



Absa Group

UBS Financial Conference

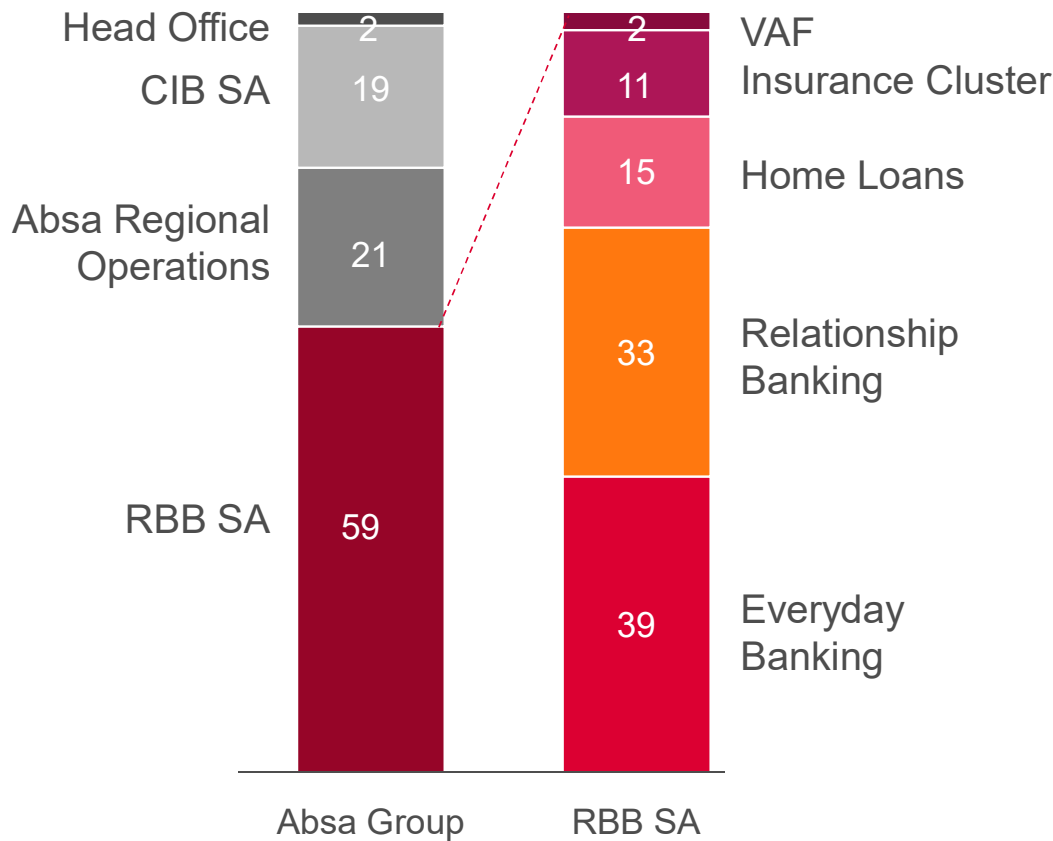
Closer to customers – RBB SA's transformation journey

15 October 2019

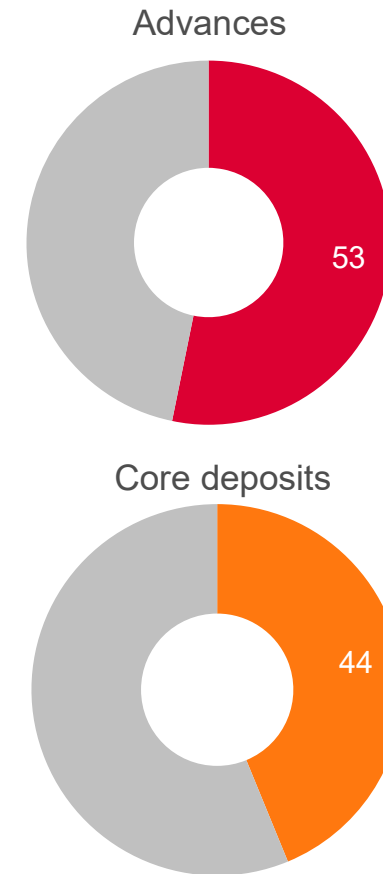
Arrie Rautenbach: CE Absa Retail and Business Bank

