

Pillar 3 Annual Remuneration Disclosures at 31 December 2023

1. INTRODUCTION

The following remuneration disclosure report has been prepared in accordance with the Australian Prudential Regulation Authority (APRA) requirements under the APS 330 Public Disclosure (July 2018) standard.

Qualitative information contained in this disclosure applies to all employees (including executives) of HSBC Bank Australia Limited (HBAU or the Bank). Quantitative remuneration information relates to identified Senior Managers and Material Risk-Takers of HBAU:

Senior Managers: Senior managers of HBAU. Effectively, this group covers the Australian Chief Executive Officer and their executive direct reports (members of the HBAU Executive Committee). This cohort aligns to Senior Managers identified under CPS511.

Material Risk-Takers (MRTs): executives/senior managers whose activities can materially affect the financial soundness of HBAU or a substantial part thereof. Under the provisions of the UK Prudential Regulation Authority's (PRA) Remuneration Rules, HSBC is required to identify individuals who will be considered as 'Identified Staff and Material Risk Takers' (collectively referred to as 'Material Risk Takers' or 'MRTs') based on the qualitative and quantitative criteria specified in the Regulatory Technical Standard ('RTS') issued by the European Banking Authority ('EBA').

Those designated as Senior Managers and/or MRTs are the most senior executives of HBAU.

During 2023, the Bank had ten executives identified as Senior Managers and seven identified as MRT for all or part of the year. Six executives were considered to be both Senior Managers and MRTs.

Ten Senior Managers and six MRT were also identified as Accountable Persons (APs) under the Banking Executive Accountability Regime (BEAR) and a CPS 511 Senior Manager.

2. QUALITATIVE DISCLOSURES

Remuneration Governance

HSBC Bank Australia Limited is a subsidiary of The Hongkong and Shanghai Banking Corporation Limited (HBAP) which in turn is a subsidiary of HSBC Holdings plc (the Group) and subject to the Remuneration Rules of the Group's lead regulator, the PRA.

The HSBC Group Remuneration Committee (RemCo) is responsible for setting the principles, parameters, and governance framework for the Group remuneration policy applicable to all Group employees. The RemCo is responsible for the oversight of matters related to remuneration impacting the Group and its subsidiaries, in particular:

- overseeing the implementation and operation of the Group's remuneration strategy;
- ensuring the remuneration framework complies with local laws, rules and regulations;
- ensuring the remuneration strategy and framework are in line with the risk appetite, business strategy, culture and values and long-term interests of the Group; and
- ensuring the Strategy is appropriate to attract, retain and motivate employees to support the success of the Group.

Within Australia, the Board Remuneration Committee (the Committee) has been appointed by the HBAU Board and operates within the authority delegated by the Board in accordance with the Bank's responsibilities under the APRA prudential standards. The Committee's responsibilities are also in line with the expectation of the PRA that remuneration rules are to be applied at both Group and subsidiary level, reflecting effective risk management and internal controls.

HBAU Remuneration Policy

Remuneration for all employees of HBAU is governed by the HBAU Remuneration Policy.

The Policy details:

- HBAU's reward strategy (see detail further in report);
- reward objectives;
- link between pay and performance;
- influences of risk frameworks and policies on remuneration practices and outcomes
- design and structure of remuneration;
- approach to gender pay equity; and
- Board governance and oversight

The Policy is determined and approved by the HBAU Board and complies with the HSBC Group remuneration framework.

In 2023, the Policy has been updated to reflect HBAU's obligations under CPS 511 Remuneration and was approved by the Committee in April 2023.

HBAU Board Remuneration Committee

The Committee has been appointed to:

- consider remuneration matters in the context of the Group's remuneration framework, and provide advice on the application of the framework to the Bank in the context of local regulations and market conditions to the Board;
- satisfy itself that the remuneration framework:
 - is in line with the business strategy, risk management framework, culture and values, and long-term interests of the Bank;
 - promotes effective management of both financial and non-financial risks, sustainable performance, and the Bank's long-term soundness; and
 - supports the prevention and mitigation of conduct risk.
- conduct regular reviews of, and make recommendations to the Board on the Remuneration Policy, including an assessment of the Policy's effectiveness and compliance with local regulations;
- make annual recommendations to the Board on remuneration of the CEO, their direct reports, other persons (including those covered by the Policy) whose activities may affect the financial soundness of the Bank;
- complete the annual pay review process by:

- considering the relevant issues that were considered in agreeing remuneration funding and proposals; and
- reviewing and approving performance-based remuneration and providing feedback to the Board.
- seek advice from the Risk Committee and/or Chief Risk and Compliance Officer (CRCO) on the alignment of risk and remuneration; and
- review any material matters relating to remuneration that need to be reported to the Board or local regulators.

