



Absa Group Limited

Pillar 3 risk management report
Additional disclosures tables
for the reporting period ended 31 December 2020



The [2020 Pillar 3 risk management report](#) for the reporting period ended 31 December 2020 provides the prescribed annual view of Absa Group Limited (the Group) regulatory capital and risk exposures. It complies with:

- The Basel Committee on Banking Supervision (BCBS) Pillar 3 disclosure requirements (Pillar 3 Standard).
- Regulation 43 of the Regulations relating to Banks (Regulations), issued in terms of the Banks Act, 1990 (Act No. 94 of 1990), where not superseded by the Pillar 3 disclosure requirements.

The report is supplemented with the Group's Pillar 3 additional disclosure tables.

Management and the members of the Group Risk and Capital Management Committee (GRCMC) reviewed the report. For the reporting period, the Board is satisfied that the Group's risk and capital management processes operated effectively and the Group is adequately capitalised and funded to support the execution of its strategy.

The information in this report is unaudited.

Additional disclosure tables

Composition of regulatory capital [CC1]	4
Reconciliation of regulatory capital to balance sheet [CC2]	10
Leverage ratio common disclosure template and summary [LR1, LR2]	14
Main features of regulatory capital instruments and of other TLAC-eligible instruments [CCA]	16
Liquidity coverage ratio common disclosure template and summary [LIQ1]	24
Net stable funding ratio [LIQ2]	26
Remuneration [REMA]; [REM1]; [REM2]; [REM3]	28



Composition of regulatory capital [CC1]

Group	a 31 Dec 2020		b	a 30 Jun 2020
	Amounts Rm	Ref. ¹		Amounts Rm
CET1 capital: instruments and reserves				
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	12 218	(e)	11 990
2	Retained earnings	95 345	(f)	90 059
3	Accumulated other comprehensive income (and other reserves)	8 099	(g)	14 092
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-		-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	3 755	(a)	4 577
6	CET1 capital before regulatory adjustments	119 417		120 718
CET1 capital: regulatory adjustments				
7	Prudent valuation adjustments	773		371
8	Goodwill (net of related tax liability)	743	(b)	768
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	9 442	(c)	9 380
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	165		505
11	Cash-flow hedge reserve	5 313		6 022
12	Shortfall of provisions to expected losses	-		-
13	Securitisation gain on sale (as set out in paragraph 36 of Basel III securitisation framework)	-		-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	(293)		(189)
15	Defined-benefit pension fund net assets	405		391
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-		-
17	Reciprocal cross-holdings in common equity	-		-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-		-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-		-
20	Mortgage servicing rights (amount above 10% threshold)	-		-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-		-
22	Amount exceeding the 15% threshold	-		-
23	of which: significant investments in the common stock of financials	-		-
24	of which: mortgage servicing rights	-		-
25	of which: deferred tax assets arising from temporary differences	-		-
26	National specific regulatory adjustments	373		652
27	Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		-
28	Total regulatory adjustment to CET1	16 921		17 900
29	CET1 capital	102 496		102 818
Additional Tier 1 capital: instruments				
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	7 004		5 795
31	of which: classified as equity under applicable accounting standards	7 004	(h)	5 795
32	of which: classified as liabilities under applicable accounting standards	-		-
33	Directly issued capital instruments subject to phase out from additional Tier 1	-		-

¹ References refer to the reconciliation of accounting capital to regulatory capital.



Composition of regulatory capital [CC1]

Group	a 31 Dec 2020		b	a 30 Jun 2020
	Amounts Rm	Ref. ¹		Amounts Rm
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	1 788			1 656
35 of which: instruments issued by subsidiaries subject to phase out	929	(h)		929
36 Additional Tier 1 capital before regulatory adjustments	8 792			7 451
Additional Tier 1 capital: regulatory adjustments				
37 Investments in own additional Tier 1 instruments	-			-
38 Reciprocal cross-holdings in additional Tier 1 instruments	-			-
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-			-
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-			-
41 National specific regulatory adjustments	(515)			(616)
42 Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-			-
43 Total regulatory adjustments to additional Tier 1 capital	(515)			(616)
44 Additional Tier 1 capital (AT1)	9 307			8 067
45 Tier 1 capital (T1 = CET1 + AT1)	111 803			110 885
Tier 2 capital instruments and provisions				
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	18 174	(d)		20 719
47 Directly issued capital instruments subject to phase out from Tier 2	-			-
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	2 447	(i)		2 428
49 of which: instruments issued by subsidiaries subject to phase out	2 447			2 428
50 Provisions	5 132			5 576
51 Tier 2 capital before regulatory adjustments	25 753			28 723
Tier 2 capital: regulatory adjustments				
52 Investments in own Tier 2 instruments	-			-
53 Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-			-
54 Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-			-
54a Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for GSIBs only)	-			-
55 Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-			-
56 National specific regulatory adjustments	102			197
57 Total regulatory adjustments to Tier 2 capital	102			197
58 Tier 2 capital (T2)	25 651			28 526
59 Total capital (TC = T1 + T2)	137 454			139 411
60 Total RWA	915 061			935 766
Capital ratios and buffers				
61 CET1 (as a percentage of RWA)	11.2			11.0
62 Tier 1 (as a percentage of RWA)	12.2			11.9
63 Total capital (as a percentage of RWA)	15.0			14.9

¹ References refer to the reconciliation of accounting capital to regulatory capital.



Composition of regulatory capital [CC1]

Group	a 31 Dec 2020		b	a 30 Jun 2020
	Amounts Rm	Ref. ¹		Amounts Rm
64	7.5			7.5
65	2.5			2.5
66	-			-
67	-			-
68	3.7			3.5
National minima (if different from Basel III)				
69	7.5			7.5
70	9.3			9.3
71	11.5			11.5
Amounts below the thresholds for deduction (before risk weighting)				
72	-			-
73	3 947			4 425
74	-			-
75	2 936			3 187
Applicable caps on the inclusion of provisions in Tier 2				
76	2 233			2 652
77	2 255			2 674
78	3 925			5 326
79	2 899			2 924
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2018 and 1 January 2022)				
80	-			-
81	-			-
82	929			929
83	-			-
84	3 222			3 222
85	-			-

¹ References refer to the reconciliation of accounting capital to regulatory capital.

² SARB Directive 4/2020 requires the D-SIB add on to be disclosed. Previously the disclosure of the D-SIB add on was not a disclosure requirement. Comparatives have been restated to allow for better comparability with prior period disclosures.



Composition of regulatory capital [CC1]

Bank	a 31 Dec 2020		b	a 30 Jun 2020
	Amounts Rm	Ref. ¹		Amounts Rm
CET1 capital: instruments and reserves				
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	37 184	(e)	37 184
2	Retained earnings	38 507	(f)	35 403
3	Accumulated other comprehensive income (and other reserves)	7 058	(g)	7 890
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-		-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-		-
6	CET1 capital before regulatory adjustments	82 749		80 477
CET1 capital: regulatory adjustments				
7	Prudent valuation adjustments	708		320
8	Goodwill (net of related tax liability)	112	(b)	112
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	8 987	(c)	8 886
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-		-
11	Cash-flow hedge reserve	5 315		6 025
12	Shortfall of provisions to expected losses	-		-
13	Securitisation gain on sale (as set out in paragraph 36 of Basel III securitisation framework)	-		-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	(293)		(189)
15	Defined-benefit pension fund net assets	393		395
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-		-
17	Reciprocal cross-holdings in common equity	-		-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-		-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-		-
20	Mortgage servicing rights (amount above 10% threshold)	-		-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-		-
22	Amount exceeding the 15% threshold	-		-
23	of which: significant investments in the common stock of financials	-		-
24	of which: mortgage servicing rights	-		-
25	of which: deferred tax assets arising from temporary differences	-		-
26	National specific regulatory adjustments	(524)		(524)
27	Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		-
28	Total regulatory adjustment to CET1	14 698		15 025
29	CET1 capital	68 051		65 452
Additional Tier 1 capital: instruments				
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	7 933	(h)	6 724
31	of which: classified as equity under applicable accounting standards	7 933		6 724
32	of which: classified as liabilities under applicable accounting standards	-		-
33	Directly issued capital instruments subject to phase out from additional Tier 1	4 644		4 644
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	-		-

¹ References refer to the reconciliation of accounting capital to regulatory capital.