RBB South Africa an important contributor to Absa Group

Headline earnings 1H19 (%)

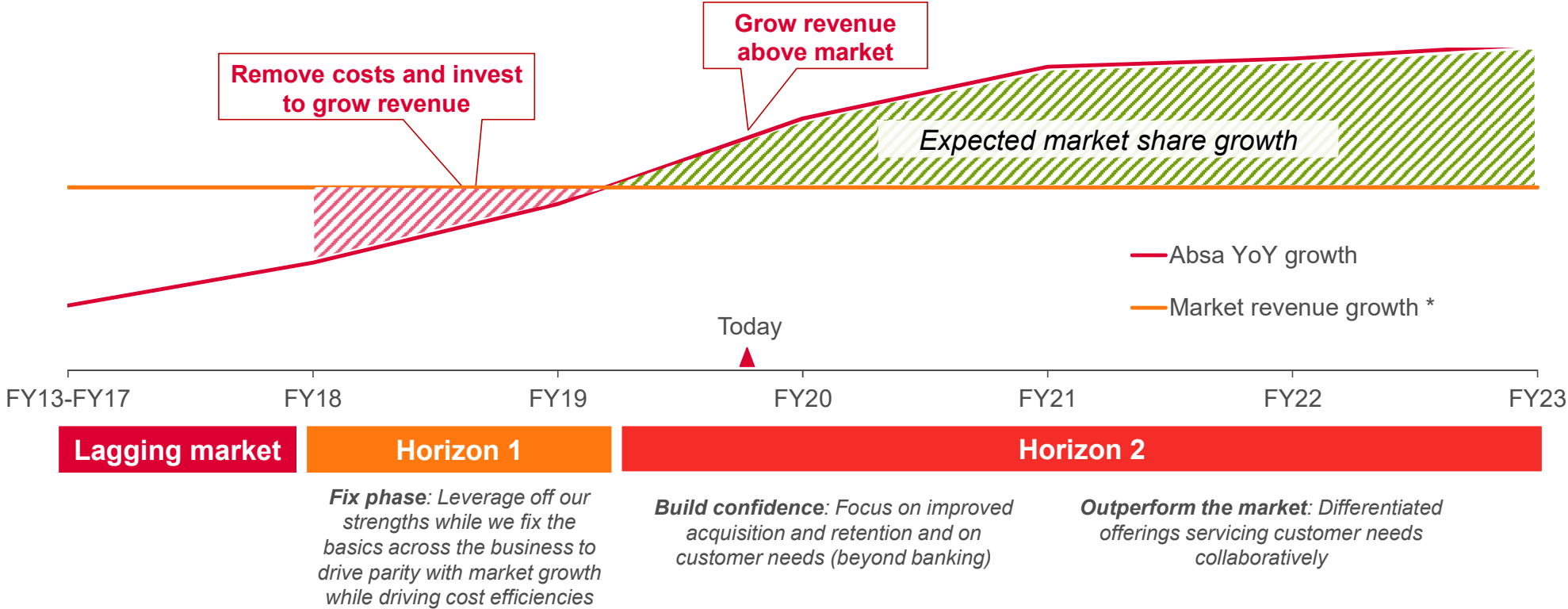


RBB SA to Group balance sheet 1H19 (%)



We plan to outperform the market by 2020 ...

