



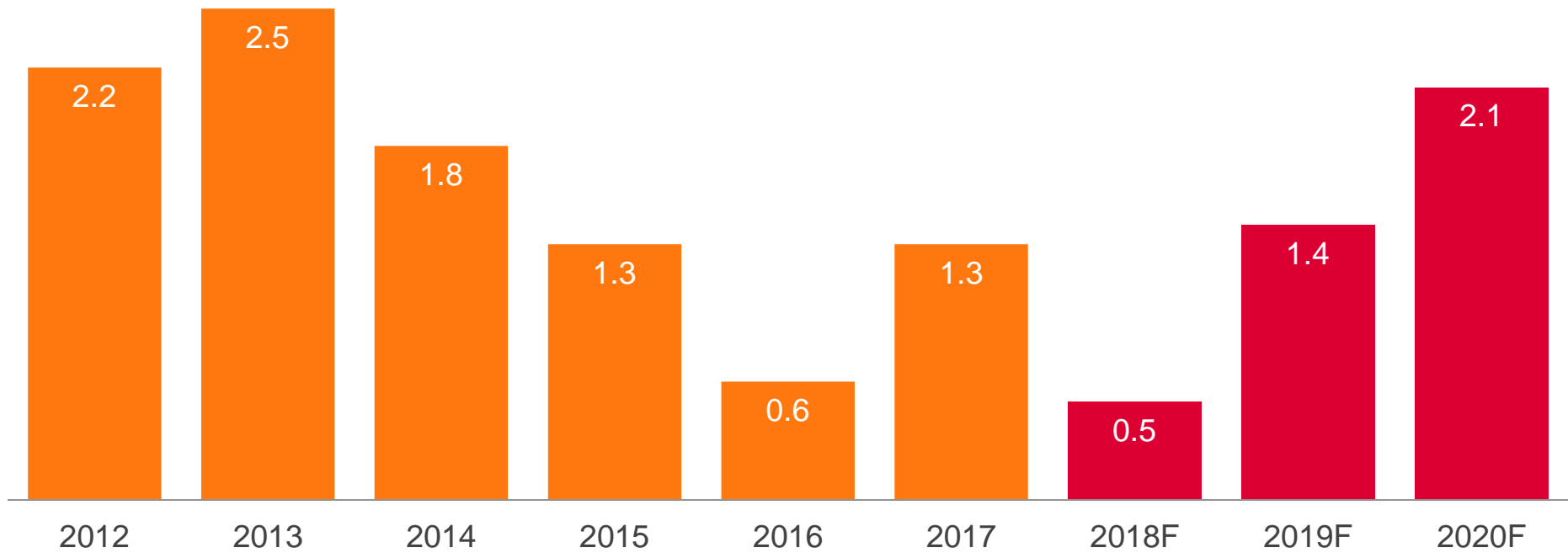
# Absa Group

UBS Financial Services Conference  
Beyond the Euphoria

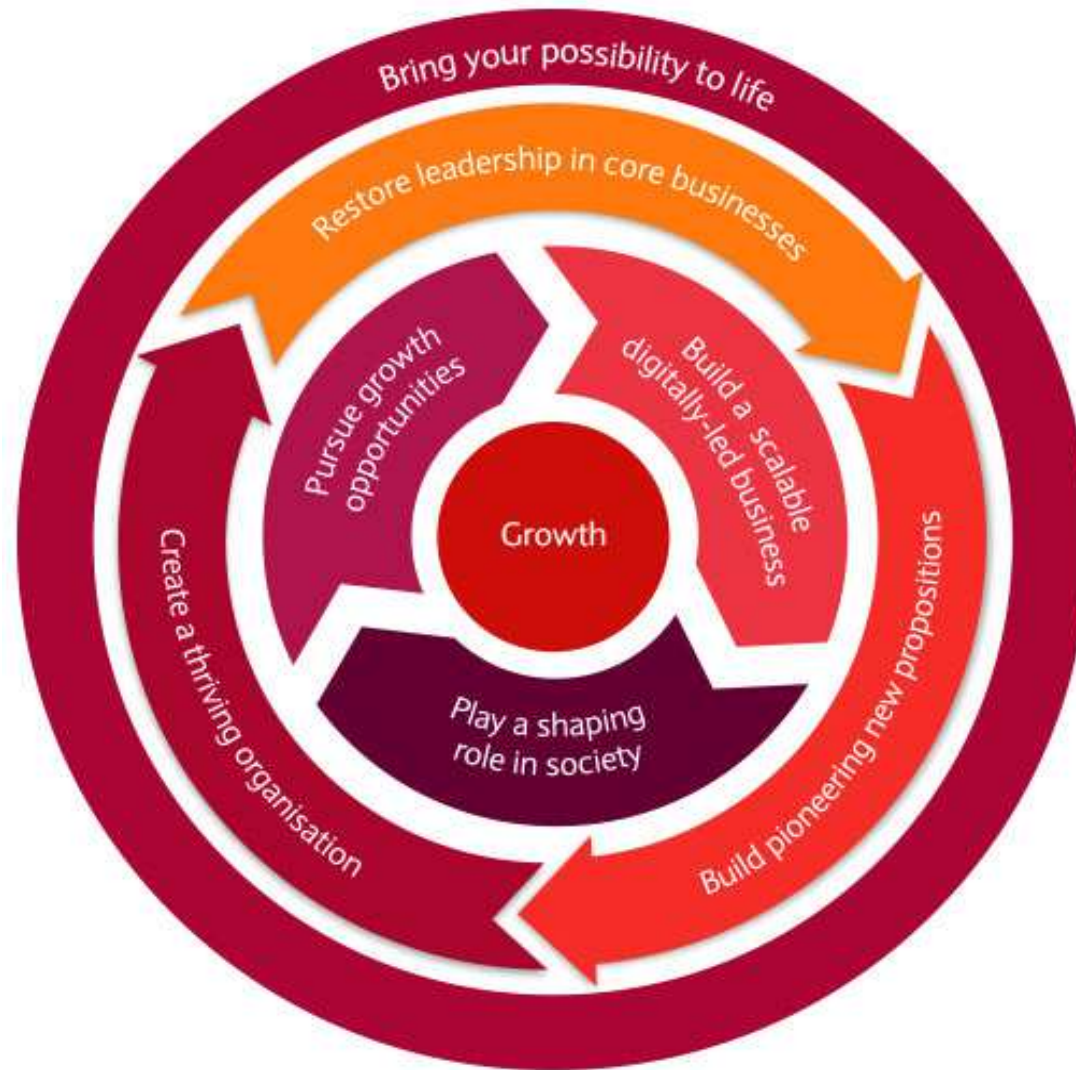
18 October 2018  
Jason Quinn

# Beyond the euphoria

South Africa real GDP growth (%)

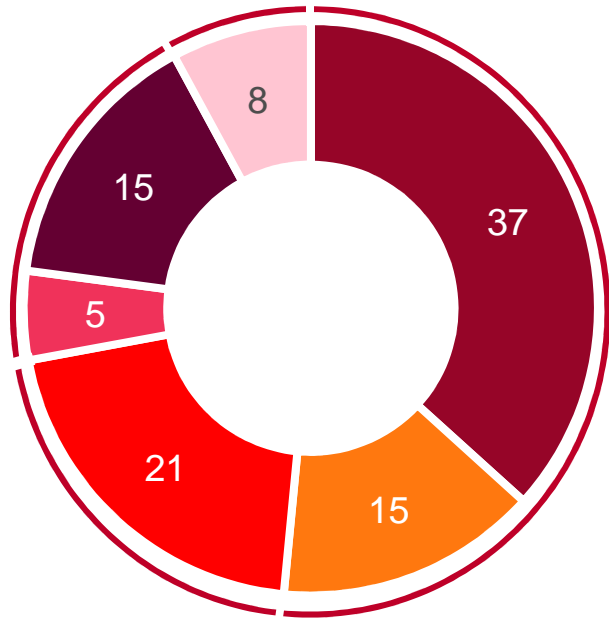


# New strategy focused on growth and returns



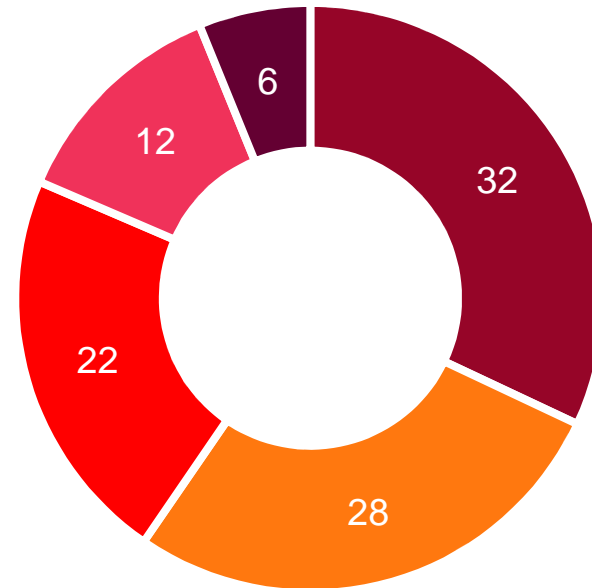
# We benefit from a well-diversified portfolio