During 2023, the Committee met four times, and, during these meetings:

- undertook a review of Remuneration Policy effectiveness with regards to the outcomes of the PY22 Pay Review;
- received updates on the progress of external regulatory developments (e.g., CPS 511),
- endorsed updates to HBAU's remuneration framework to comply with CPS 511;
- received reporting on PY23 year-end performance management outcomes;
- received reporting on risk performance on an individual basis to form view on PY23 remuneration outcomes
- received reporting on entity risk performance and outcomes to contextualise the PY23 Annual Pay Review;
- received reporting on the PY23 Annual Pay Review preparation and project plan; and
- confirmed the ongoing compliance of the Remuneration Policy with APRA standard CPS 511 and the BEAR

No Executive Directors or Senior Managers of the Bank were involved in discussions pertaining to their own remuneration.

The Committee did not obtain advice from external remuneration consultants for the year ended 31 December 2023.

Members of Remuneration Committee

Two independent non-executive directors ("NEDs") served as members of the Committee for all of the 2023 year. They were Grant King (Chair) and Geoff Wilson. Jann Skinner was replaced on the Committee by Gail Pemberton from April 2023. The Committee invited the other Directors of the Board, and the CRCO, to attend meetings throughout 2023.

Members do not receive additional fees for service on the Committee.

Remuneration Strategy

Our performance and pay framework is underpinned by our Group's Remuneration Strategy and principles, aims to competitively reward long-term sustainable performance. Group refreshed the reward strategy and wider employee proposition centred on our purpose and values. The refreshed principles and supporting commitments articulate the experience for employees and provide a clear framework to create a dynamic culture where the best talent is motivated to deliver high performance. These principles are:

- **We will reward you responsibly** through fixed pay security and protection through core benefits, a competitive total compensation opportunity, and pay equity with a more inclusive and sustainable benefits proposition over time.
- **We will recognise your success** through our performance culture and routines, including feedback and recognition, pay for performance, and all employee share ownership opportunities.
- **We will support you to grow** through our proposition beyond pay, with a focus on future skills and development, your mental, physical, social and financial well-being, and flexibility in working practices.

Our aim is to use the framework to deliver an exceptional colleague experience – strengthening our ability to attract, retain and motivate the people we need in competitive labour markets, in the context of evolving employee expectations.

During 2023 we have undertaken significant design work to review our performance approach and pay structures to simplify, improve transparency, and foster an environment focused on growth, learning and motivating colleagues to perform at their best. This will be implemented from 2024.

In addition to performance and pay, work is underway to drive improvements to our proposition beyond pay, aligned to the principles of our reward strategy, building on our strong benefits and well-being programme, including flexible working, and more inclusive and sustainable benefits.

More details of the Bank's remuneration strategy are contained within the Annual Report and Accounts 2023 of HSBC Holdings plc

Remuneration Framework

HBAU's Remuneration Framework enables delivery of the Remuneration Strategy. Our approach to determining remuneration is based on the following objectives:

- Offering a competitive total reward package. This includes market competitive fixed pay levels for the role, skills and experience required by the businesses or functions, whilst ensuring our employees are able to meet their basic day-to-day needs;
- Maintaining an appropriate balance between fixed pay, variable pay and employee benefits, taking into consideration an employee's seniority, role, individual performance and the market. We are informed, but not driven by, market position and practice;
- Ensuring variable pay is determined against a balanced scorecard of relevant financial and non-financial objectives including appropriate risk and compliance objectives, differentiated by performance and adherence to the HSBC values;
- Ability to adjust variable pay upwards for positive conduct and downwards for negative conduct;
- Offering employee benefits that support the mental, physical and financial health of a diverse workforce, are appropriate at the local market level and support HSBC's commitment to employee well-being;
- Promoting employee share ownership through variable pay deferral or voluntary enrolment in an all employee share plan;
- Providing career planning tools to help employees thinking about future roles and the capabilities they require, and empowering managers to make appropriate decisions at key stages during the pay review process by providing them with clear guidance materials to help their decision making; and
- the application, if appropriate, of malus and clawback to appropriately adjust variable payments for outcomes realised after award. Group-wide policies provide consistent guidelines and criteria across the Group.