Projected YoY revenue growth for Absa and market (%)



Note: * Estimated market revenue growth

... focusing on five strategic themes

Ambition:

“Be the leader in SA retail and business banking through a differentiated understanding of our customers”

A



Get back to acquiring customers

B



Focus on relationships as our core

C



Build a new RBB culture

D



Digital first in everything we do

E



Sustainable structural cost efficiency

Gaining asset growth momentum at healthy margin

1H19 YoY increase in production (%)



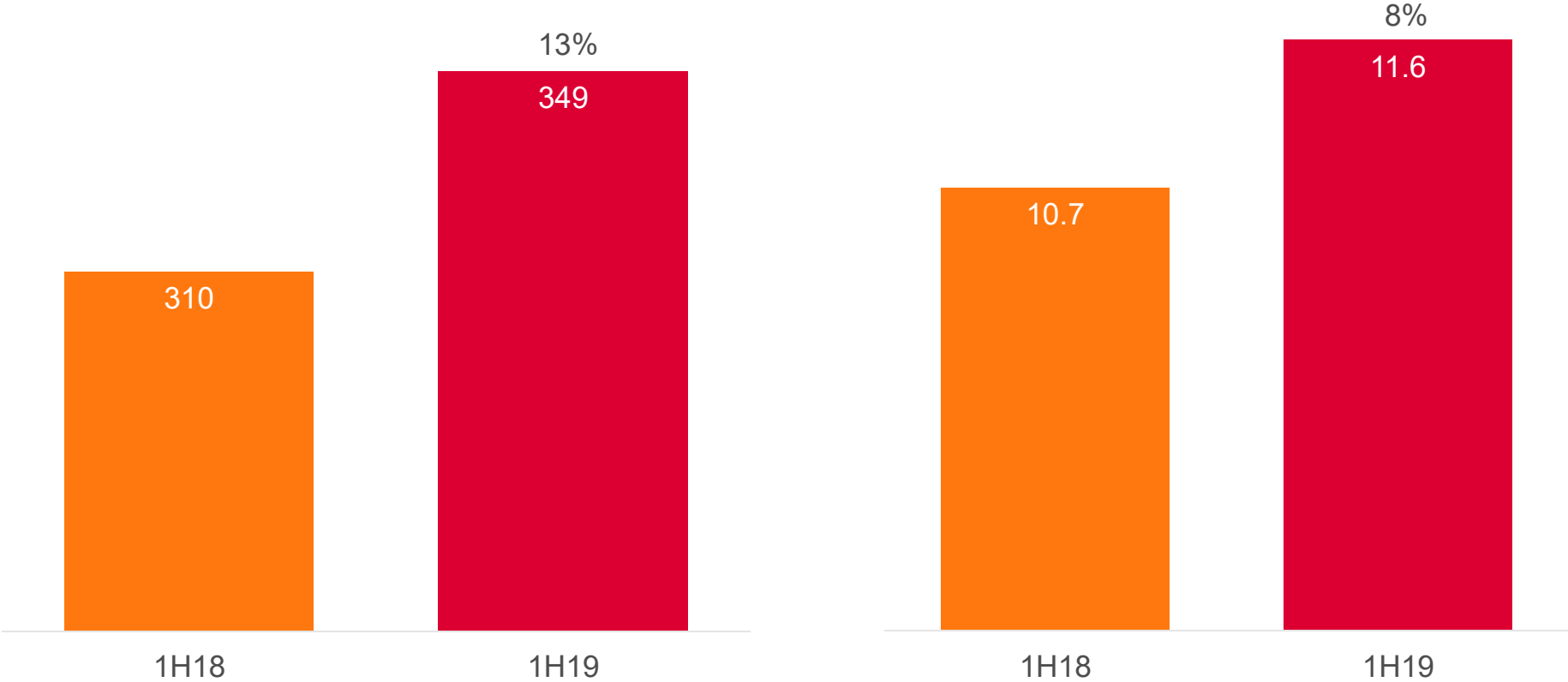
Change in production margin YoY (bp)



Transaction business showing improving trajectory

RBB SA deposits (Rbn)