Composition of regulatory capital [CC1]

Bank	a		b	a
	31 Dec 2020	Amounts Rm	Ref. ¹	30 Jun 2020
				Amounts Rm
35 of which: instruments issued by subsidiaries subject to phase out	-			-
36 Additional Tier 1 capital before regulatory adjustments	7 933			6 724
Additional Tier 1 capital: regulatory adjustments				
37 Investments in own additional Tier 1 instruments	-			-
38 Reciprocal cross-holdings in additional Tier 1 instruments	-			-
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-			-
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-			-
41 National specific regulatory adjustments	-			-
42 Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-			-
43 Total regulatory adjustments to additional Tier 1 capital	-			-
44 Additional Tier 1 capital (AT1)	7 933			6 724
45 Tier 1 capital (T1 = CET1 + AT1)	75 984			72 176
Tier 2 capital instruments and provisions				
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	18 174	(d)		20 719
47 Directly issued capital instruments subject to phase out from Tier 2	2 447	(d)		2 428
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-			-
49 of which: instruments issued by subsidiaries subject to phase out	-			-
50 Provisions	2 805			2 733
51 Tier 2 capital before regulatory adjustments	23 426			25 880
Tier 2 capital: regulatory adjustments				
52 Investments in own Tier 2 instruments	-			-
53 Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-			-
54 Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-			-
54a Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for GSIBs only)	-			-
55 Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-			-
56 National specific regulatory adjustments	-			-
57 Total regulatory adjustments to Tier 2 capital	-			-
58 Tier 2 capital (T2)	23 426			25 880
59 Total capital (TC = T1 + T2)	99 410			98 056
60 Total RWA	640 044			619 412
Capital ratios and buffers				
61 CET1 (as a percentage of RWA)	10.6			10.6
62 Tier 1 (as a percentage of RWA)	11.9			11.7
63 Total capital (as a percentage of RWA)	15.6			15.8

¹ References refer to the reconciliation of accounting capital to regulatory capital.



Composition of regulatory capital [CC1]

Bank	a 31 Dec 2020		b	a 30 Jun 2020
	Amounts Rm	Ref. ¹		Amounts Rm
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of RWA) ²			
65	of which: capital conservation buffer requirement			
66	of which: bank-specific countercyclical buffer requirement			
67	of which: higher loss absorbency requirement			
68	CET1 available to meet buffers (as a percentage of RWA) available after meeting the bank's minimum capital requirements ²			
National minima (if different from Basel III)				
69	National CET1 minimum ratio (if different from Basel III minimum)			
70	National Tier 1 minimum ratio (if different from Basel III minimum)			
71	National total capital minimum ratio (if different from Basel III minimum)			
Amounts below the thresholds for deduction (before risk weighting)				
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities			
73	Significant investments in the common stock of financial entities			
74	Mortgage servicing rights (net of related tax liability)			
75	Deferred tax assets arising from temporary differences (net of related tax liability)			
Applicable caps on the inclusion of provisions in Tier 2				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)			
77	Cap on inclusion of provisions in Tier 2 under standardised approach			
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (IRBA) (prior to application of cap)			
79	Cap for inclusion of provisions in Tier 2 under internal ratings based approach			
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2018 and 1 January 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

¹ References refer to the reconciliation of accounting capital to regulatory capital.

² SARB Directive 4/2020 requires the D-SIB add on to be disclosed. Previously the disclosure of the D-SIB add on was not a disclosure requirement. Comparatives have been restated to allow for better comparability with prior period disclosures.



Reconciliation of regulatory capital to balance sheet [cc2]

Group	31 Dec 2020			30 Jun 2020	
	a	b	c	a	b
	Accounting balance sheet per published financial statements ¹ Rm	Balance sheet per regulatory scope of consolidation ¹ Rm	Ref. ²	Accounting balance sheet per published financial statements ¹ Rm	Balance sheet per regulatory scope of consolidation ¹ Rm
Assets					
Cash, cash balances and balances with central banks	60 682	57 597		62 393	59 024
Investment securities	153 504	148 799		156 665	152 970
Loans and advances to banks	84 538	83 485		113 168	111 397
Trading portfolio assets	213 521	213 518		200 087	200 080
Hedging portfolio assets	11 000	11 000		11 260	11 260
Other Assets	20 417	19 591		31 694	30 731
Current tax assets	865	705		1 993	1 966
Non-current assets held for sale	144	144		212	55
Loans and advances to customers	929 969	929 969		932 293	932 293
Reinsurance assets	680	-		745	(4 704)
Investment linked to Investment contracts	21 273	-		20 316	-
Investments in associates and joint ventures	1 601	1 601		1 640	1 640
Goodwill and intangible assets	11 050	10 185		10 917	10 419
of which goodwill	856	743	(b)	902	768
of which other intangibles	10 194	9 969	(c)	10 015	9 812
net of deferred tax	-	(528)	(c)	-	(431)
Investment properties	496	258		555	263
Property and equipment	17 094	17 015		19 026	18 937
Deferred tax assets	4 286	4 133		3 355	3 125
Total Assets	1 531 120			1 566 319	

¹ Relates to Absa Group Limited balance sheet, including insurance entities.

² References to composition of capital disclosure table.



Reconciliation of regulatory capital to balance sheet [cc2]

Group	31 Dec 2020			30 Jun 2020	
	a	b	c	a	b
	Accounting balance sheet per published financial statements ¹ Rm	Balance sheet per regulatory scope of consolidation ¹ Rm	Ref. ²	Accounting balance sheet per published financial statements ¹ Rm	Balance sheet per regulatory scope of consolidation ¹ Rm
Liabilities					
Deposits from banks	96 106	96 106		108 774	108 774
Trading portfolio liabilities	108 976	108 976		106 651	106 651
Hedging portfolio liabilities	4 868	4 868		3 824	2 572
Other liabilities	33 905	32 688		57 958	57 885
Provisions	3 959	3 876		2 449	2 405
Current tax liabilities	290	278		299	128
Non-current liabilities held for sale	-	-		171	171
Deposits due to customers	951 894	951 894		919 620	919 620
Debt securities in issue	145 740	145 740		178 795	178 452
Liabilities under investment contracts	27 533	3 262		27 687	26 748
Policyholder liabilities under insurance contracts	4 198	2 164		4 422	-
Borrowed funds	20 761	20 621		23 299	23 147
of which directly issued qualifying Tier 2 instruments		18 174	(d)		20 719
of which relates to subsidiaries		2 447	(i)		2 428
Deferred tax liabilities	587	293		424	424
Total Liabilities	1 398 817			1 434 373	
Equity					
Capital and reserves					
Attributable to ordinary equity holders:					
Paid-in share capital	12 218	12 218	(e)	11 990	11 990
Retained earnings including unappropriated profits	95 345	95 345		90 150	90 150
of which amount eligible for CET1	-	95 345	(f)	-	90 059
of which unappropriated profits	-	-		-	91
Accumulated other comprehensive income	8 108	8 099	(g)	14 063	14 092
Non-controlling Interest - Ordinary shares	4 984	4 614		5 304	5 304
of which relate to eligible CET1	-	3 755	(a)	-	4 577
of which relates to eligible AT1	-	859		-	727
Non-controlling Interest - Preference shares	4 644	929	(h)	4 644	929
Non-controlling Interest - Additional Tier 1 Capital	7 004	7 004	(h)	5 795	5 795
Total Equity	132 303			131 946	
Total liabilities and equity	1 531 120			1 566 319	

¹ Relates to Absa Group Limited balance sheet, including insurance entities.