Remuneration Design

Remuneration at HSBC Australia comprises fixed pay and variable pay:

Fixed pay consists of base pay, which includes cash and salary sacrifice items, fixed pay allowances, and superannuation. Fixed pay is reviewed annually in the context of business performance, internal relativities, and market practice.

Variable pay consists of annual short-term incentives designed to reward performance. Variable pay is awarded

on a discretionary basis to all employees. There are no formulaic linkages between achievement of any specific objective and variable pay award.

Variable awards may be made as cash (deferred or immediate), or shares (deferred or immediate). The composition and mode of delivery of an individual's award is determined by several factors:

- nature of role performed (i.e., are they MRT, CPS 511 Senior Manager or Accountable Persons under BEAR); and
- quantum of award (does award exceed minimum thresholds).

The section below provides further detail on the Bank's deferral policies and practices.

All variable pay and incentive schemes are required to adhere to a set of design principles. All new variable pay and incentive plans require the approval of the Finance, Risk, Legal, Compliance and Human Resources functions at a Group and local country level. The Finance function validates the achievement of relevant financial metrics.

Deferral of Variable Pay

HSBC requires a proportion of variable pay awards above certain thresholds to be deferred into awards of restricted shares and cash. The purpose of this is to ensure that:

- the interests of the Group and its employees are aligned with those of its shareholders;
- the Group's approach to risk management supports the interests of all stakeholders;
- remuneration is consistent with effective risk management; and
- variable pay is designed and administered in a way which complies with the requirements of the PRA and APRA.

The deferral of variable pay ties recipients to the future performance of the Group. Subject to malus provisions, the deferred restricted shares and cash are released over the applicable vesting period for Senior Managers, MRT and APs according to the applicable regulation.

The deferral arrangements for Senior Managers, Group MRTs, CPS511 Senior Manager and APs are outlined in the tables below:

	Senior Managers	Group Material Risk-Takers	CEO CPS511	Senior Manager CPS511
Award Threshold	USD 75,000	<ul style="list-style-type: none"> - Total Variable Pay is greater than or equal to GBP 44,000; OR - VP is more than 1/3rd of Total Compensation 	AUD 125,000	AUD 125,000
% Deferral	Sliding scale from 10% of award over USD 75,000 to 50% of award over USD 1,000,000	<ul style="list-style-type: none"> - 40% on awards up to GBP 500,000*; - 60% on awards above GBP 500,000 	60%	40%
Vehicle	Restricted Shares (RSUs)	50% RSUs/50% Cash	50% RSUs/50% Cash	RSUs
Vesting	3 years (year 1: 33%, year 2: 33%, year 3: 34%)**	6 Years (Cash: Y4 33%, Y5 33%, Y6 34% / RSU: Y3 33%, Y4 33%, Y5 34%)	6 Years (Cash: Y4 33%, Y5 33%, Y6 34% / RSU: Y3 33%, Y4 33%, Y5 34%)	4 years (year 3 50% and year 4 50%)
Retention post vesting (RSUs)	None	One year	One year	One year

For BEAR APs, all executives in HBAU are covered by CPS 511 deferral requirements from PY23, with exception of the SOOA. The CPS511 deferral requirements exceed the BEAR deferral requirements for these employees. BEAR AP deferrals follow a similar requirement to CPS 511 Senior Manager, however vest in full after 4 years without retention.

HBAU has several executives who are subject to the requirements of both the PRA as Group Material Risk Takers (MRT) and APRA as CPS511 CEO or Senior Managers and Accountable Persons under BEAR. The award deferral arrangements for this population are designed to meet the requirements of both regimes and are set out in the table below.

	Group Material Risk Taker AND CPS 511 CEO / Senior Manager / local Accountable Person
Award Threshold	<ul style="list-style-type: none"> - Total Variable Pay is greater than or equal to GBP 50,000; OR - VP is more than 1/3rd of Total Compensation
% Deferral	<ul style="list-style-type: none"> - 40% on awards up to GBP 500,000*; - 60% on awards above GBP 500,000**
Vehicle	<ul style="list-style-type: none"> - 50% RSUs/50% Cash
Vesting	<ul style="list-style-type: none"> - Cash: Y4 33%, Y5 33%, Y6 34% - RSU: Y3 33%, Y4 33%, Y5 34%
Retention post vesting (RSUs)	<ul style="list-style-type: none"> - One year

* For CPS 511 Senior Managers and Accountable Persons, where total amount to be deferred is less than AUD 50,000, no variable pay deferral is required.