Normalised headline earnings 1H18 (%) \*



- Retail Banking SA
- CIB SA
- CIB Rest of Africa
- Business Banking SA
- RBB Rest of Africa
- WIMI

Retail Banking SA earnings 1H18 (%)

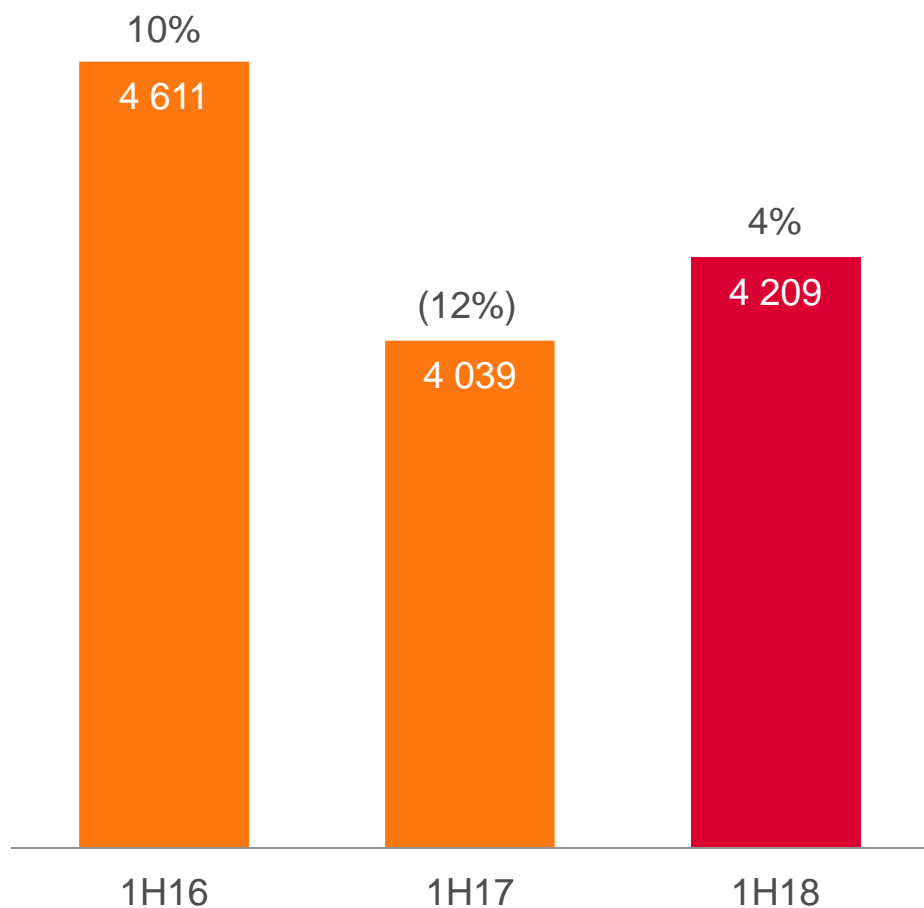


- Transactional and Deposits
- Home Loans
- Card and Payments
- Vehicle and Asset Finance
- Personal Loans

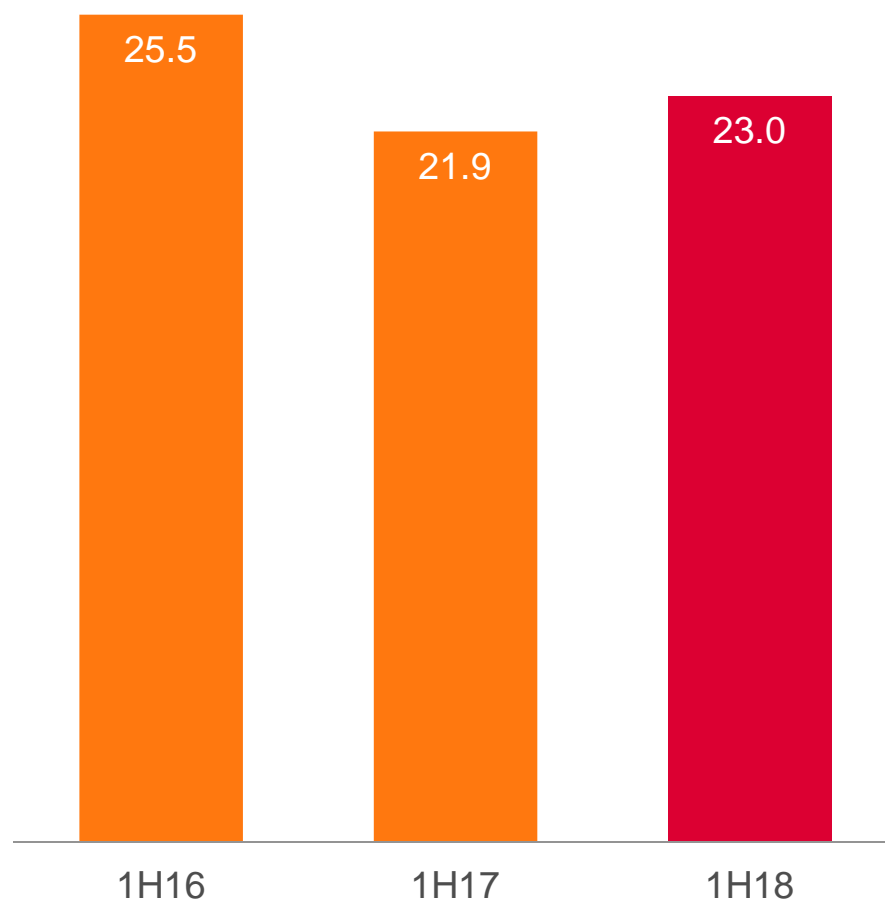
Note: \* does not sum to 100 due to rounding; excluding Group Centre

# Regaining RBB SA leadership a group priority

Headline earnings (Rm)

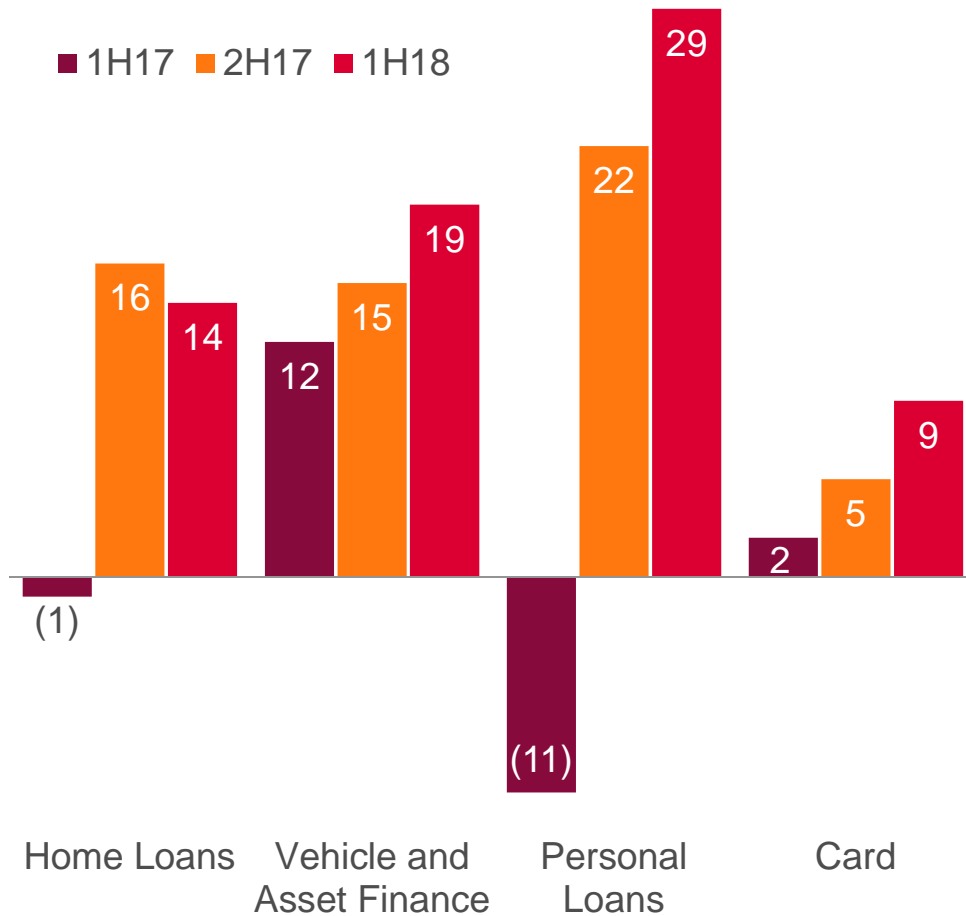


Return on regulatory capital (%)