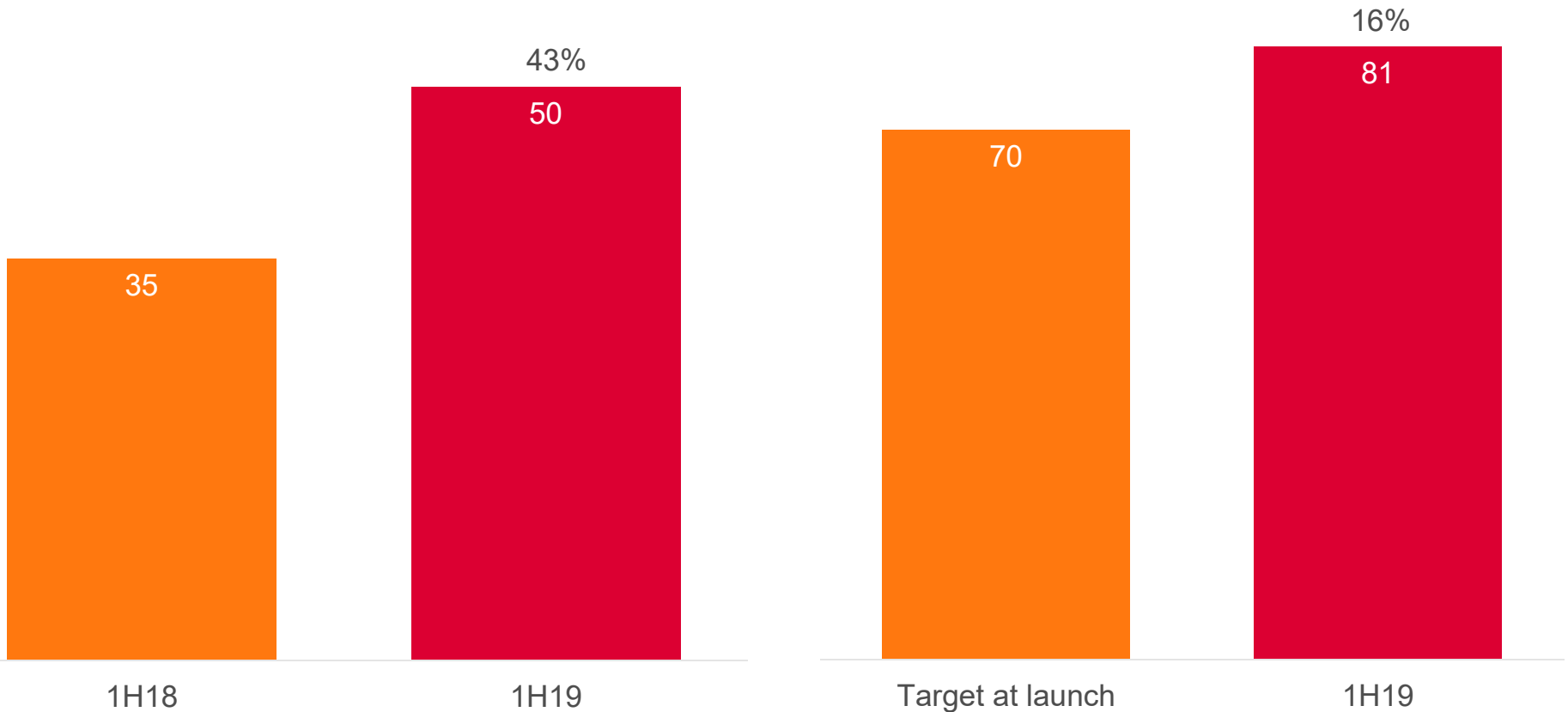
Non-interest income (Rbn)



Strong bancassurance business emerges as we integrate

Home loans strike rate (%)

Personal loans strike rate (%)