** For CPS 511 CEO the % deferral is 60%

Adjustment of Deferred Remuneration

Deferred remuneration is subject to adjustment both before (malus) and after (clawback) vesting to account for longer term performance outcomes. The Group Malus Policy and Group Clawback Policy govern the application of these remuneration actions.

Malus will be applied to all or part of unvested variable pay awards where:

- the conduct of the employee or the team in which the employee works or has worked, or the business unit of which the employee is a part, is considered detrimental or brings the business into disrepute or which resulted in significant loss(es) to any member of the Group, or to the Group as a whole; or
- evidence comes to light that past performance which was considered when deciding relevant bonus pools from which variable pay awards were made to the employee was materially worse than was understood; or
- the financial statements of any member of the Group or any business unit or division of any member of the Group are materially restated, corrected or amended; or

- evidence arises that the employee or the employee's business unit or division has engaged in improper or inadequate risk management or has failed to raise concerns in relation to improper or inadequate risk management, considering the proximity of the employee to the failure of risk management in question and the level of the employee's responsibility; or
- the employee failed to meet appropriate standards of fitness and propriety;
- any member of the Group is in receipt of a valid Reduction Notice from a previous firm requiring the operation of malus in respect of any variable pay award which is subject to the PRA Buyout Rule (a Buyout Malus Adjustment); and/or
- any other circumstances required by local regulatory obligations to which any member of the Group or business unit is subject.

Clawback will be applied to all or part of vested variable pay awards where:

- the individual participated in or was responsible for conduct which resulted in significant loss(es) to any member of the Group, or to the Group as a whole; or
- the individual failed to meet appropriate standards of fitness and propriety; or
- there is reasonable evidence of misconduct or material error that would justify, or would have justified, had the individual still been employed, summary termination of their contract of employment; or
- any member of the Group, or a business unit, suffers a material failure of risk management by reference to Group risk management standards, policies, and procedures, considering the proximity of the individual to the failure of risk management in question and the level of the individual's responsibility; or
- any member of the Group is in receipt of a valid Reduction Notice from a previous firm requiring the operation of clawback in respect of any award which is subject to the PRA Buyout Rule (a Buyout Clawback Adjustment); and/or
- any other circumstances required by local regulatory obligations to which any member of the Group or business unit is subject.

All variable pay awards are subject to a combination of malus and clawback for a period of at least seven years, and up to 10 years from the date of grant.

The HBAU Committee will make a recommendation to the Group RemCo for the application of malus or clawback. The Group RemCo has the absolute discretion to apply malus or clawback to all or part of deferred remuneration variable pay awards.

Linking Pay and Performance

Objectives are determined at Group level and cascaded throughout the Group to individuals, thereby driving an aligned set of objectives at all levels. Objectives include both financial and non-financial metrics according to the nature of the role performed.

The total variable pay earned by an individual is dependent on the achievement of the individual's objectives. Actual payout levels depend on an overall performance outcome, combining the performance of the Group, Global Businesses, Global Functions, the Asia-Pacific Region, HBAU, and of the individual. The design of the remuneration structure focusses individuals on the achievement of the short- and long-term objectives of

HBAU and the Group and seeks to ensure that outcomes are reflective of actual performance against these objectives. HSBC's values and behaviours, in addition to performance metrics, are deemed to be key to the running of a sound and sustainable bank and are an additional determinant of actual payout levels.

Overall Groupwide variable pay pools are set by considering:

- financial and non-financial performance metrics, with special attention to risk and compliance and the metrics contained in the Group's Risk Appetite Statement ("RAS") (see below for definition of the RAS); and
- assessment of financial performance, which is principally based on profit as opposed to revenue and considering the current and future risk associated with the generation of the profit.

The Group's annual variable pay pool is determined based on several factors including financials (including an allocation model of retained earnings, dividends, and variable pay), risk and market benchmarking. Local risk considerations and relative performance then inform the final size of the Australian variable pay pool.

HSBC's discretionary pay scheme design affords the Group flexibility in adjusting variable pay in line with overall performance outcomes as pools are formed on a "top-down" basis with final approval from the Group RemCo and not via a formulaic "bottom-up" approach. Weak performance against targets will result in a smaller Group variable pay pool for distribution to regions and countries. On an individual level, the interplay between the performance management process (including calibration of ratings to ensure fairness and relativity in outcomes across peers and teams) and remuneration decisions allows for individual variable pay awards to be adjusted downwards if performance and behavioural outcomes are poor.