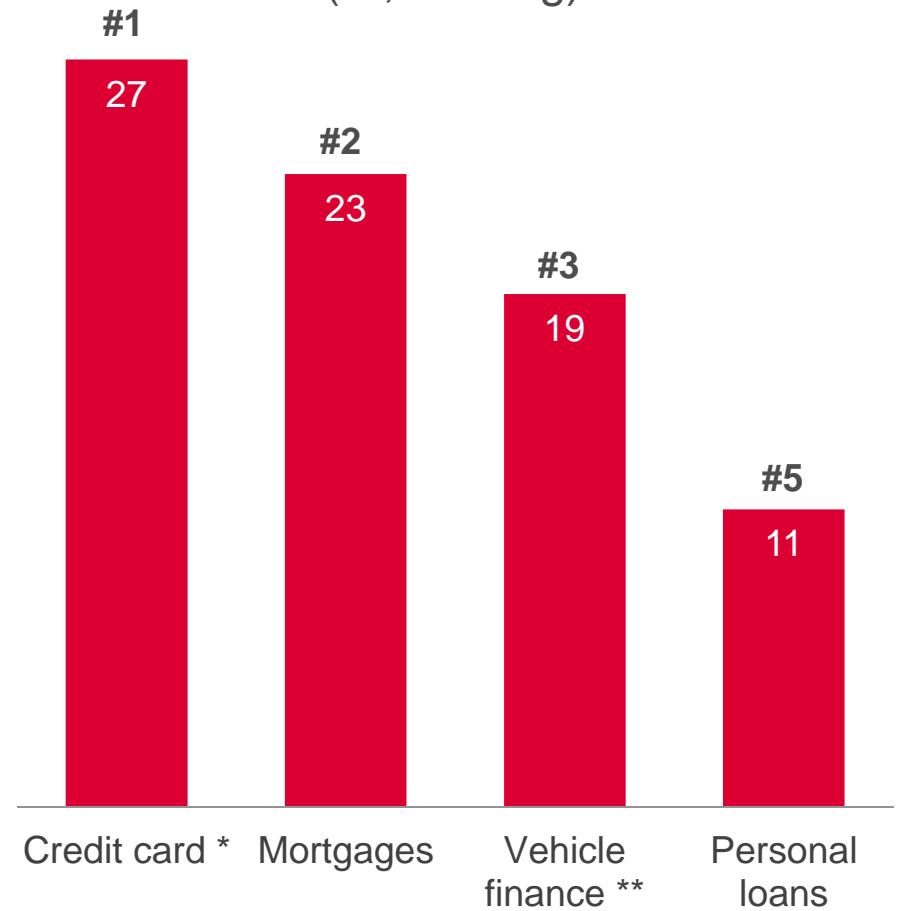


# Retail SA maintains production momentum ...

Retail SA YoY loan production (%)



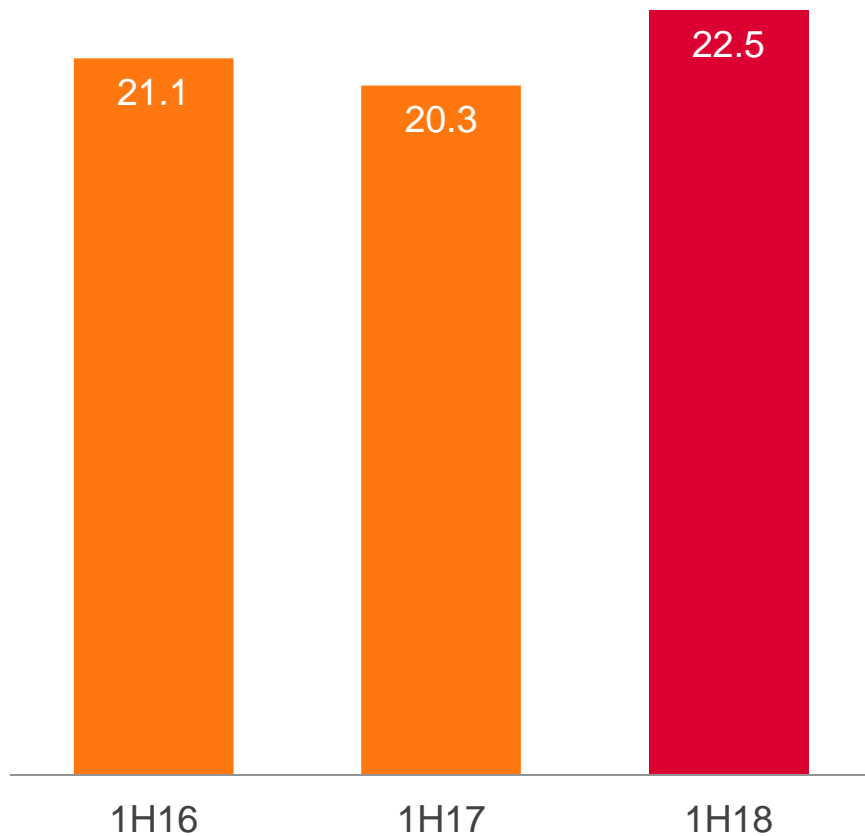
Retail loan market share, August 2018 (% , ranking)



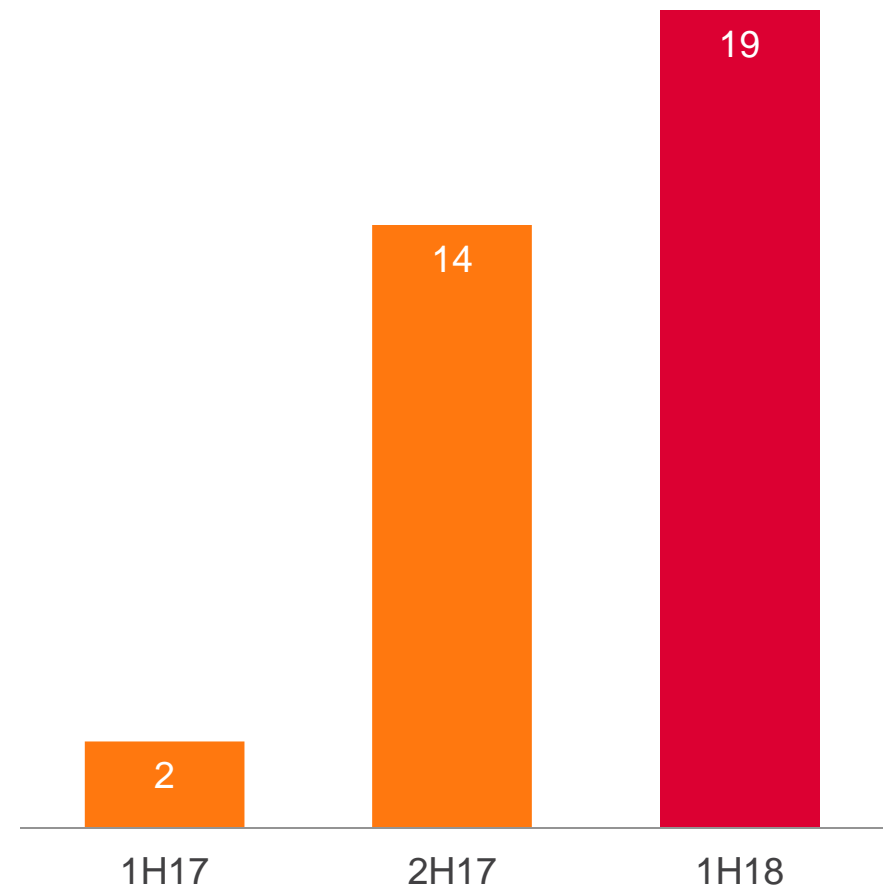
Note: \* Excludes Woolworths Financial Services; \*\* excludes Ford

# ... which was evident in WIMI's new business

Return on equity (%)