Operating model change is a catalyst for culture change



Closer to colleague is becoming a reality



Customer engagements are now the core of RBB SA's ways of work



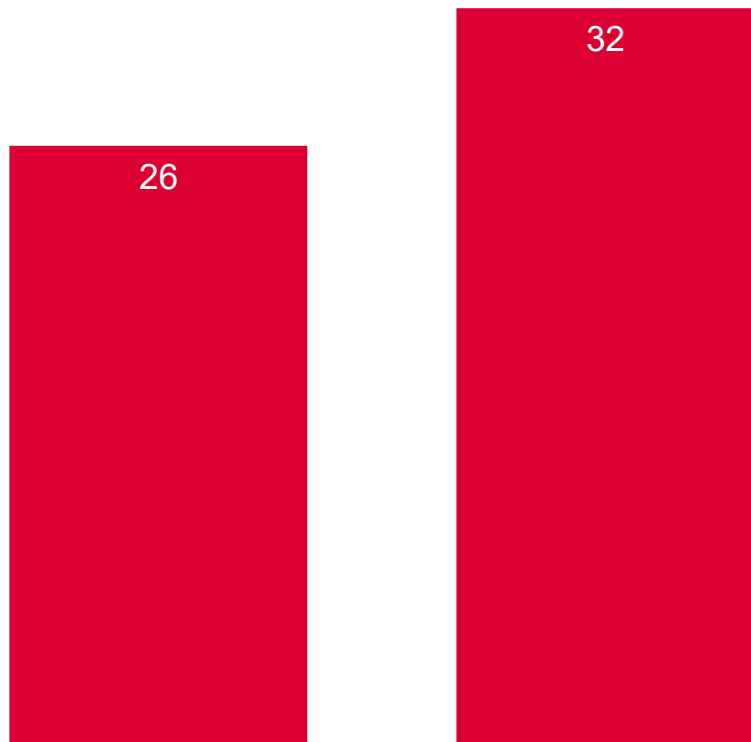
Drove end-to-end accountability



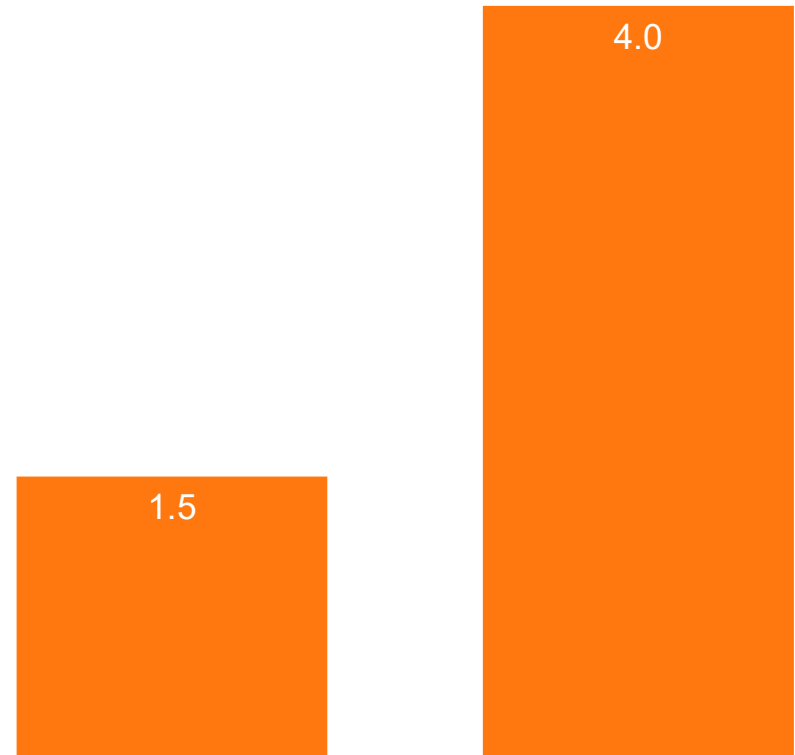
Removing silos and stimulating collaboration

Made progress in improving our digital capabilities

Customer digital adoption (%)



Products per customer (x)



