors
(CEO, CFO, COO)

> Manage approach to climate risks and opportunities

> Manage delivery against the group's climate change roadmap

> Facilitate board and external stakeholder engagement

Prescribed officers
(CEOs of RMB and FNB)

> Development of client segment-specific climate strategies

> Optimisation of business activity relative to climate transition pathways

> Fostering broad-based awareness of climate risks and opportunities and associated strategies

Sustainable finance executives

> Client engagement and education on climate change and transition plans

> Product development to facilitate climate opportunities

> Delivery on advances growth and revenue targets for sustainable and transition finance offerings

Risk teams
(including group, RMB and FNB CROs)

> Overall coordination of climate risk programme

> Building climate risk internal capacity

> Development and deployment of tools and methodologies for climate risk identification, quantification, management, monitoring and reporting, and building capacity

FirstRand's executive director and prescribed officer scorecards contain a climate category in the strategy section. The strategy section makes up 50% – 55% of the overall scorecard weighting. Within the strategy weighting, progress on climate change constitutes between 8% and 10%, depending on the executive's portfolio of responsibility. Climate's weighting is aligned with other material growth strategies for the group. Refer to climate scorecard outcomes on page 42 and pages 46 to 48.

Non-executive directors' remuneration

	2023			2022		
	Services as directors			Services as directors		
R thousand	**FirstRand**	**Group**	**Total**	FirstRand	Group	Total
Independent non-executive directors						
WR Jardine	**7 355**	**396**	**7 751**	7 056	293	7 349
G Gelink	**2 871**	**1 501**	**4 372**	2 621	1 394	4 015
RM Loubser	**3 176**	**2 204**	**5 380**	2 907	1 907	4 814
TS Mashego (resigned 1 December 2022)	**668**	**421**	**1 089**	1 502	304	1 806
PD Naidoo (appointed 1 April 2022)	**1 081**	**74**	**1 155**	239	–	239
L von Zeuner	**2 686**	**720**	**3 406**	2 647	723	3 370
T Winterboer	**1 820**	**1 235**	**3 055**	1 726	929	2 655
Z Roscherr	**2 334**	**865**	**3 199**	1 738	952	2 690
SP Sibisi	**2 141**	**572**	**2 713**	1 668	86	1 754
Non-executive directors						
JP Burger	**2 281**	**937**	**3 218**	2 341	877	3 218
F Knoetze (resigned at 2021 AGM)	**–**	**–**	**–**	761	502	1 263
Total non-executive directors	**26 413**	**8 925**	**35 338**	25 206	7 967	33 173

An inflationary 6% increase was applied to the 2023 non-executive directors' fees.

An internal and external (Remchannel) benchmarking exercise against industry peers was performed to inform the inflationary 5.5% increase of the 2024 non-executive director fees that will be proposed at the annual general meeting

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