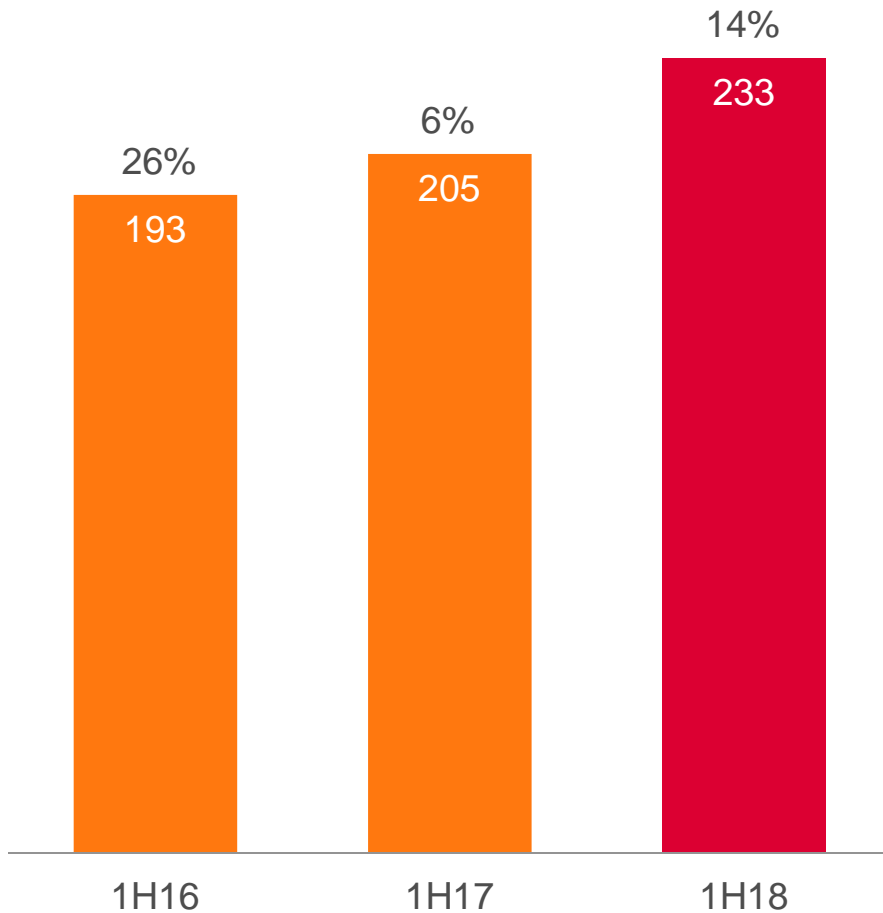


Growth in embedded value of new business (%)

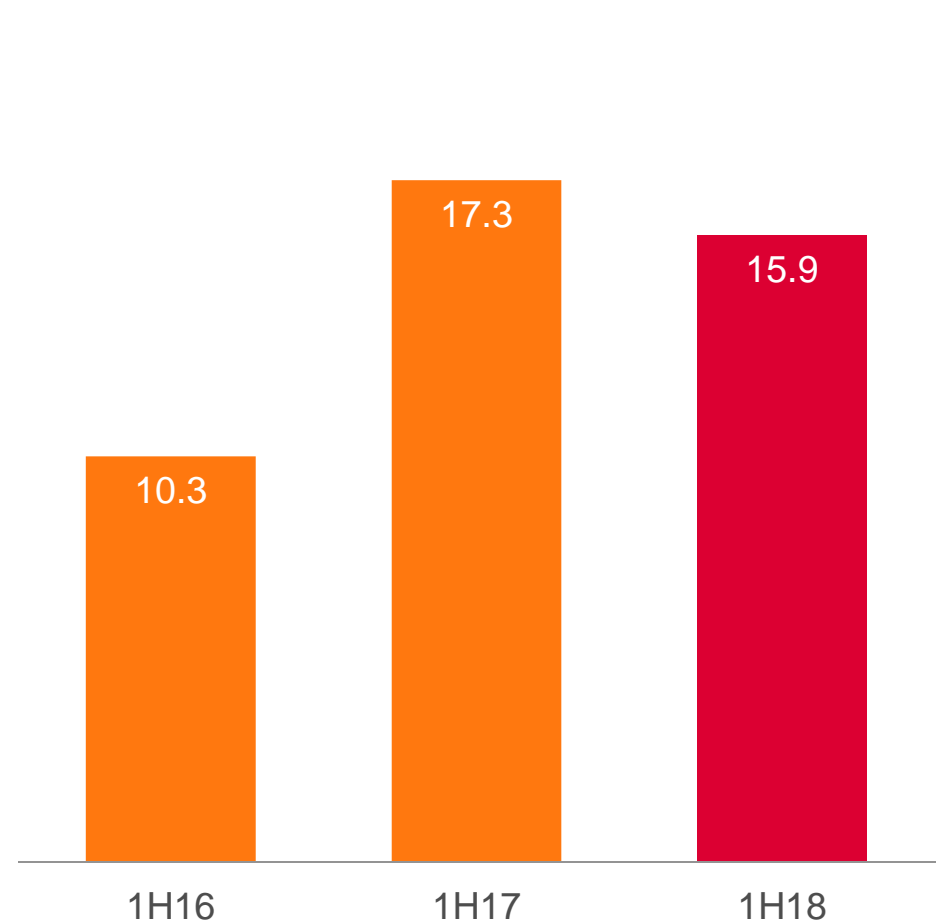


# CIB SA growth has been balance sheet led

Customer loans (Rbn)



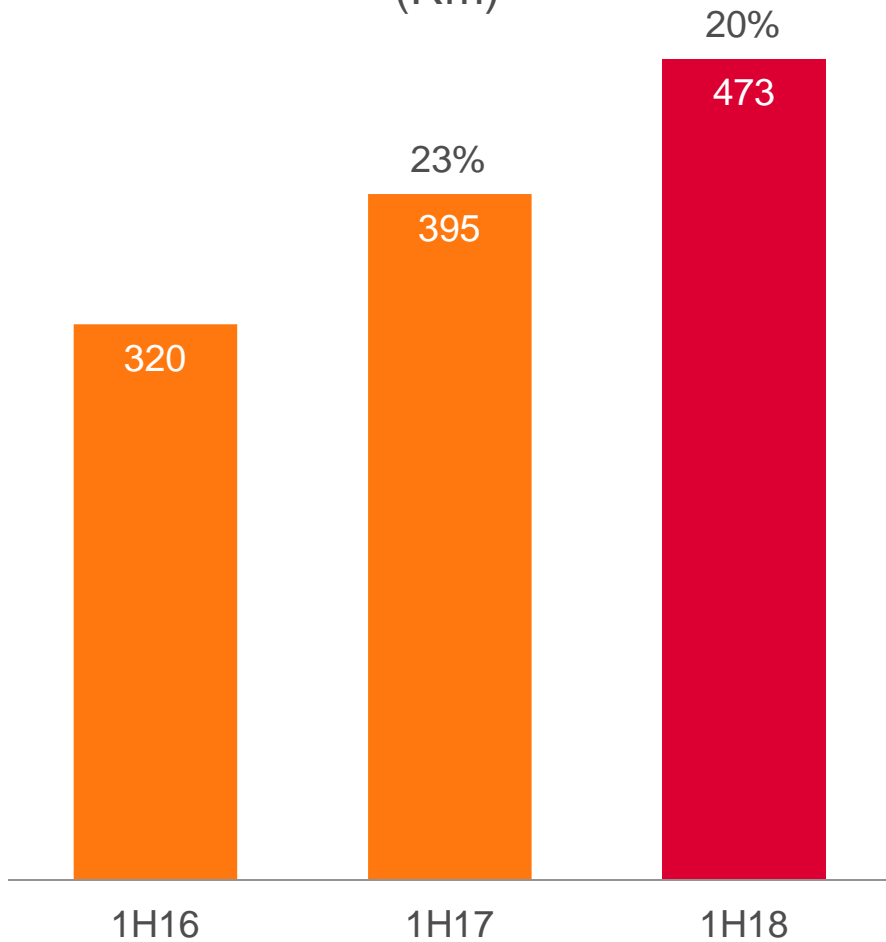
Return on regulatory capital (%)



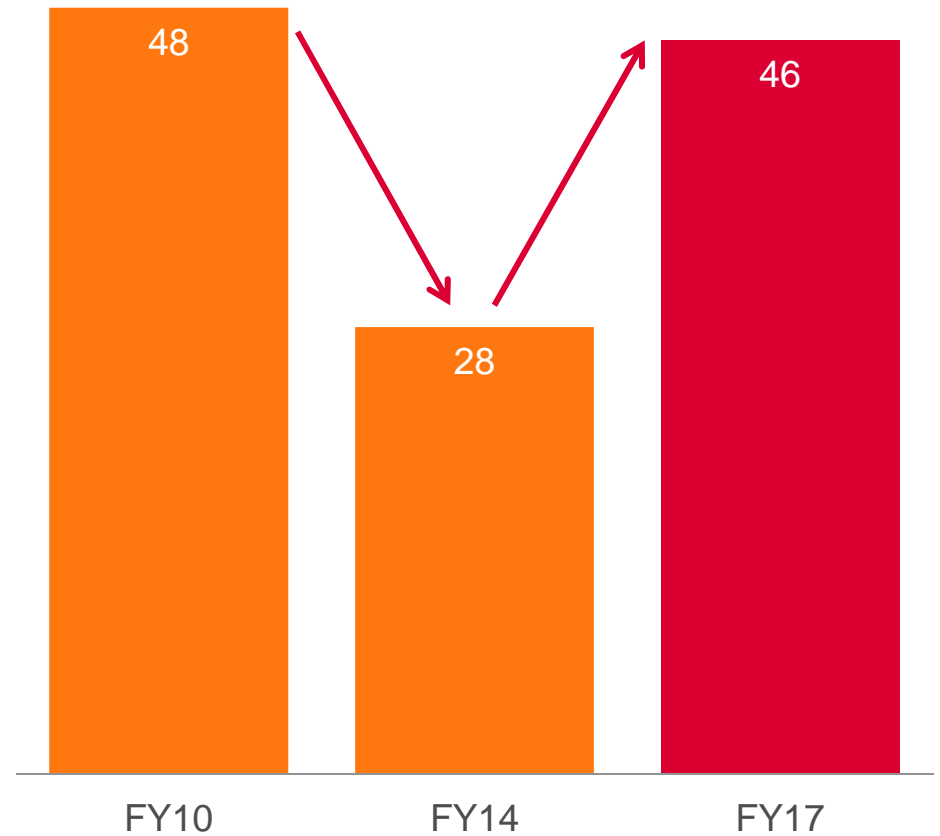


# Strong CPF growth off low base

Commercial property finance revenue (Rm)