² References to composition of capital disclosure table.



Reconciliation of regulatory capital to balance sheet [cc2]

Bank	2020			2019	
	a Accounting balance sheet per published financial statements Rm	b Balance sheet per regulatory scope of consolidation ¹ Rm	c Ref. ¹	a Accounting balance sheet per published financial statements Rm	b Balance sheet per regulatory scope of consolidation Rm
Assets					
Cash, cash balances and balances with central banks	33 812	33 812		31 761	31 761
Investment securities	99 489	99 489		100 343	100 343
Loans and advances to banks	66 113	66 113		91 441	91 441
Trading portfolio assets	166 148	166 148		158 650	158 650
Hedging portfolio assets	10 998	10 998		11 256	11 256
Other Assets	14 819	14 819		18 804	18 804
Current tax assets	273	273		1 229	1 229
Non-current assets held for sale	136	136		44	44
Loans and advances to customers	811 162	811 162		796 592	796 592
Loans to Abs Group companies	56 145	56 145		54 535	54 535
Investment linked to Investment contracts	-	-		-	-
Investments in associates and joint ventures	1 601	1 601		1 640	1 640
Goodwill and intangible assets	9 626	9 089		9 430	8 999
of which goodwill	112	112	(b)	112	112
of which other intangibles	9 514	9 514	(c)	9 318	9 318
net of deferred tax	-	(528)	(c)	-	(431)
Investment properties	-	-		-	-
Property and equipment	13 923	13 923		15 279	15 279
Deferred tax assets	2 030	2 030		772	772
Total Assets	1 286 275			1 291 776	

¹ References to composition of capital disclosure table.



Reconciliation of regulatory capital to balance sheet [cc2]

Bank	2020		c	2019	
	a	B		a	b
	Accounting balance sheet per published financial statements	Balance sheet per regulatory scope of consolidation	Ref. ¹	Accounting balance sheet per published financial statements	Balance sheet per regulatory scope of consolidation
	Rm	Rm		Rm	Rm
Liabilities					
Deposits from banks	96 033	96 033		111 127	111 127
Trading portfolio liabilities	105 967	105 967		102 559	102 559
Hedging portfolio liabilities	4 868	4 868		3 824	3 834
Other liabilities	22 475	22 475		38 174	38 174
Provisions	2 855	2 855		1 380	1 380
Current tax liabilities	3	3		8	8
Non-current liabilities held for sale	-	-		-	-
Deposits due to customers	794 887	794 887		745 030	745 030
Debt securities in issue	144 159	144 159		175 593	175 593
Borrowed funds	20 621	20 621	(d)	23 147	23 147
Deferred tax liabilities	8	8		15	15
Total Liabilities	1 191 876			1 200 857	
Equity					
Capital and reserves					
Attributable to ordinary equity holders:					
Paid-in share capital	37 184	37 184		37 184	37 184
Retained earnings including unappropriated profits	38 507	38 507		35 403	35 403
of which amount eligible for CET1	-	38 507	(f)	-	35 403
of which unappropriated profits	-	-		-	-
Accumulated other comprehensive income	7 058	7 058	(g)	7 891	7 890
Non-controlling Interest - Ordinary shares	3	-		3	-
Non-controlling Interest - Preference shares	4 643	929	(h)	4 643	929
Non-controlling interest – Additional Tier 1 capital	7 004	7 004	(h)	5 795	5 795
Total Equity	94 399			90 919	
Total liabilities and equity	1 286 275			1 291 776	

¹ References to composition of capital disclosure table.



Leverage ratio common disclosure template and summary [LR1, LR2]

LR1: Summary comparison of accounting assets versus leverage ratio exposure measure

	Group		Bank	
	a	b	a	b
	31 Dec 2020	30 Sep 2020	31 Dec 2020	30 Sep 2020
	Rm	Rm	Rm	Rm
1 Total consolidated assets	1 531 120	1 582 826	1 286 275	1 303 520
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(34 658)	(35 524)	-	-
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-	-
4 Adjustments for derivative financial instruments	(43 888)	(30 213)	(43 173)	(29 181)
5 Adjustments for securities financing transactions (i.e. repos and similar secured lending)	-	-	-	-
6 Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	120 386	229 009	98 753	184 967
7 Other adjustments	(12 523)	(12 321)	(10 867)	(9 626)
8 Leverage ratio exposure measure	1 560 437	1 733 777	1 330 988	1 449 680



Leverage ratio common disclosure template and summary [LR1, LR2]

LR2: Leverage ratio common disclosure template

	Group		Bank	
	a	b	a	b
	31 Dec 2020	30 Sep 2020	31 Dec 2020	30 Sep 2020
	Rm	Rm	Rm	Rm
On-balance sheet exposures				
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1 310 476	1 378 220	1 101 141	1 136 861
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(11 534)	(11 471)	(10 015)	(9 964)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)	1 298 942	1 366 749	1 091 126	1 126 897
Derivative exposures				
4 Replacement cost associated with all derivative transactions (where applicable net of eligible cash variation margin and/ or with bilateral netting)	34 719	26 634	34 719	26 634
5 Add-on amounts for PFE associated with all derivative transactions	26 539	29 494	26 539	29 494
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-
7 (Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-	-
8 (Exempted CCP leg of client-cleared trade exposures)	-	-	-	-
9 Adjusted effective notional amount of written credit derivative	7 139	8 854	7 139	8 854
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-
11 Total derivative exposures (sum of rows 4 to 10)	68 397	64 982	68 397	64 982
Security financing transaction exposures				
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	72 712	73 037	72 712	72 834
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-
14 CCR exposure for SFT assets	-	-	-	-
15 Agent transaction exposures	-	-	-	-
16 Total securities financing transaction exposures (sum of rows 12 to 15)	72 712	73 037	72 712	72 834
Other off-balance sheet exposures				
17 Off-balance sheet exposures at gross notional amount	355 205	374 591	300 606	312 787
18 (Adjustments for conversion to credit equivalent amounts)	(234 819)	(145 582)	(201 853)	(127 820)
19 Off-balance sheet items (sum of rows 17 and 18)	120 386	229 009	98 753	184 967
Capital and total exposures				
20 Tier 1 capital (excluding unappropriated profits)	1 111 803	1 112 189	75 984	73 043
21 Total exposures (sum of lines 3, 11, 16 and 19) excluding IFRS 9 adjustment	1 560 437	1 733 777	1 330 988	1 449 680
Leverage ratio				
22 Basel III leverage ratio¹	7.2	6.5	5.7	5.0

¹ Numbers reported are on a regulatory quarter-end basis.