December 2018

July 2019

Non app customer

App customer

Enhance security while improving customer experience

Digital fraud



Devices, AI, biometrics and analytics



Improve customer experience



Fraud operating model

Debit order abuse



Automating dispute



Debi-check initiative

Creating efficiency is a key focus to enable investments

>R1bn cost savings in execution in 2019



Organisation restructuring



Channel right sizing



Optimising processes



Optimise discretionary costs

Funding our change programme that is >R1bn in value



Onboarding experience



Mobile app development



Credit and fraud risk management

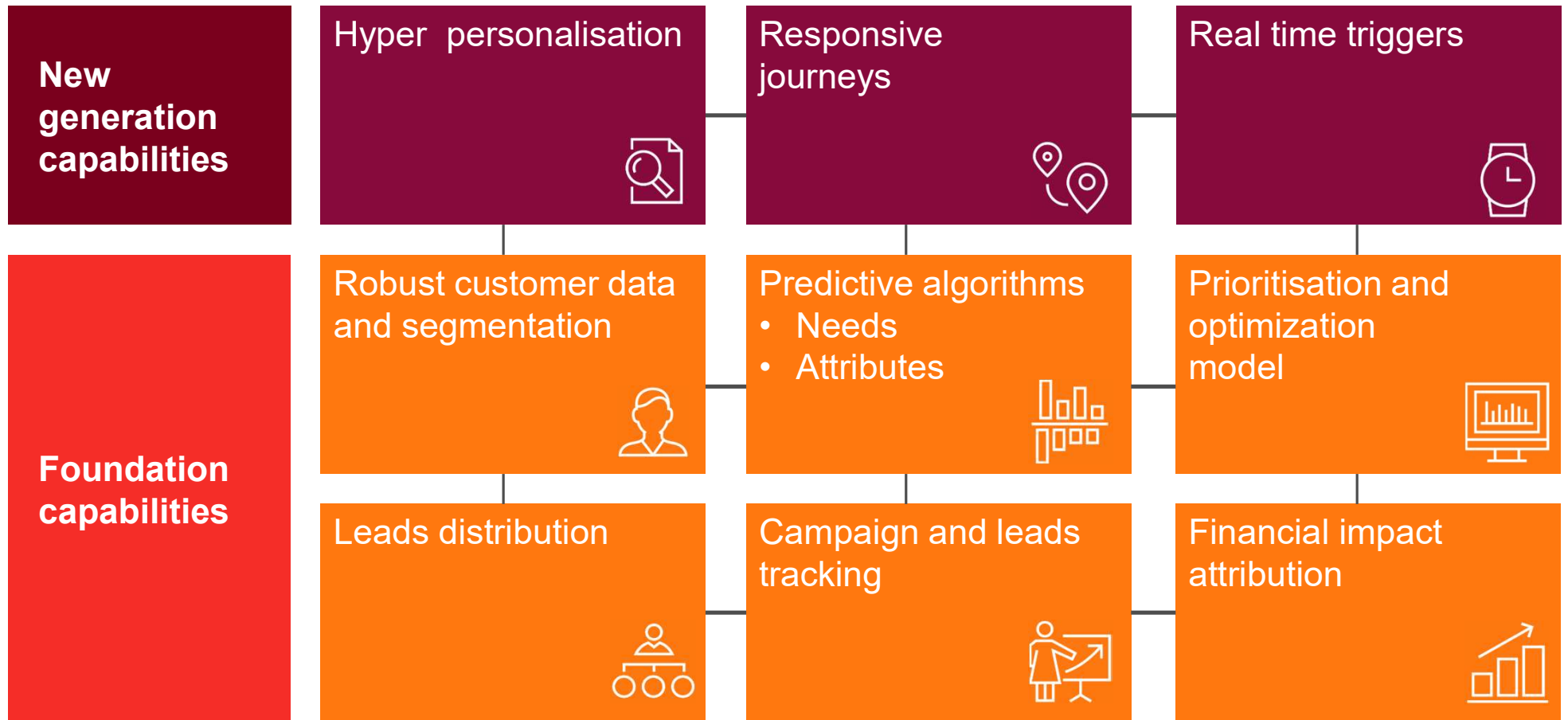


Automating processes



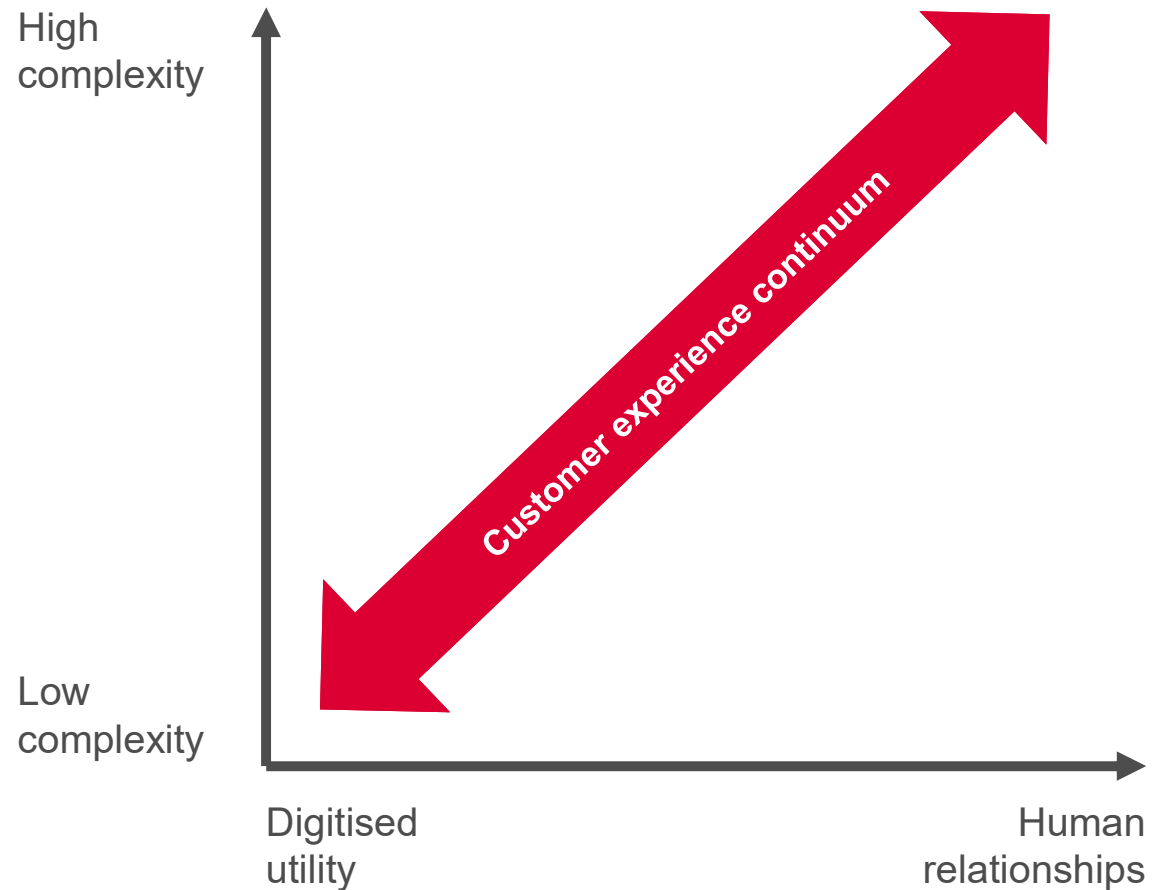
Data

Linking up new generation capabilities

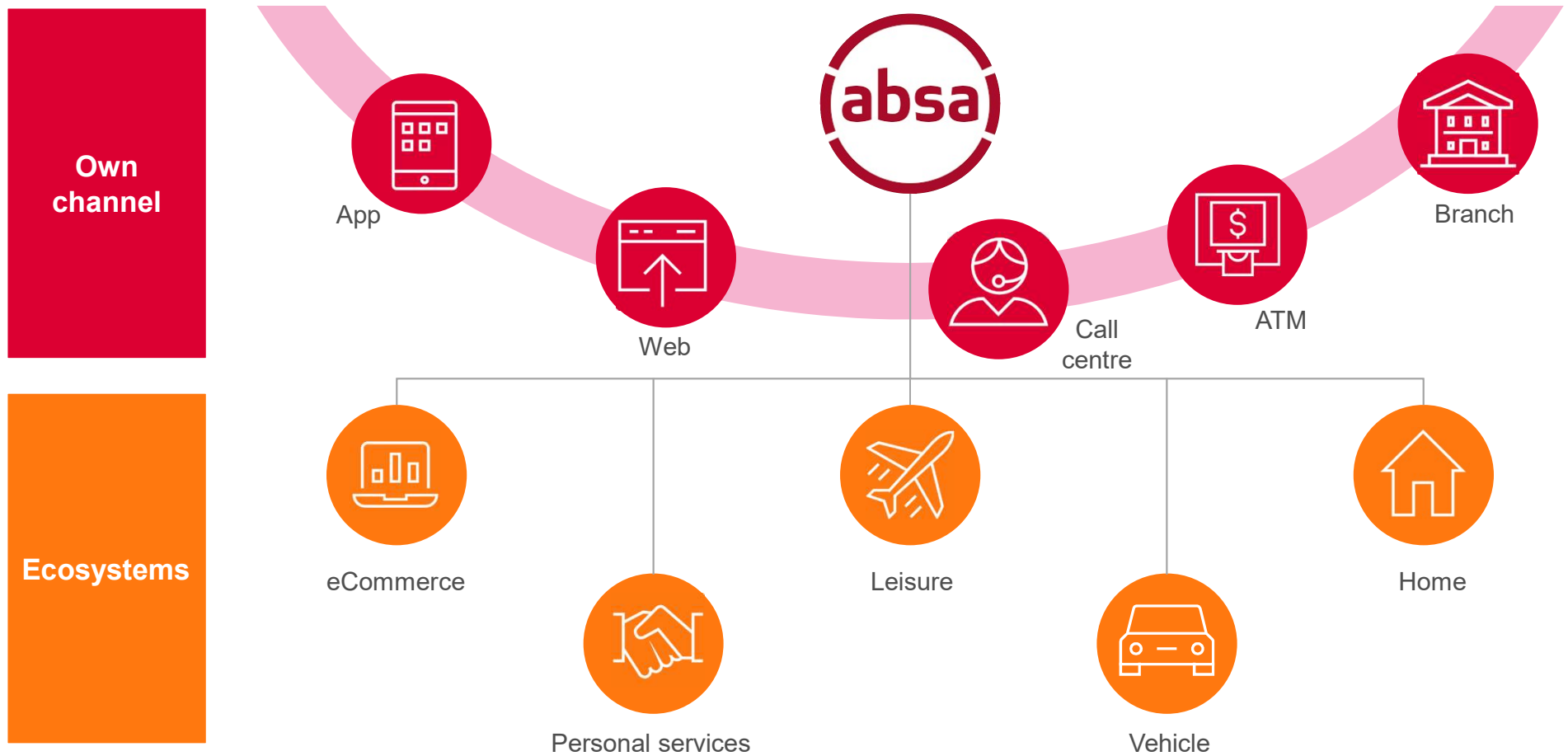


Future distribution model

**We believe in a future
where human
relationships have a
place in banking**



Open distribution strategy broadens our reach materially



Implemented state of the art data infrastructure and tools

R100m ↓

Reduction in data operating cost from decommissioning

10x ↑

Storage capacity

67

Source systems, 17m files, 1 pentabyte of data

700 000

Messages per second handled real time

Leveraging cloud based, real time, open source

Investment into R&D

Focus on capturing value through advanced use cases

“If you are not frontline, you are in service of the frontline”

Disclaimer

Forward-looking statements

Certain statements (words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘believes’, ‘intends’, ‘plans’, ‘may’, ‘will’ and ‘should’ and similar expressions in this document are forward looking. These relate to, among other things, the plans, objectives, goals, strategies, future operations and performance of Absa Group Limited and its subsidiaries. These statements are not guarantees of future operating, financial or other results and involve certain risks, uncertainties and assumptions and so actual results and outcomes may differ materially from these expressed or implied by such statements. We make no express or implied representation or warranty that the results we anticipated by such forward-looking statements will be achieved. These statements represent one of many possible scenarios and should not be viewed as the most likely or standard scenario. We are not obligated to update the historical information or forward looking statements in this document.