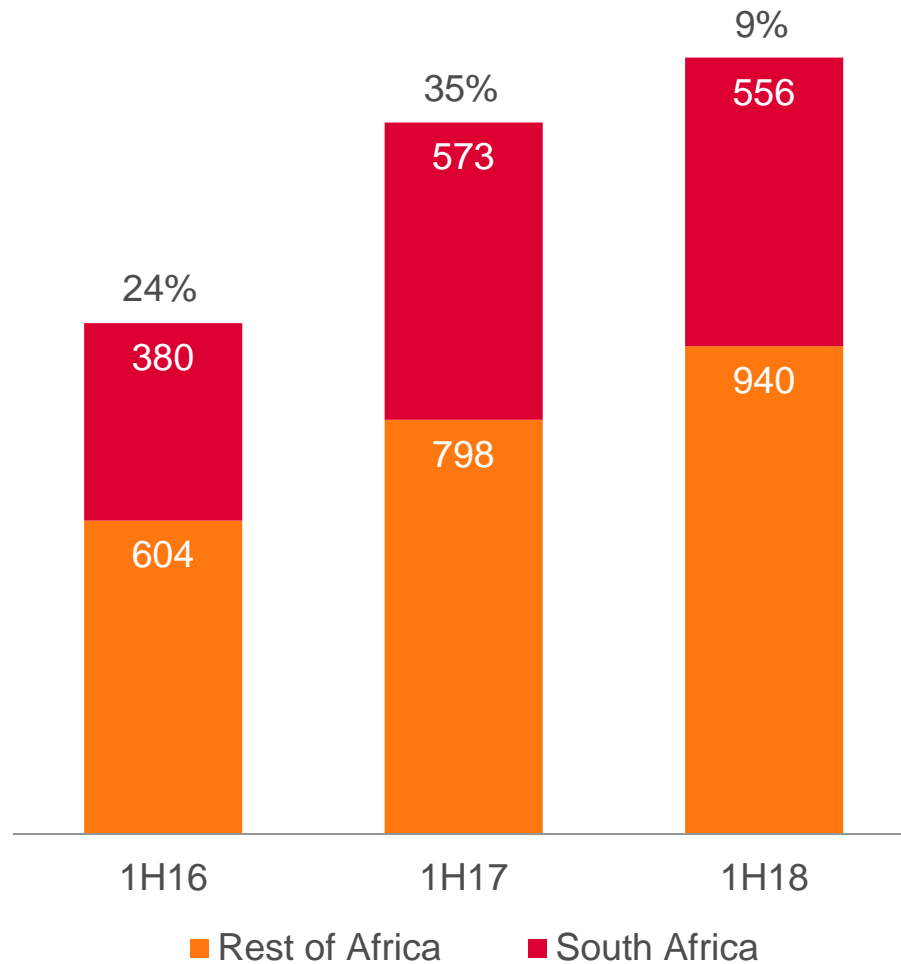


Commercial property finance loans (Rbn)

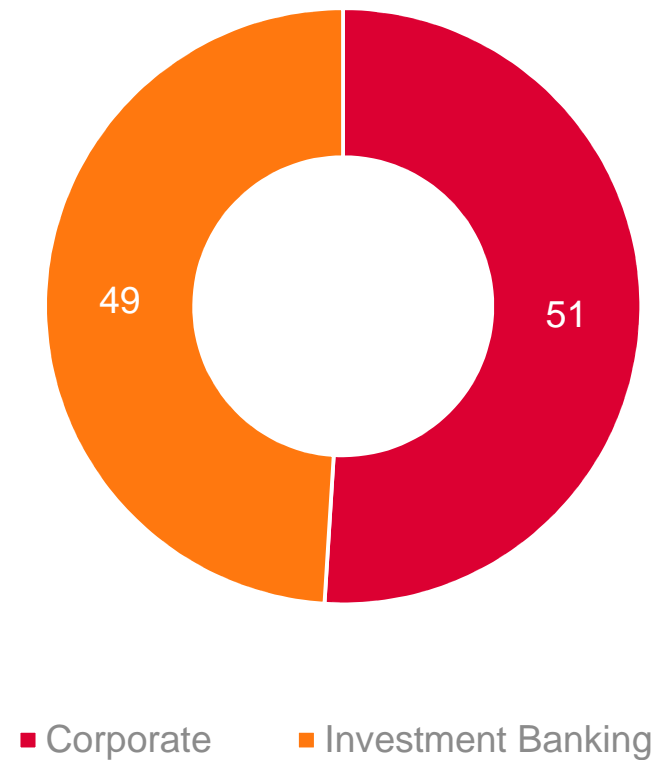


# Corporate an attractive growth story

Corporate headline earnings (Rm)

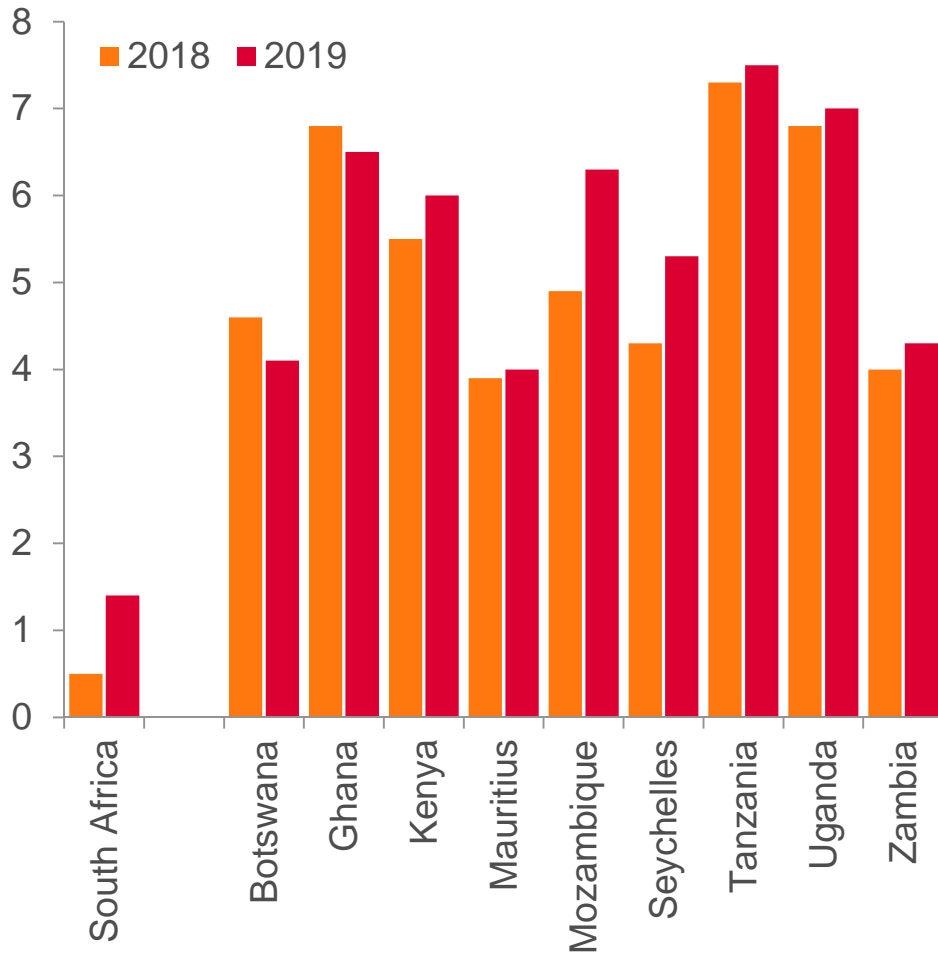


Total CIB 1H18 earnings (%)