Composition of regulatory capital 2

Reconciliation of regulatory capital to balance sheet 8

Leverage ratio common disclosure 12

Main features of regulatory capital instruments 15

Liquidity coverage ratio common disclosure 23

Net stable funding ratio 25

Remuneration 28

Main features of regulatory capital instruments and of other TLAC-eligible instruments [CCA]

Group	1	2	3	4	5	6	7	8	9	10	11
1 Issuer	Absa Group Limited	Absa Bank Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Bank Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ZAE000255915	ZAE000079810	ZAG000146531	ZAG000154527	ZAG000159476	ZAG000164906	ZAG00073669	ZAG000129354	ZAG000129362	ZAG000129388	ZAG000129396
3 Governing law(s) of the instrument	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa
3a Means by which enforceability requirement of Section 13 of the TLAC term sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	-	-	-	-	-	-	-	-	-	-	-
Regulatory treatment											
4 Transitional Basel III rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5 Post-transitional Basel III rules	Common Equity Tier 1	Ineligible	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Ineligible	Tier 2	Tier 2	Tier 2	Tier 2
6 Eligible at solo/Group /Group and solo	Group	Solo and Group	Group	Group	Group	Group	Solo and Group	Group	Group	Group	Group
7 Instrument type (types to be specified by each jurisdiction)	Ordinary share capital and premium	Preference share capital and premium	Additional Tier 1 Callable Notes	Additional Tier 1 Callable Notes	Additional Tier 1 Callable Notes	Additional Tier 1 Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes
8 Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	R11 990	R929	R1 500	R1 241	R1 678	R1 376	R2 428	R530	R439	R831	R30
9 Par value of instrument	R1 694	R2	R1 500	R1 241	R1 678	R1 376	R845	R508	R437	R737	R30
10 Accounting classification	Share holders' equity	Share holders' equity	Share holders' equity	Share holders' equity	Share holders' equity	Share holders' equity	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11 Original date of issuance	1986	2006 and 2007	11 Sep 2017	09 Oct 2018	28 May 2019	05 Dec 2019	10 Dec 2009	03 Sep 2015	03 Sep 2015	03 Sep 2015	03 Sep 2015
12 Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	NA	NA	NA	NA	NA	NA	07 Dec 2028	04 Sep 2025	04 Sep 2025	03 Sep 2027	03 Sep 2027
14 Issuer call subject to prior supervisory approval	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	NA	NA	12 Sep 2022, R1 500	10 Oct 2023, R1 241	28 Nov 2024, R1 678	05 Jun 2025, R1 376	07 Dec 2023, R845	04 Sep 2020, R508	04 Sep 2020, R437	03 Sep 2022, R737	03 Sep 2022, R30
16 Subsequent call dates, if applicable	NA	NA	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	NA	Semi annually after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Semi annually after the first optional call date until maturity	Quarterly after the first optional call date until maturity
Coupons / dividends											
17 Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating	Floating	Floating	Floating	Floating	Fixed	Floating	Floating



Main features of regulatory capital instruments and of other TLAC-eligible instruments [CCA]

12	13	14	15	16	17	18	19	20	21	22	23	24
Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited	Absa Group Limited
ZAG000129966	ZAG000138801	ZAG000138819	ZAG000140203	ZAG000142746	ZAG000144254	ZAG000146002	ZAG000147018	ZAG000147026	XS1799058174	ZAG000155615	ZAG000158452	ZAG000166125
South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	United Kingdom ¹	South Africa	South Africa	South Africa
-	-	-	-	-	-	-	-	-	-	-	-	-
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Group	Group	Group	Group	Group	Group	Group	Group	Group	Group	Group	Group	Group
Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes
R299	R1 525	R152	R507	R644	R504	R394	R295	R1 014	USD400	R1 509	R1 607	R2 697
R288	R1 510	R140	R500	R642	R500	R390	R295	R1 014	USD400	R1 500	R1 580	R2 676
Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
28 Sep 2015	19 Aug 2016	19 Aug 2016	02 Nov 2016	16 Mar 2017	24 May 2017	14 Aug 2017	29 Sep 2017	29 Sep 2017	25 April 2018	28 Nov 2018	10 Apr 2019	17 Feb 2020
Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
29 Sep 2025	20 Aug 2026	20 Aug 2026	03 Nov 2026	17 Mar 2027	25 May 2027	14 Aug 2029	30 Sep 2027	29 Sep 2029	25 April 2028	29 Nov 2028	11 Apr 2029	17 May 2030
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
29 Sep 2020, R288	20 Aug 2021, R1 510	20 Aug 2021, R140	03 Nov 2021, R500	17 Mar 2022, R642	25 May 2022, R500	14 Aug 2024, R390	30 Sep 2022, R295	29 Sep 2024, R1 014	25 April 2023, USD400	29 Nov 2023, R1 500	11 Apr 2024, R1 580	17 May 2025, R2 676
Semi annually after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Semi annually after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Semi annually after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity
Fixed	Floating	Fixed	Floating	Floating	Floating	Floating	Floating	Floating	Fixed	Floating	Floating	Floating

¹ Except certain provisions under South African law.



Composition of regulatory capital 2

Reconciliation of regulatory capital to balance sheet 8

Leverage ratio common disclosure 12

Main features of regulatory capital instruments 15

Liquidity coverage ratio common disclosure 23

Net stable funding ratio 25

Remuneration 28

Main features of regulatory capital instruments and of other TLAC-eligible instruments [CCA]

	1	2	3	4	5	6	7	8	9	10	11	
18 Coupon rate and any related index	NA	70% of the prime overdraft lending rate	3M JIBAR +565bps	3M JIBAR +475bps	3M JIBAR +450bps	3M JIBAR +425bps	3M JIBAR +455bps	5.5 % indexed to ZAR revised CPI	11.810%	3M JIBAR +360bps	3M JIBAR +400bps	
19 Existence of a dividend stopper	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	
21 Existence of step up or other incentive to redeem	NA	No	No	No	No	No	No	Yes	No	No	No	
22 Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	
23 Convertible or non-convertible	NA	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	
24 If convertible, conversion trigger (s)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
25 If convertible, fully or partially	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
26 If convertible, conversion rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
27 If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
28 If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
29 If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
30 Write-down feature	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	
31 If write-down, write-down trigger(s)	NA	NA	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	NA	At SARB's discretion	At SARB's discretion	At SARB's discretion	
32 If write-down, full or partial	NA	NA	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	NA	Full or partial	Full or partial	Full or partial	
33 If write-down, permanent or temporary	NA	NA	Permanent	Permanent	Permanent	Permanent	Permanent	NA	Permanent	Permanent	Permanent	
34 If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
34a Type of subordination	-	-	-	-	-	-	-	-	-	-	-	
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarch of the legal entity concerned)	Columns 8 to 24 then Columns 2 to 8	Columns 8 to 24	Columns 8 to 24	Columns 8 to 24	Columns 8 to 24	Columns 8 to 24	Columns 8 to 24	Columns 8 to 24	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes
36 Non-compliant transitioned features	NA	Yes	NA	NA	NA	NA	NA	Yes	NA	NA	NA	
37 If yes, specify non-compliant features	NA	Loss absorbency criteria and point of non-viability	NA	NA	NA	NA	NA	Loss absorbency criteria and point of non-viability	NA	NA	NA	



Main features of regulatory capital instruments and of other TLAC-eligible instruments [CCA]

12	13	14	15	16	17	18	19	20	21	22	23	24
12.430%	3M JIBAR +400bps	11.740%	3M JIBAR +400bps	3M JIBAR +378bps	3M JIBAR +385bps	3M JIBAR +385bps	3M JIBAR +315bps	3M JIBAR +345bps	6.250%	3M JIBAR +245bps	3M JIBAR +240bps	3M JIBAR +213bps
No	7	No	No	No	No	No	No	No	No	No	No	No
Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
No	No	No	No	No	No	No	No	No	No	No	No	No
Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion
Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial
Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
NA	NA	NA	NA	NA	NA	NA	NA	NA	N/A	N/A	NA	NA
-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes	Deposits and other general debits of the bank including non-subordinated notes
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



Composition of regulatory capital 2

Reconciliation of regulatory capital to balance sheet 8

Leverage ratio common disclosure 12

Main features of regulatory capital instruments 15

Liquidity coverage ratio common disclosure 23

Net stable funding ratio 25

Remuneration 28

Main features of regulatory capital instruments and of other TLAC-eligible instruments [CCA]