Risk Management and Remuneration

HBAU's remuneration framework is supported by the Group's Risk Management Framework (RMF). The RMF outlines the HSBC Group's overall approach to risk management and how this supports robust decision making.

HSBC defines Risk Appetite as the type and quantum of risks that the Group is willing to accept in achieving its medium and long-term strategic goals. Risk Appetite contributes significantly to a strong and integrated RMF

and risk culture, helping to direct and support sustainable growth against the backdrop of a heightened risk environment. Risk Appetite is also used in active risk management, alongside other enterprise risk management tools such as risk map and top and emerging risks. The RAS is a key component of the overall RMF.

The RAS describes and measures the amount and types of risk that HBAU and the Group are prepared to take in executing their strategy. Risk Appetite is expressed in terms of diverse quantitative and qualitative risk dimensions. Risk themes considered include:

- Initiation and execution risk
- Third-party risk
- Model risk
- Data governance and privacy
- Retail credit risk
- Contractual risk
- Fraud risk
- Resilience risk

Risks included in the RAS, as well as risk appetites and positions, evolve regularly in line with market, legislative and regulatory developments to drive comprehensive risk management.

The Bank's remuneration frameworks and policies are aligned with the RAS. At a Group level, the Group Risk Committee has responsibility for reviewing performance against the Group RAS, with the Group Chief Risk and Compliance Officer providing regular updates on Group risk appetite positions to the Group Risk Committee and the Group RemCo.

The Group Risk Committee also has cross membership with the Group RemCo with the Group Chief Risk and Compliance Officer being a regular attendee at the Group RemCo meetings. This ensures that the variable pay pool and executive pay recommendations are shaped by risk considerations and any Group-wide notable events. There is a similar cross membership and governance structure for HBAP Risk and Remuneration Committees and the HBAU Risk Committee and Remuneration Committee. Further, a formal joint meeting of the HBAU Risk Committee and Remuneration Committee is held annually.

At an individual level, all employees have non-financial risk objectives within their performance objectives designed to ensure that they:

- understand and adhere to both the letter and the spirit of all laws, regulations and regulatory

guidance that apply to the Group and the Bank, and report any breaches in accordance with local procedures;

- maintain sufficient and effective processes and controls for identifying and mitigating risks and for ensuring timely escalation and resolution of all control issues and risks;
- adhere to applicable global, regional and country policies and standards including Group standards, Global Function instructions and Global Business instructions; and
- complete Risk and Compliance mandatory training in a timely manner.

Locally the Committee and the Board Risk Committee hold joint meetings to determine the variable pay pools for HBAU overall and to ensure risk outcomes are appropriately reflected in the remuneration outcomes of Senior Managers and Material Risk Takers. The Committee considers the risk performance of individuals and cohorts by reviewing comprehensive reporting which includes, information regarding risk events and issues, significant regulatory breaches, outcomes of any independent reviews and relevant personal conduct cases and their consequent management outcomes. Where necessary, the Remuneration Committee will escalate concerns over the total variable pay pools, or individual variable pay outcomes to the regional HBAP Remuneration Committee and Group Remuneration Committee. Risk performance influences remuneration outcomes at Group, regional, country, and individual levels. The final Group variable pay pool is calculated at the Group level and set with reference to multiple risk factors, including conduct (fines, penalties, customer redress), emerging conduct risk and Risk Map outcomes.

Individual variable pay awards are determined on a discretionary (not formulaic) basis according to an overall assessment of an individual's performance against set objectives, including risk performance. In addition to measuring what has been achieved, there are additional considerations which support the overall assessment of how performance has been achieved. These include:

- a separate behavioural rating for each employee, which acts as a "gate opener" and determines their eligibility for variable pay and influences their variable pay outcomes;

- an overall risk management assessment for executives and their teams, a formal process of identifying “notable events”¹; and
- a Global Employee Recognition and Conduct Framework (ERCF) to support and guide line managers to deal with both employee conduct breaches as well as demonstrations of exemplary values, behaviours, and risk-focused performance and to apply the appropriate actions including variable pay award adjustments, both positive and negative.