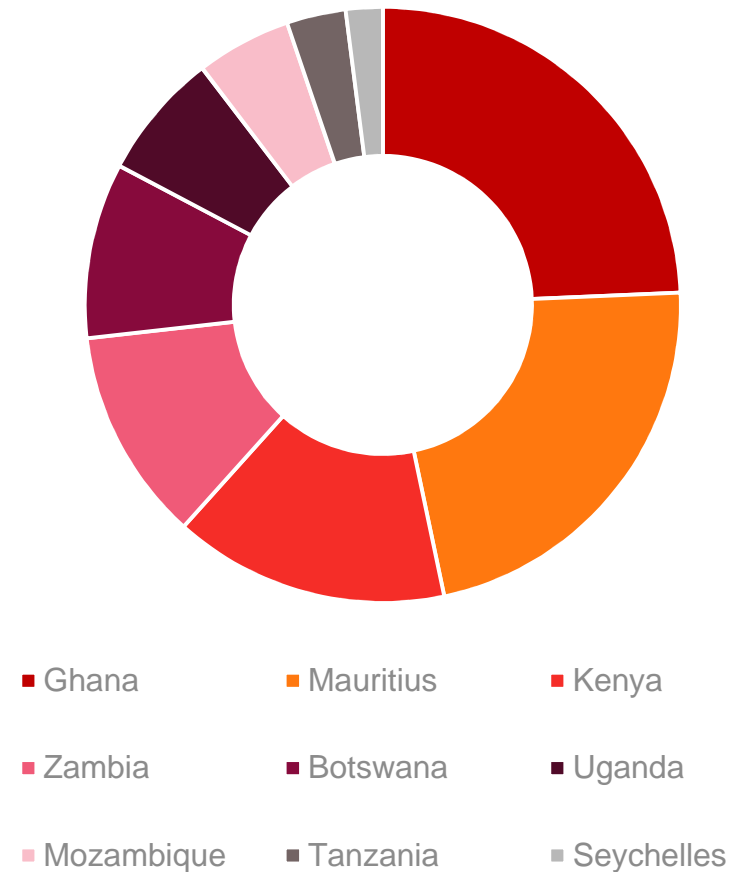


# Rest of Africa offers opportunity ...

Expected real GDP growth (%)



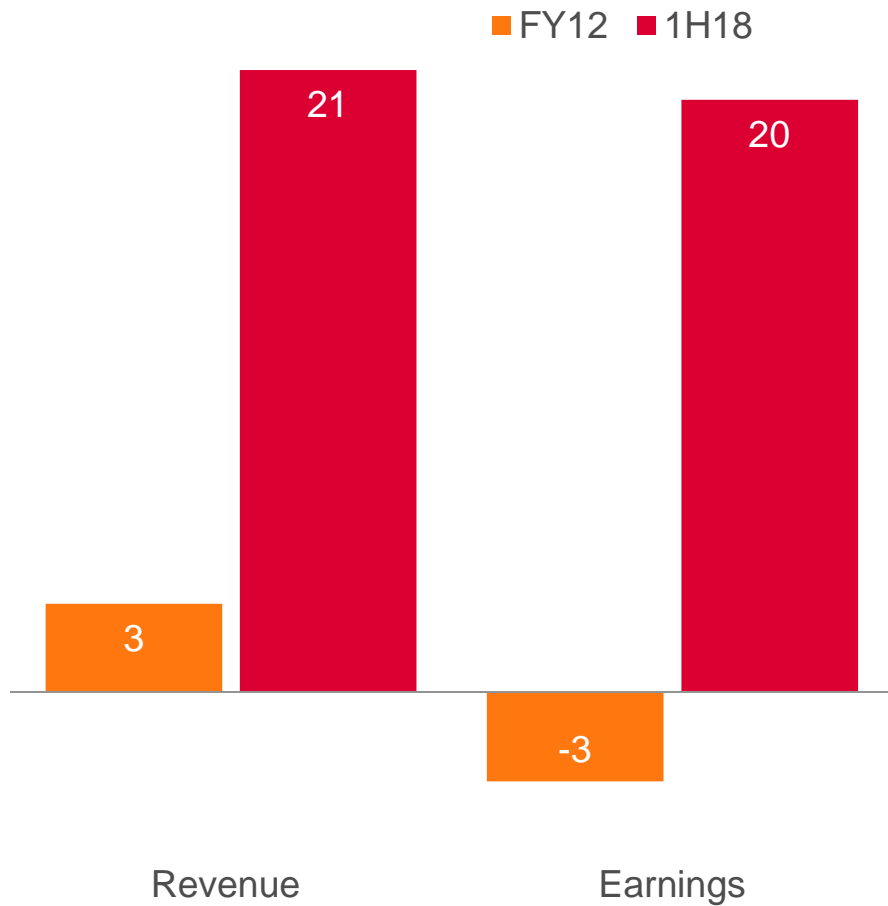
Rest of Africa Banking 1H18 earnings (%)



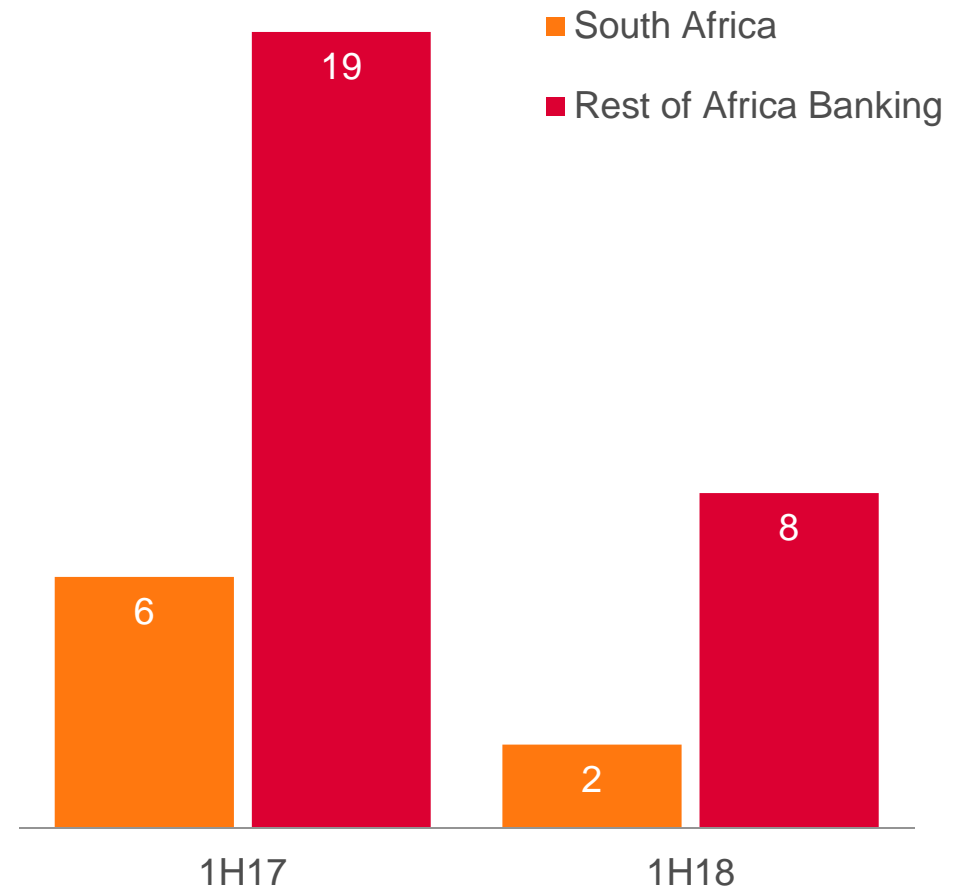
Note: Excludes representative offices in Nigeria and Namibia

# ... and continues to enhance our growth ...

Rest of Africa contribution to Group (%)