Bank	1	2	3	4	5	6	7	8	9	10	11	12
1 Issuer	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ZAE000 079810	ZAE000 079810	ZAG000 146465	ZAG000 154519	ZAG000 159484	ZAG000 164955	ZAG000 171976	ZAG000 073669	ZAG000 129438	ZAG000 129446	ZAG000 136045	ZAG000 136052
3 Governing law(s) of the instrument	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa
3a Means by which enforceability requirement of Section 13 of the TLAC term sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	-	-	-	-	-	-	-	-	-	-	-	-
Regulatory treatment												
4 Transitional Basel III rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5 Post-transitional Basel III rules	Common Equity Tier 1	Ineligible	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Ineligible	Tier 2	Tier 2	Tier 2	Tier 2
6 Eligible at Solo/Group /Group & Solo	Solo	Solo and Group	Solo	Solo	Solo	Solo	Solo	Solo and Group	Solo	Solo	Solo	Solo
7 Instrument type (types to be specified by each jurisdiction)	Ordinary share capital and premium	Preference share capital and premium	Additional Tier 1 Callable Notes	Additional Tier 1 Callable Notes	Additional Tier 1 Callable Notes	Additional Tier 1 Callable Notes	Additional Tier 1 Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes	Subordinated Callable Notes
8 Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	R37 184	R929	R1 500	R1 241	R1 678	R1 376	R1 209	R2 428	R831	R30	R31	212
9 Par value of instrument	R304	R2	R1 500	R1 241	R1 678	R1 376	R1 209	R845	R737	R30	R31	R200
10 Accounting classification	Share holders' equity	Share holders' equity	Share holders' equity	Share holders' equity	Share holders' equity	Share holders' equity	Share holders' equity	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11 Original date of issuance	1986	2006 and 2007	11 Sep 2017	09 Oct 2018	28 May 2019	05 Dec 2019	26 Oct 2020	10 Dec 2009	03 Sep 2015	03 Sep 2015	4 May 2016	4 May 2016
12 Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	NA	NA	NA	NA	NA	NA	NA	07 Dec 2028	03 Sep 2027	03 Sep 2027	5 May 2026	5 May 2026
14 Issuer call subject to prior supervisory approval	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	NA	NA	12 Sep 2022, R1 500	10 Oct 2023, R1 241	28 Nov 2024, R1 678	05 Jun 2025, R1 376	27 Oct 2025, R1 209	07 Dec 2023, R845	03 Sep 2022, R737	03 Sep 2022, R30	5 May 2021, R31	5 May 2021, R200
16 Subsequent call dates, if applicable	NA	NA	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	NA	Semi annually after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Semi annually after the first optional call date until maturity



Main features of regulatory capital instruments and of other TLAC-eligible instruments [CCA]

13	14	15	16	17	18	19	20	21	22	23	24
Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited	Absa Bank Limited
ZAG000 138835	ZAG000 138827	ZAG000 140211	ZAG000 142753	ZAG000 144247	ZAG000 146010	ZAG000 147042	ZAG000 147034	NA	ZAG000 155722	ZAG000 158494	ZAG000 166174
South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa	South Africa
-	-	-	-	-	-	-	-	-	-	-	-
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo
Sub-ordinated Callable Notes	Sub-ordinated Callable Notes	Sub-ordinated Callable Notes	Sub-ordinated Callable Notes	Sub-ordinated Callable Notes	Sub-ordinated Callable Notes	Sub-ordinated Callable Notes	Sub-ordinated Callable Notes	Sub-ordinated Loan	Sub-ordinated Callable Notes	Sub-ordinated Callable Notes	Sub-ordinated Callable Notes
R1 525	R152	R507	R644	R504	R394	R295	R1 014	USD400	R1 509	R1 607	R2 697
R1 510	R140	R500	R642	R500	R390	R295	R1 014	USD400	R1 500	R1 580	R2 676
Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
19 Aug 2016	19 Aug 2016	02 Nov 2016	16 Mar 2017	24 May 2017	14 Aug 2017	29 Sep 2017	29 Sep 2017	25 April 2018	28 Nov 2018	10 Apr 2019	17 Feb 2020
Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
20 Aug 2026	20 Aug 2026	03 Nov 2026	17 Mar 2027	25 May 2027	14 Aug 2029	30 Sep 2027	29 Sep 2029	25 April 2028	29 Nov 2028	11 Apr 2029	17 May 2030
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
20 Aug 2021, R1 510	20 Aug 2021, R140	03 Nov 2021, R500	17 Mar 2022, R642	25 May 2022, R500	14 Aug 2024, R390	30 Sep 2022, R295	29 Sep 2024, R1 014	25 April 2023, USD400	29 Nov 2023, R1 500	11 Apr 2024, R1 580	17 May 2025, R2 676
Quarterly after the first optional call date until maturity	Semi annually after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Semi annually after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity	Quarterly after the first optional call date until maturity



Composition of regulatory capital 2

Reconciliation of regulatory capital to balance sheet 8

Leverage ratio common disclosure 12

Main features of regulatory capital instruments 15

Liquidity coverage ratio common disclosure 23

Net stable funding ratio 25

Remuneration 28

Main features of regulatory capital instruments and of other TLAC-eligible instruments [CCA]

	1	2	3	4	5	6	7	8	9	10	11	12
Coupons / dividends												
17 Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating	Floating	Floating	Floating	Floating	Fixed	Floating	Floating	Fixed
18 Coupon rate and any related index	NA	70% of the prime overdraft lending rate	3M JIBAR +565bps	3M JIBAR +475bps	3M JIBAR +450bps	3M JIBAR +425bps	3M JIBAR +455bps	5.5 % indexed to ZAR revised CPI	11.810%	3M JIBAR +360bps	3M JIBAR +400bps	12.430%
19 Existence of a dividend stopper	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21 Existence of step up or other incentive to redeem	NA	No	No	No	No	No	No	Yes	No	No	No	No
22 Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23 Convertible or non-convertible	NA	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger(s)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
25 If convertible, fully or partially	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
26 If convertible, conversion rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
27 If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
28 If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
29 If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
30 Write-down feature	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
31 If write-down, write-down trigger(s)	NA	NA	At SARb's discretion	At SARb's discretion	At SARb's discretion	At SARb's discretion	At SARb's discretion	NA	At SARb's discretion	At SARb's discretion	At SARb's discretion	At SARb's discretion
32 If write-down, full or partial	NA	NA	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	NA	Full or partial	Full or partial	Full or partial	Full or partial
33 If write-down, permanent or temporary	NA	NA	Permanent	Permanent	Permanent	Permanent	Permanent	NA	Permanent	Permanent	Permanent	Permanent
34 If temporary write-own, description of write-up mechanism	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
34a Type of subordination	-	-	-	-	-	-	-	-	-	-	-	-
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarch of the legal entity concerned)	Columns 7 to 24, then Columns 2 to 6	Columns 7 to 24	Columns 7 to 24	Columns 7 to 24	Columns 7 to 24	Columns 7 to 24	Columns 7 to 24	Deposits and other general debits of the bank including non-Sub-ordinated notes	Deposits and other general debits of the bank including non-Sub-ordinated notes	Deposits and other general debits of the bank including non-Sub-ordinated notes	Deposits and other general debits of the bank including non-Sub-ordinated notes	Deposits and other general debits of the bank including non-Sub-ordinated notes
36 Non-compliant transitioned features	NA	Yes	NA	NA	NA	NA	NA	Yes	NA	NA	NA	NA
37 If yes, specify non-compliant features	NA	Loss absorbency criteria and point of non-viability	NA	NA	NA	NA	NA	Loss absorbency criteria and point of non-viability	NA	NA	NA	NA



Main features of regulatory capital instruments and of other TLAC-eligible instruments [CCA]

13	14	15	16	17	18	19	20	21	22	23	24	25	26
Floating	Fixed	Floating	Floating	Floating	Floating	Floating	Floating	Fixed	Floating	Floating	Floating	Floating	Fixed
3M JIBAR +400bps	11.740%	3M JIBAR +400bps	3M JIBAR +378bps	3M JIBAR +385bps	3M JIBAR +385bps	3M JIBAR +315bps	3M JIBAR +345bps	6.250%	3M JIBAR +245bps	3M JIBAR +240bps	3M JIBAR +213bps	3M JIBAR +400bps	11.740%
No	No	No	No	No	No	No	No	No	No	No	No	No	No
Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
No	No	No	No	No	No	No	No	No	No	No	No	No	No
Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion	At SARB's discretion
Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial
Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes	Deposits and other general debits of the bank including non-Subordinated notes
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