Control Functions

Under HSBC Group policy, control functions (including Risk and Financial Control) staff report into their respective function i.e., individuals in control functions have a formalised direct reporting line through the functional line, not to the businesses they oversee. This helps to ensure that conflicts of interest are avoided. The performance and remuneration of control function staff is assessed against objectives specific to the functional role they undertake. The Group’s discretionary approach in determining variable pay, as defined by the PRA, ensures that any possible conflicts of interest are fully considered in determining individual awards.

3. QUANTITATIVE DISCLOSURES

Remuneration Committee Member Remuneration

Committee members receive standard Board fees for service on the HBAU Board and do not receive additional fees as compensation for membership of the Remuneration Committee. Committee members do not receive variable pay.

Senior Manager and Material Risk-Taker Remuneration

The Committee reviewed and approved fixed and variable pay recommendations for the 2023 performance year at the February 2024 meeting.

The type and award of variable payments to Senior Managers and MRTs in 2023 are summarised in the table following:

Type of Variable Payment	Awarded in 2023
Performance-based variable pay	Yes – to 14 active (as at 31 December 2023) Senior Managers & MRTs ²
Guaranteed Bonuses/Sign-on Bonuses	None
Severance payments ³	None

¹ Notable events are identified by Group Risk and agreed with the Group Risk Committee and Group Remuneration Committee. Following investigation of the event by representatives of Risk, HR, Compliance & Legal, the event and any consequence for employees is detailed in a malus report and submitted to the UK PRA and FCA (Financial Conduct Authority) and to APRA.

² Details of the 2023 variable pay allocations are outlined in Table 1

³ Severance payments are included in totals reported in Table 1

Quantitative Tables

The following tables have been prepared in accordance with the quantitative requirements outlined in Attachment G of APS 330.

Table 1 provides details on the aggregate fixed pay and variable pay for MRTs and Senior Managers pertaining to the performance year ended 31 December 2023, accounting for executive movements throughout the year.

Table 2 provides details of deferred remuneration for MRTs and Senior Managers, including:

1. total vested during the performance year to 31 December 2023; and
2. total outstanding deferred remuneration exposed to ex-post explicit and/or implicit adjustments⁴ as at 31 December 2023.

Table 1 - Total value of remuneration for the financial year ended 31 December 2023

Remuneration Item	Senior Managers ⁵ ('000)		Material Risk-Takers ⁶ ('000)	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed Remuneration				
Cash-based ⁷	3,057	<i>n/a</i>	5,316	<i>n/a</i>
Shares and share-linked instruments	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Other ⁸	125	<i>n/a</i>	195	<i>n/a</i>
Variable Remuneration				
Cash-based	1,022	-	1,500	1,282
Shares and share-linked instruments	-	625	1,500	1,539
Other	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>

⁴ Ex-post implicit adjustments reflect share price fluctuations between 1 January 2023 and 31 December 2023 and ex-post explicit adjustments reflect malus, clawback or similar reversals/downward revaluations of awards

⁵ Includes 10 Senior Managers and excludes 6 who are also considered as MRTs.

⁶ Includes 1 MRT and the 6 Senior Managers also considered as MRTs.

⁷ Includes base salary, fixed pay allowances, superannuation and all items packaged as part of salary. Totals incorporate pay rate changes throughout the year and the impact of interim appointments, new joiners, departures, role changes, and inbound and outbound international transfers.

⁸ Includes non-salaried items such as car parking costs, subsidised health insurance and associated fringe benefits tax and excludes any allowances that are included in fixed base salary.

Table 2 - Total vested and outstanding remuneration as at 31 December 2023

Remuneration Item	Senior Managers ('000)	Material Risk-Takers ('000)
Vested Remuneration⁹		
Cash-based	0	822
Shares and share-linked instruments	201	2,270
Outstanding Deferred and Retained Remuneration¹⁰		
Cash-based	189	2,937
Shares and share-linked instruments	1,143	3,960
Total adjustments during year		
Due to ex-post explicit adjustments ¹¹	-	-
Due to ex-post implicit adjustments ¹²	124	646

⁹ Values are the face value with share price and FX rate as at the time of vesting.

¹⁰ Total amount of outstanding deferred/retained remuneration exposed to ex-post explicit and/or implicit adjustments. Values are face value with the share price and FX rate as at 31 December 2023 reporting date.

¹¹ Adjustments as a result of malus, clawback or other reversals or downward revaluation of awards.

¹² Adjustments attributed to share price fluctuations between 1 January 2023 and 31 December 2023.