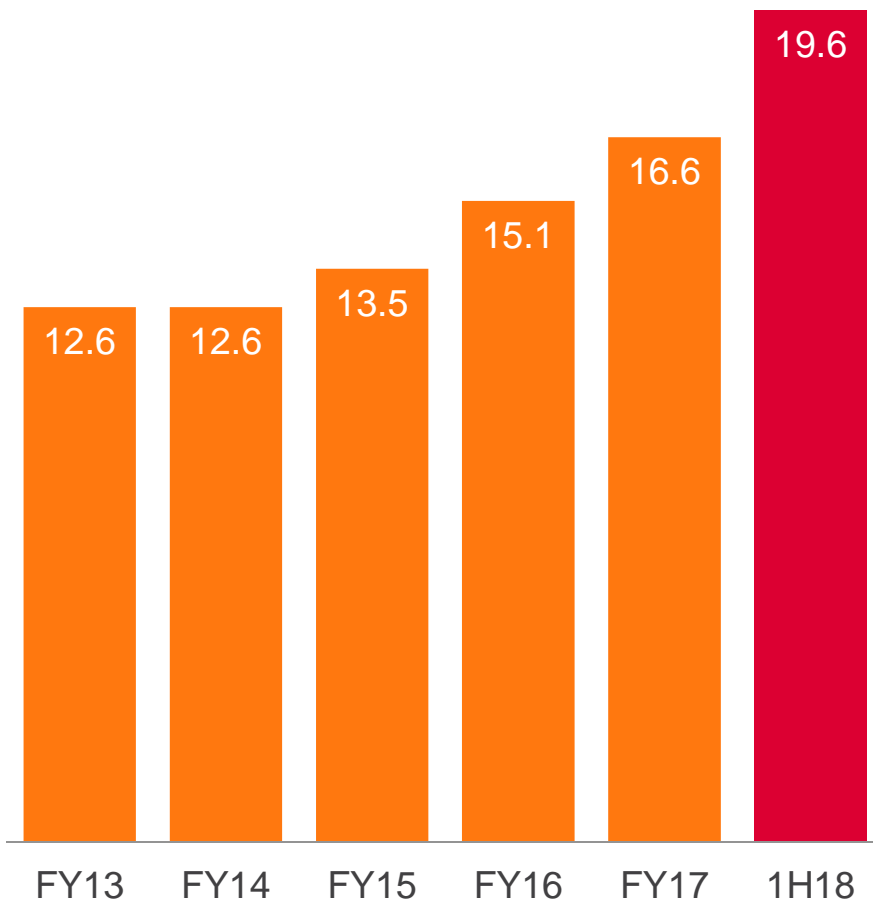


Headline earnings growth (%)

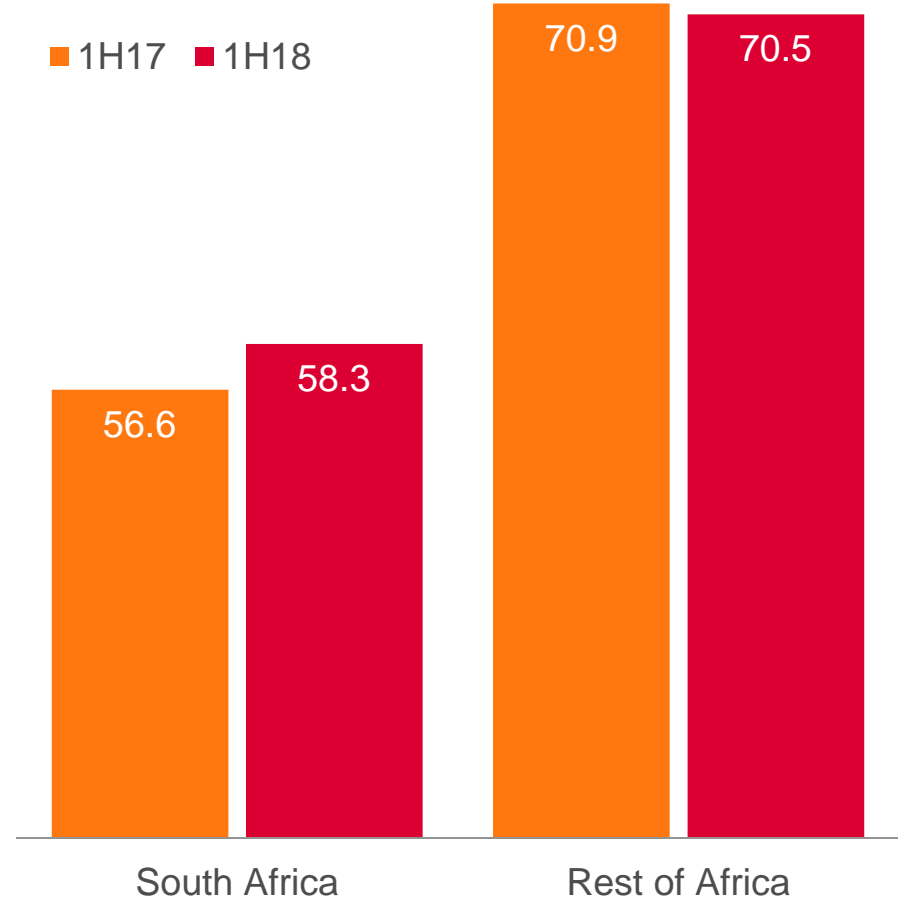


# ... while its returns improve steadily

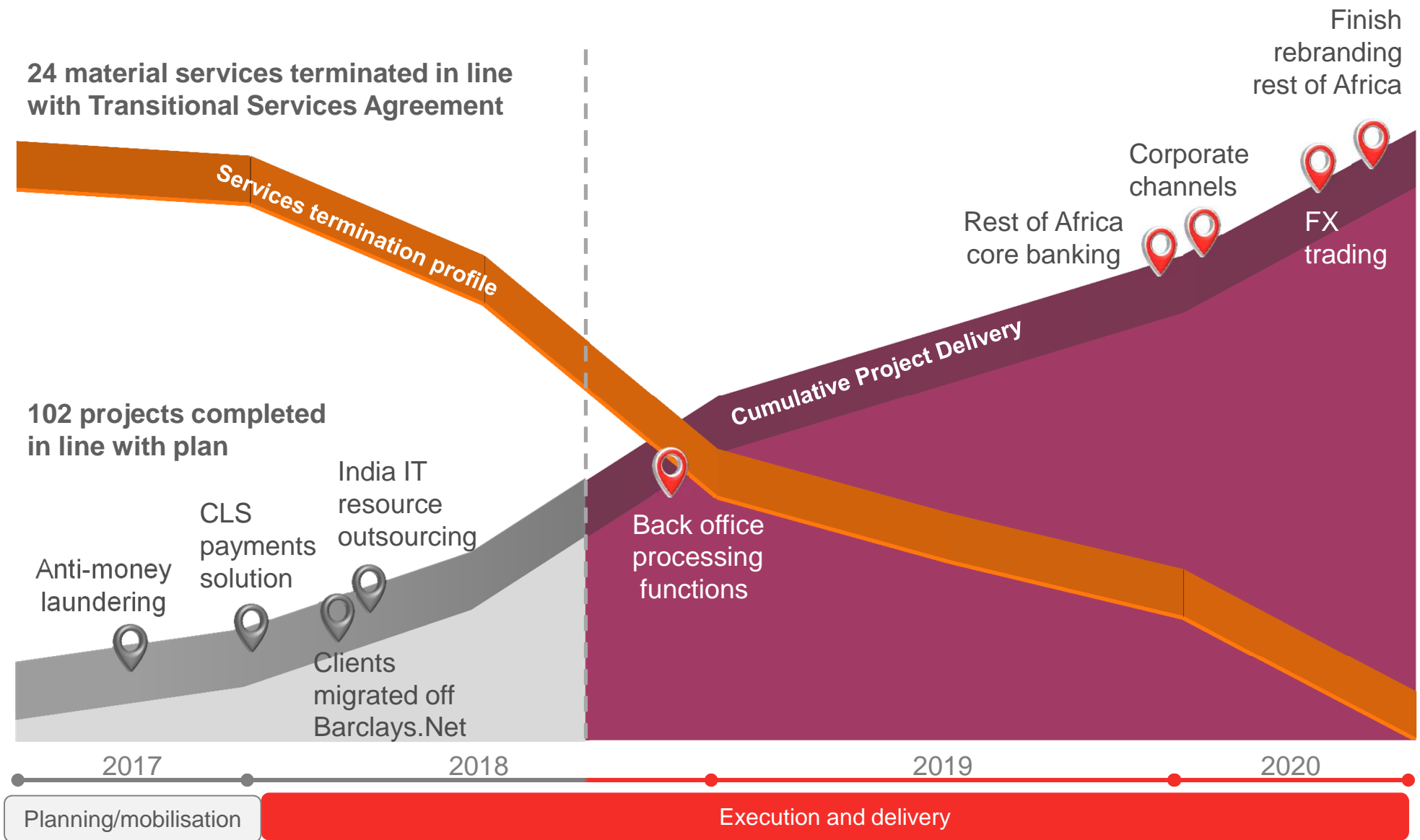
Rest of Africa Banking return on equity (%)



RBB cost to income ratio (%)