Liquidity coverage ratio common disclosure template and summary [LIQ1]

Group	a		b		a		b	
	2020		2019		2020		2019	
	Total unweighted value (average) Rm	Total weighted value (average) Rm	Total unweighted value (average) Rm	Total weighted value (average) Rm	Total unweighted value (average) Rm	Total weighted value (average) Rm	Total unweighted value (average) Rm	Total weighted value (average) Rm
High-quality liquid assets (HQLA)								
1 Total HQLA		213 637					182 093	
Cash outflows								
2 Retail deposits and deposits from small business customers, of which:	386 685	29 018	368 736	27 450				
3 Stable deposits	-	-	-	-				
4 Less stable deposits	386 685	29 018	368 736	27 450				
5 Unsecured wholesale funding, of which:	448 325	227 388	332 359	169 814				
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	149 093	37 273	110 946	27 736				
7 Non-operational deposits (all counterparties)	291 890	182 773	212 101	132 766				
8 Unsecured debt	7 342	7 342	9 312	9 312				
9 Secured wholesale funding		125	-	748				
10 Additional requirements, of which:	310 373	42 094	309 447	31 895				
11 Outflows related to derivative exposures and other collateral requirements	19 690	19 690	9 482	9 482				
12 Outflows related to loss of funding on debt products	-	-	-	-				
13 Credit and liquidity facilities	290 683	22 404	299 965	22 413				
14 Other contractual funding obligations	-	-	-	-				
15 Other contingent funding obligations	172 386	7 568	178 278	8 557				
16 Total cash outflows		306 193					-	238 464
Cash inflows								
17 Secured lending (e.g. reverse repos)	30 262	2 411	28 195	5 072				
18 Inflows from fully performing exposures	133 547	114 330	120 271	90 714				
19 Other cash inflows	13 305	12 317	8 213	7 168				
20 Total cash inflows	177 114	129 058	156 679	102 954				
		Total weighted value		Total weighted value				
High-quality liquid assets (HQLA)								
21 Total HQLA (Rm)		213 637					182 093	
22 Total net cash outflows (Rm)		177 135					135 510	
23 LCR (%)¹		120.6					134.4	

¹ The Group LCR reflects an aggregation of the Absa Bank LCR and the LCR of the Absa Regional Operations. For this purpose, a simple average of the relevant 3 month-end data points is used in respect of Absa Regional Operations. In respect of Absa Bank, the LCR was calculated as a simple average of 90 calendar-day LCR observations.



Liquidity coverage ratio common disclosure template and summary [LIQ1]

Bank	a		b		a		b	
	2020		2019		2019		2019	
	Total unweighted value (average) Rm	Total weighted value (average) Rm	Total unweighted value (average) Rm	Total weighted value (average) Rm	Total unweighted value (average) Rm	Total weighted value (average) Rm	Total unweighted value (average) Rm	Total weighted value (average) Rm
High-quality liquid assets (HQLA)								
1 Total HQLA		194 495						163 381
Cash outflows								
2 Retail deposits and deposits from small business customers, of which:	309 874	22 466	282 090	20 291				
3 Stable deposits	-	-	-	-				
4 Less stable deposits	309 874	22 466	282 090	20 291				
5 Unsecured wholesale funding, of which:	370 275	193 087	269 181	138 977				
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	149 093	37 273	109 530	27 382				
7 Non-operational deposits (all counterparties)	215 089	149 721	155 289	107 233				
8 Unsecured debt	6 093	6 093	4 362	4 362				
9 Secured wholesale funding		125		748				
10 Additional requirements, of which:	281 685	39 549	278 994	28 039				
11 Outflows related to derivative exposures and other collateral requirements	19 645	19 645	8 458	8 458				
12 Outflows related to loss of funding on debt products	-	-	-	-				
13 Credit and liquidity facilities	262 040	19 904	270 536	19 581				
14 Other contractual funding obligations	-	-	-	-				
15 Other contingent funding obligations	149 687	6 605	146 213	7 082				
16 Total cash outflows		261 832						195 137
Cash inflows								
17 Secured lending (e.g. reverse repos)	30 262	2 411	28 195	5 072				
18 Inflows from fully performing exposures	111 573	97 650	83 977	69 349				
19 Other cash inflows	9 551	8 563	4 988	3 943				
20 Total cash inflows	151 386	108 624	117 160	78 364				
		Total weighted value		Total weighted value				
High-quality liquid assets (HQLA)								
21 Total HQLA (Rm)		194 495						163 381
22 Total net cash outflows (Rm)		153 208						116 773
23 LCR (%)¹		126.9						139.9

¹ The Absa Bank LCR was calculated as a simple average of 90 calendar-day LCR observations.



Net stable funding ratio [LIQ2]

Group	a	b	c	d	e
	31 Dec 2020				
	Unweighted value by residual maturity				Weighted Value Rm
No maturity Rm	<6 months Rm	<1 year Rm	≥1 year Rm		
Available stable funding (ASF) item					
1 Capital	120 334	-	-	17 375	137 709
2 Regulatory capital	115 690	-	-	15 875	131 565
3 Other capital instruments	4 644	-	-	1 500	6 144
4 Retail deposits and deposits from small business customers:	215 134	148 016	23 040	19 832	367 403
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	215 134	148 016	23 040	19 832	367 403
7 Wholesale funding:	189 285	430 486	49 042	146 354	409 596
8 Operational deposits	134 933	23 540	2 020	-	80 247
9 Other wholesale funding	54 352	406 946	47 022	146 354	329 349
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	21 331	18 749	5 748	38 315	19 174
12 NSFR derivative liabilities		-	-	24 140	
13 All other liabilities and equity not included in the above categories	21 331	18 749	5 748	14 175	19 174
14 Total ASF					933 882
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					15 590
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities:	1 849	298 123	82 084	654 424	671 755
18 Performing loans to financial institutions secured by Level 1 HQLA	-	50 151	-	3 237	8 252
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	119 139	22 957	104 471	133 821
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	123 435	53 785	405 030	429 857
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	15 143	9 843
22 Performing residential mortgages, of which:	-	3 657	3 579	138 269	93 493
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	3 657	3 579	138 269	93 493
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1 849	1 741	1 763	3 417	6 332
25 Assets with matching interdependent liabilities	-	-	-	-	-
26 Other assets:	4 883	8 800	-	143 232	101 026
27 Physical traded commodities, including gold	1 202				919
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	5 277	4 485
29 NSFR derivative assets		-	-	34 361	13 261
30 NSFR derivative liabilities before deduction of variation margin posted		-	-	24 140	2 414
31 All other assets not included in the above categories	3 681	8 800	-	79 454	79 947
32 Off-balance sheet items		-	-	348 863	17 443
33 Total RSF					805 814
34 Net stable funding ratio (%)					115.9



Net stable funding ratio [LIQ2]

Group	30 Sep 2020				
	Unweighted value by residual maturity				Weighted Value Rm
	No maturity Rm	<6 months Rm	<1 year Rm	≥1 year Rm	
Available stable funding (ASF) item					
1 Capital	121 813	-	-	18 326	140 139
2 Regulatory capital	117 169	-	-	16 826	133 995
3 Other capital instruments	4 644	-	-	1 500	6 144
4 Retail deposits and deposits from small business customers:	209 449	151 637	29 185	19 102	370 347
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	209 449	151 637	29 185	19 102	370 347
7 Wholesale funding:	159 821	472 927	75 988	158 006	421 751
8 Operational deposits	110 171	23 755	658	-	67 292
9 Other wholesale funding	49 650	449 172	75 330	158 006	354 459
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	14 304	23 988	7 004	37 463	19 726
12 NSFR derivative liabilities	-	-	-	22 889	-
13 All other liabilities and equity not included in the above categories	14 304	23 988	7 004	14 574	19 726
14 Total ASF					951 963
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					18 635
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities:	1 641	301 104	80 625	631 928	658 114
18 Performing loans to financial institutions secured by Level 1 HQLA	-	45 150	-	2 968	7 483
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	126 134	29 207	105 780	139 303
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	123 265	46 481	409 171	429 388
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	16 401	10 661
22 Performing residential mortgages, of which:	-	3 756	3 613	110 716	75 650
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	3 756	3 613	110 716	75 650
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1 641	2 799	1 324	3 293	6 290
25 Assets with matching interdependent liabilities	-	-	-	-	-
26 Other assets:	1 981	22 393	-	145 146	105 856
27 Physical traded commodities, including gold	1 202	-	-	-	988
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	4 093	3 479
29 NSFR derivative assets	-	-	-	29 554	9 997
30 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	22 889	2 289
31 All other assets not included in the above categories	779	22 393	-	88 610	89 103
32 Off-balance sheet items	-	-	-	364 111	18 206
33 Total RSF					800 811
34 Net stable funding ratio (%)					118.9



Composition of regulatory capital 2

Reconciliation of regulatory capital to balance sheet 8

Leverage ratio common disclosure 12

Main features of regulatory capital instruments 15

Liquidity coverage ratio common disclosure 23

Net stable funding ratio 25

Remuneration 28

Remuneration

Basel Pillar 3 remuneration disclosures [REMA]

The Group's Remuneration Policy, which describes the key features of the remuneration system, will be outlined in the 2020 Remuneration Report. This will be published with the Group's Integrated Reporting Suite on 31 March 2021.

The salient features are set out below:

Oversight of remuneration

The Group Remuneration Committee (RemCo), a committee of the Board, oversees the Group remuneration policy and its implementation. The remuneration policy and the RemCo's mandate covers all elements of remuneration and benefits, including all subsidiaries, and specifically focuses on executive and senior management remuneration.

Deloitte is the independent advisor to the RemCo and provided advice on the remuneration frameworks and executive remuneration.

Other firms are engaged by management to provide market benchmarking data, including RemChannel, McLagan, Mercer and KornFerr y.

In the following tables, senior managers are defined as members of the Executive Committee (Exco) and other individuals with management responsibility for a material portion of the Group's business. Other material risk takers are identified in accordance with the Group's material risk taker methodology, which was developed by Group Operational Risk. Material risk takers are those who:

- Define the Group's strategy.
- Define the strategy of the individual material businesses.
- Provide oversight on the Group's risk profile.
- Approve significant transactions or recommend these to the Board for approval.

In 2020, a total of 12 individuals were classified as senior managers and 39 individuals as other material risk takers (December 2019:14 senior managers and 37 material risk takers). Given changes to the classification of material risk takers in 2019, the composition of the material risk taker population has changed during the year.

Design and structure of remuneration processes

The Group's remuneration principles, which guide the development and implementation of remuneration practices, are:

- Attract, retain and engage high calibre individuals.
- Support the realisation of the Group's shareholder aspirations.
- Align the long-term interests of executives and shareholders.
- Pay for performance.
- Drive the Group's culture.
- Build confidence and trust in remuneration outcomes.
- Deliver fair and responsible remuneration.

Remuneration for most employees consists of fixed remuneration (salary and benefits) and eligibility for a short-term incentive based on performance. A limited number of senior managers and executives may be eligible to receive a long-term incentive.

The RemCo conducts reviews of the remuneration policy at least annually. Key changes in 2020 included:

- The Exco (including disclosed officers) and material risk takers will not receive cash bonuses in 2021 for 2020 performance, in alignment with regulatory guidance. These were deferred to vest over a maximum period of three years, subject to a safety and soundness validation to be conducted by the RemCo in respect of each tranche to vest. For ExCo members, deferral was entirely into Group shares. For other material risk takers, deferral was partly in cash and partly into Group shares.
- Other employees' deferral thresholds were aligned to market practice. This resulted in lower overall deferrals, but still vesting on a pro-rata basis over three years.

Other changes which will apply from 2021 will be set out in the 2020 Remuneration Report.

In terms of remuneration of risk and compliance employees:

- Remuneration of Compliance, Internal Audit, Risk and Legal employees is considered independently by the head of the function and is based on the employee's performance and the performance of the function.
- Board committees assess the control functions' performance, particularly evaluating the performance of the Chief Internal Auditor, the Chief Compliance Officer, and the GCRO.
- Final performance and remuneration outcomes for control function heads are subject to RemCo approval.
- Remuneration outcomes for senior control function employees in the population subject to RemCo oversight are reviewed and approved by the RemCo.
- Remuneration of all material risk takers is subject to RemCo approval.

Risk and remuneration

The RemCo considers the Group short-term performance pool in the context of the quality of the Group's earnings (with inputs from the GACC) and whether any further risk adjustment was required. No adjustments were deemed necessary for 2020 performance.

The RemCo conducted an assessment in terms of the Banks Act Regulation 39(16)(a) confirming that effective governance was in place in respect of compensation/remuneration policies, processes, practices, procedures; and that these were aligned with approved tolerance for risk or risk appetite and appropriate capital management.

Linking performance and reward

The Group performance short-term incentive pool is determined by the RemCo based on a scorecard of measures which reflect the Group's key priorities. This takes account of performance against the business plans and relative market performance. The impact of the Covid-19 pandemic on business performance was also considered for 2020 performance.



Remuneration

The pool is distributed to the various business units and functions based on performance relative to scorecards and contribution to Group performance. Individual awards are strongly differentiated in favour of high performers.

Adjustment to reward taking account of longer-term performance

Long-term incentives vest subject to achievement of Group performance targets which are set over a three-year performance period. Vesting may occur in a range of 0% of the value of the award for underperformance to 150% for significant outperformance. Long-term incentives are awarded in Group shares, thus linking the awards to the Group share price, and vest over a minimum period of three years.

Share-based short-term incentive deferrals do not have future performance conditions, but outcomes are linked to the performance of the Group's share price over the vesting period. Vesting occurs on a prorated basis over three years.

Deferred remuneration (short-term and long-term) is subject to malus and clawback provisions. Details of these arrangements will be set out in the 2020 Remuneration Report.

Variable remuneration

Variable remuneration arrangements include:

- Cash short-term incentives (all employees)
- Deferred short-term incentives for employees, for a portion of the award above the deferral threshold of R1m. Short-term incentive deferrals vest prorated over 3 years.
- Long-term incentives, for which a limited number of executives and senior managers are eligible. Long-term incentives are awarded as performance shares, and vest after a minimum of three years.
- Employees in specifically-designated sales roles may participate in formulaic incentive schemes, which may include pay-out frequencies of monthly, quarterly, half-yearly or annual.

The proportion of the total remuneration mix that is variable and therefore subject to performance generally increases for more senior employees, with a substantial proportion of total remuneration being "at risk" for the most senior employees. At bargaining unit levels, variable remuneration will be a small component of total remuneration.

Remuneration awarded during the financial year [REM1]

			a	b
			2020	
Aggregate remuneration for senior managers and material risk takers			Senior managers Rm	Other material risk takers Rm
1	Fixed remuneration	Number of employees	12	39
2		Total fixed remuneration (includes role base pay)	69	195
3		Of which: cash based	69	195
4		Of which: deferred	-	-
5		Of which: shares or other share linked instruments	-	-
6		Of which: deferred	-	-
7		Of which: other forms	-	-
8		Of which: deferred	-	-
9	Variable remuneration	Number of employees	12	39
10		Total variable remuneration	91	184
11		Of which: cash based ¹	3	50
12		Of which: deferred ²	-	49
13		Of which: shares or other share linked instruments ³	88	134
14		Of which: deferred	88	134
15		Of which: other forms	-	-
16		Of which: deferred	-	-
17	Total		160	379

¹ This includes the cash bonus payable in March 2021 in respect of performance for the 2020 financial year. Senior managers will not receive cash bonuses, except for Peter Matlare due to death in service. The cash portion of the bonus for material risk takers will be deferred for a period of one year into the cash value plan.