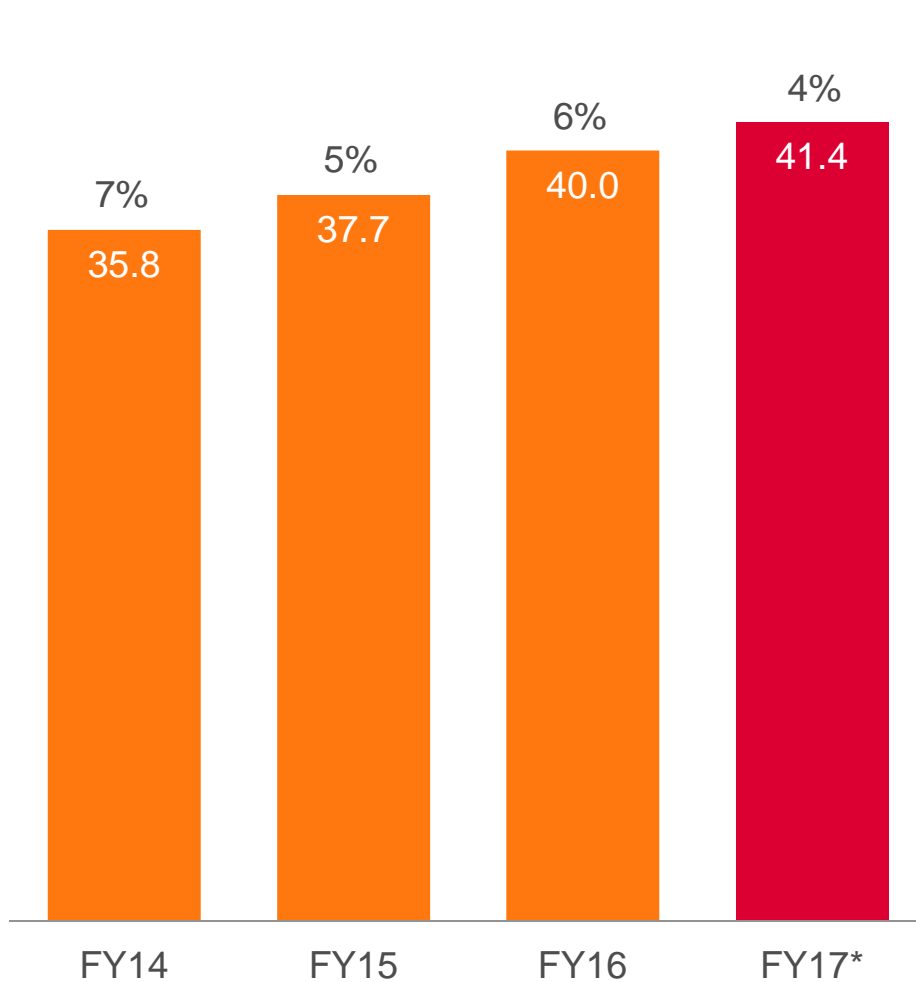
# Separation on track; impacts ROA and CIB



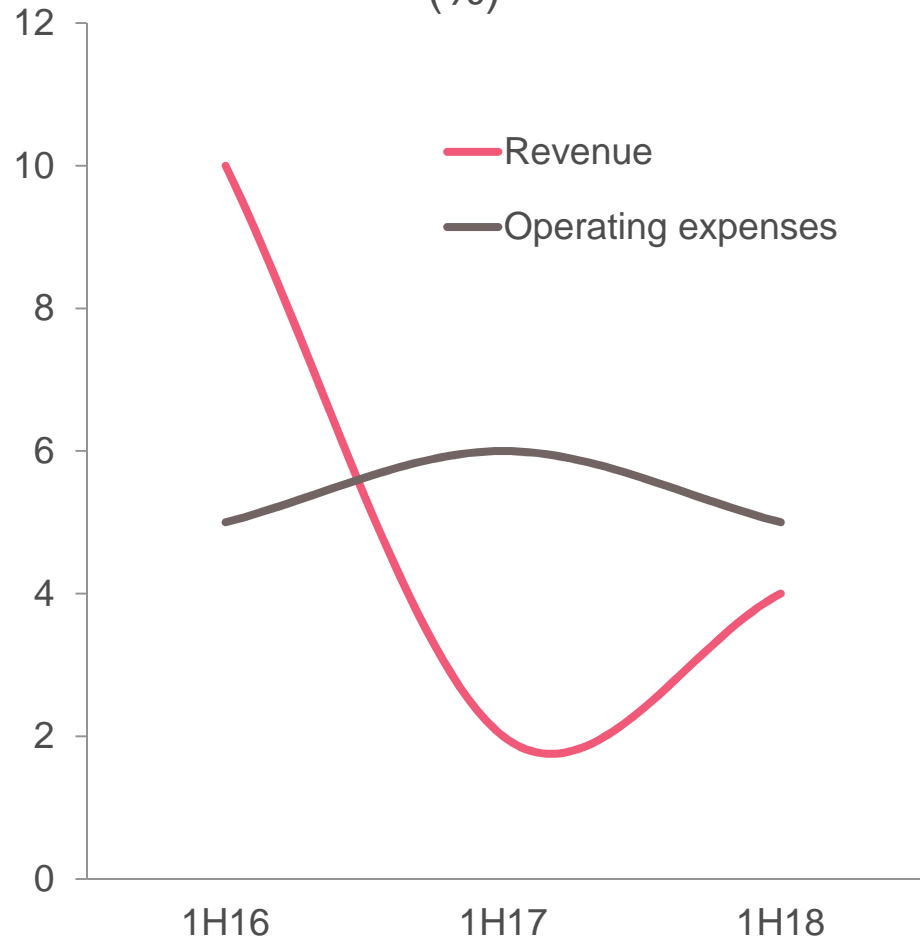
Note: ROA refers to rest of Africa here

# Demonstrated track record of containing costs

Group operating expenses (Rbn)

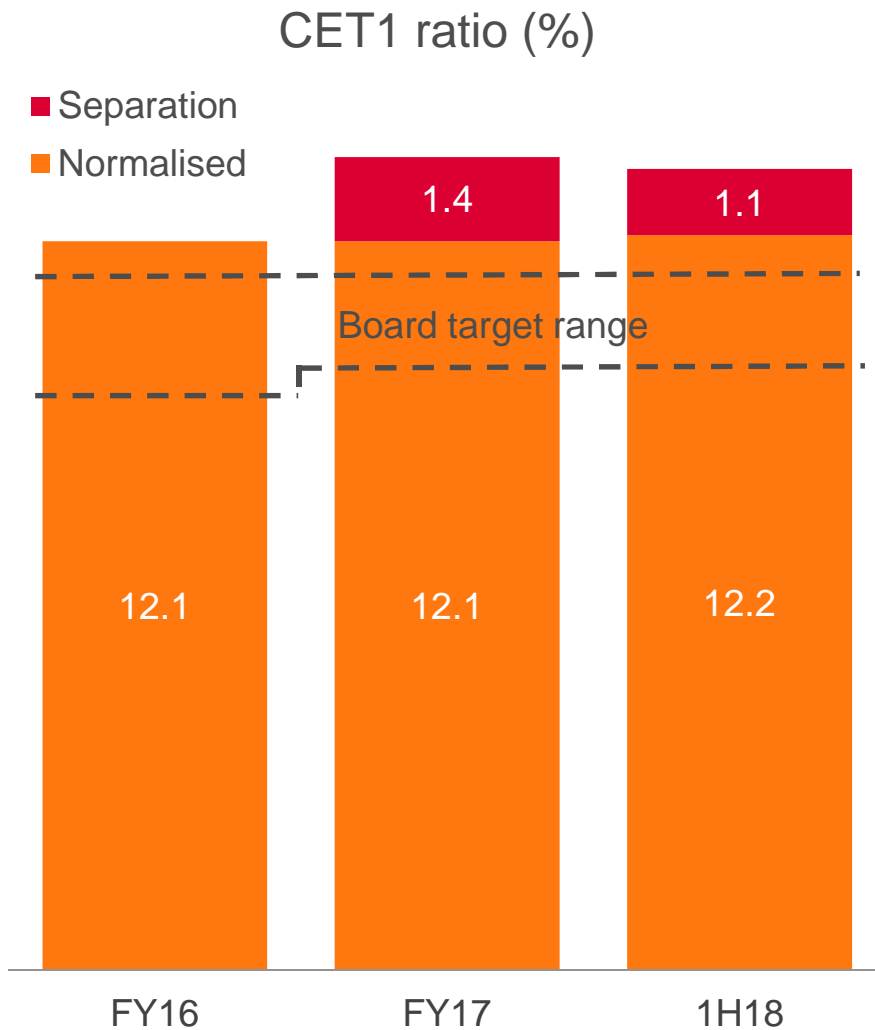


Normalised constant currency growth (%)



Note: \* normalised for separation from Barclays PLC

# Maintained strong capital levels



- CET1 remains above Board target range
- Group generates >2% CET1 a year
- Supports current dividend payout ratio
- Scope to optimize risk-weighted assets
- Capital restack opportunities



# Absa is well positioned for a tough SA environment

- We have a well diversified portfolio of businesses
- Our new strategy focuses on growth and returns
- We see some SA growth opportunities irrespective of whether the 'pie' grows
  - Regaining RBB leadership
  - Reducing underweight in CIB
- Rest of Africa continues to offer a growth story
- Demonstrated ability to manage costs
- We have a strong capital base

# 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.