² The deferred portion will be released on the anniversary of the award date, subject to continued service and malus and clawback provisions.

³ Includes the share incentive plan awards made during the 2020 financial year.



Remuneration

		2019	
		a	b
		Senior managers	Other material risk takers
Aggregate remuneration for senior managers and material risk takers		Rm	Rm
1	Fixed remuneration		
	Number of employees	14	37
2	Total fixed remuneration (includes role base pay)	75	179
3	Of which: cash based	75	179
4	Of which: deferred	-	-
5	Of which: shares or other share linked instruments	-	-
6	Of which: deferred	-	-
7	Of which: other forms	-	-
8	Of which: deferred	-	-
9	Variable remuneration		
	Number of employees	14	37
10	Total variable remuneration	137	270
11	Of which: cash based ¹	35	85
12	Of which: deferred ²	-	-
13	Of which: shares or other share linked instruments ³	102	185
14	Of which: deferred	102	185
15	Of which: other forms	-	-
16	Of which: deferred	-	-
17	Total	212	449

Special payments [REM2]

		a	b	c	d	e	f
		2020					
		Guaranteed bonus		Sign – on awards		Severance payments	
		Number of employees	Total amounts Rm	Number of employees	Total amount Rm	Number of employees	Total amount Rm
1	Senior management	-	-	-	-	2	4
2	Other material risk-takers	-	-	-	-	-	-
		a	b	c	d	e	f
		2019					
		Guaranteed bonus		Sign – on awards		Severance payments	
		Number of employees	Total amounts Rm	Number of employees	Total amount Rm	Number of employees	Total amount Rm
1	Senior management	-	-	-	-	-	-
2	Other material risk-takers	-	-	-	-	-	-

¹ Includes the cash bonus paid in March 2020 in respect of performance for the 2019 financial year.

² The deferred portion is released in three equal annual tranches, subject to continued employment and malus and clawback (for material risk takers, including executive directors and prescribed officers) provisions.

³ Includes the share incentive plan awards made in respect of deferred bonuses for the 2019 financial year awarded in March 2020 and the long-term incentive plan awards made in 2019.



Remuneration

Deferred remuneration [REM3]

	a	b	c	d	e
	2020				
Deferred and retained remuneration	Total amount of outstanding deferred remuneration as at the end December 2020 Rm	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and / or implicit adjustment Rm	Total amount of amendment during the year due to ex post explicit adjustments ¹ Rm	Total amount of amendment during the year due to ex post implicit adjustments ² Rm	Total amount of deferred remuneration paid out in the financial year Rm
1 Senior management					
2 Cash ³	8	8	1	-	9
3 Shares ⁴	187	187	12	(19)	64
4 Cash linked instruments	-	-	-	-	-
5 Other	-	-	-	-	-
6 Other material risk takers					
7 Cash ³	28	28	2	-	27
8 Shares ⁴	377	377	25	(42)	130
9 Cash linked instruments	-	-	-	-	-
10 Other	-	-	-	-	-
11 Total	600	600	40	(61)	230

¹ Ex post explicit adjustments reflect service credits and dividend equivalents determined and paid on vesting for the cash value plan, and share value plan and long-term incentive plan respectively.

² Ex post implicit adjustments were determined using each individual's award dates, award values and vesting dates. The 2017 long-term incentive plan awards vested during the 2020 financial year. Amounts reflected represent the value of awards lapsed due to partial fulfilment of the 2017 long-term incentive plan performance conditions.

³ Includes the cash value plan, which is deferred over three years in equal tranches, subject to continued service, malus and clawback (for all material risk takers, including executive directors and prescribed officers) provisions.

⁴ Includes the share value plan, restricted shares, long-term incentive plan and share incentive plan awards.



Remuneration

	a	b	2019		d	e
Deferred and retained remuneration	Total amount of outstanding deferred remuneration as at the end December 2019 Rm	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and / or implicit adjustment Rm	Total amount of amendment during the year due to ex post explicit adjustments ¹ Rm	Total amount of amendment during the year due to ex post implicit adjustments ² Rm	Total amount of deferred remuneration paid out in the financial year Rm	
1 Senior management						
2 Cash ³	32	32	0.3	-	9	
3 Shares ⁴	271	271	7	-	55	
4 Cash linked instruments	-	-	-	-	-	
5 Other	-	-	-	-	-	
6 Other material risk takers						
7 Cash ³	52	52	1.5	-	22	
8 Shares ⁴	367	367	13	-	96	
9 Cash linked instruments	-	-	-	-	-	
10 Other	-	-	-	-	-	
11 Total	722	722	21		181	

¹ Ex post explicit adjustments reflect service credits and dividend equivalents determined and paid on vesting for the cash value plan and share value plan.

² Ex post implicit adjustments were determined using each individual's award dates, award values and vesting dates. No long-term incentive plan awards vested during the 2019 financial year.

³ Includes the cash value plan, which is deferred over three years in equal tranches, subject to continued employment, malus and clawback (for all material risk takers, including executive directors and prescribed officers) provisions.

⁴ Shares include share value plan, restricted shares and the long-term incentive plan awards.



Remuneration

Ex post implicit adjustments are comprised as follows:

	2020		
	Senior Management (Rm)	Other Material Risk Takers (Rm)	Total Rm
Long term incentive plan (LTIP) ¹	(19)	(42)	(61)
Restricted shares and share value plan ²	-	-	-
Other share instruments	-	-	-

	2019		
	Senior Management (Rm)	Other Material Risk Takers (Rm)	Total Rm
Long term incentive plan (LTIP) ³	-	-	-
Restricted shares and share value plan ²	-	-	-
Other share instruments	-	-	-

¹ Ex post implicit adjustments were determined using each individual's award dates, award values and vesting dates. The 2017 long term incentive plan awards vested during the 2020 financial year. Amounts reflected represent the value of awards lapsed due to partial fulfilment of the 2017 long term incentive plan performance conditions.

² Share value plan awards and share incentive plan (deferred awards) are not subject to Group performance conditions, however, are subject to a continued employment condition. Restricted shares are only subject to individual performance conditions and continued employment.

³ Ex post implicit adjustments were determined using each individual's award dates, award values and vesting dates. No long-term incentive plan awards vested during the 2019 financial year.



www.absa.africa

Contact information

Absa Group Limited

Incorporated in the Republic of South Africa
Registration number: 1986/003934/06
JSE share code: ABG
ISIN: ZAE000255915

Registered office

7th Floor, Absa Towers West
15 Troye Street, Johannesburg, 2001
PO Box 7735, Johannesburg, 2000
+27 11 350 4000
www.absa.africa

Head: Investor Relations

Alan Hartdegen
+27 11 350 2598

Group Company Secretary

Nadine Drutman
+27 11 350 5347

Head: Financial Control

John Annandale
+27 11 350 3946

Queries

Investor relations	ir@absa.africa
Media	groupmedia@absa.africa
Absa Group shares	web.queries@computershare.co.za groupsec@absa.africa
General queries	absa@absa.africa

Transfer secretary

Computershare Investor Services (Pty) Ltd
+27 11 370 5000
Computershare.com

Sponsors

Lead independent sponsor

J.P. Morgan Equities South Africa (Pty) Ltd
+27 11 507 0300

Joint sponsor

Absa Bank Limited (Corporate and Investment Bank)
+27 11 895 6843
equitysponsor@absacapital.com

Auditors

Ernst & Young Inc.
+27 11 772 3000
Ey.com/za/en/home