



# Absa Group Limited

Pillar 3 risk management report  
Additional disclosures for the reporting  
period ended 31 December 2022

The Pillar 3 risk management report for the reporting period ended 31 December 2022 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the Regulations relating to Banks (Regulations), issued in terms of the Banks Act, 1990 (Act No. 94 of 1990), where not superseded by the Pillar 3 disclosure requirements.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.

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## Composition of regulatory capital [CC1]

### Group

	a		b	a	
	31 Dec 2022			30 Jun 2022	
	Amounts		Ref. <sup>1</sup>	Amounts	
	Rm			Rm	
<b>CET1 capital: instruments and reserves</b>					
1 Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	11 845	(e)		12 383	
2 Retained earnings	113 625	(f)		105 838	
3 Accumulated other comprehensive income (and other reserves)	895	(g)		534	
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)	5 048	(a)		4 587	
<b>6 CET1 capital before regulatory adjustments</b>	<b>131 413</b>			<b>123 342</b>	
<b>CET1 capital: regulatory adjustments</b>					
7 Prudent valuation adjustments	443			843	
8 Goodwill (net of related tax liability)	645	(b)		639	
9 Other intangibles other than mortgage servicing rights (net of related tax liability)	11 093	(c)		10 549	
10 Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	216			133	
11 Cash-flow hedge reserve	(3 216)			(3 273)	
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	(218)			(21)	
15 Defined-benefit pension fund net assets	475			472	
16 Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	2			4	
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	1 598			1 366	
27 Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-			-	
<b>28 Total regulatory adjustment to CET1</b>	<b>11 038</b>			<b>10 712</b>	
<b>29 CET1 capital</b>	<b>120 374</b>			<b>112 630</b>	
<b>Additional Tier 1 capital: instruments</b>					
30 Directly issued qualifying additional Tier 1 instruments plus related stock surplus	15 085			15 215	
31 of which: classified as equity under applicable accounting standards	7 503	(h)		7 004	
32 of which: classified as liabilities under applicable accounting standards	7 582	(h)		8 211	
33 Directly issued capital instruments subject to phase out from additional Tier 1	-			-	
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)	459			971	

<sup>1</sup> References refer to the reconciliation of accounting capital to regulatory capital.



## Composition of regulatory capital [CC1]

### Group (cont.)

	a		b	a	
	31 Dec 2022			30 Jun 2022	
	Amounts			Amounts	
	Rm	Ref. <sup>1</sup>		Rm	
35 of which: instruments issued by subsidiaries subject to phase out	-			-	
<b>36 Additional Tier 1 capital before regulatory adjustments</b>	<b>15 545</b>			<b>16 186</b>	
<b>Additional Tier 1 capital: regulatory adjustments</b>					
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	(700)			(644)	
42 Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-			-	
<b>43 Total regulatory adjustments to additional Tier 1 capital</b>	<b>(700)</b>			<b>(644)</b>	
<b>44 Additional Tier 1 capital (AT1)</b>	<b>16 245</b>			<b>16 830</b>	
<b>45 Tier 1 capital (T1 = CET1 + AT1)</b>	<b>136 619</b>			<b>129 460</b>	
<b>Tier 2 capital instruments and provisions</b>					
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	15 969	(d)		14 266	
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)	-			-	
49 of which: instruments issued by subsidiaries subject to phase out	-			-	
50 Provisions	5 757			5 446	
<b>51 Tier 2 capital before regulatory adjustments</b>	<b>21 726</b>			<b>19 712</b>	
<b>Tier 2 capital: regulatory adjustments</b>					
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	(422)			(404)	
<b>57 Total regulatory adjustments to Tier 2 capital</b>	<b>(422)</b>			<b>(404)</b>	
<b>58 Tier 2 capital (T2)</b>	<b>22 148</b>			<b>20 116</b>	
<b>59 Total capital (TC = T1 + T2)</b>	<b>158 767</b>			<b>149 576</b>	
<b>60 Total RWA</b>	<b>1 007 993</b>			<b>948 670</b>	
<b>Capital ratios and buffers</b>					
61 CET1 (as a percentage of RWA)	11.9			11.9	
62 Tier 1 (as a percentage of RWA)	13.6			13.6	
63 Total capital (as a percentage of RWA)	15.8			15.8	

<sup>1</sup> References refer to the reconciliation of accounting capital to regulatory capital.



## Composition of regulatory capital [CC1]

### Group (cont.)

	a		b	a	
	31 Dec 2022			30 Jun 2022	
	Amounts			Amounts	
	Rm	Ref. <sup>1</sup>		Rm	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of RWA)				
	8.5			8.5	
65	of which: capital conservation buffer requirement				
	2.5			2.5	
66	of which: bank-specific countercyclical buffer requirement				
	-			-	
67	of which: higher loss absorbency requirement				
	1.0			1.0	
68	CET1 available to meet buffers (as a percentage of RWA) available after meeting the bank's minimum capital requirements				
	3.4			3.4	
<b>National minima (if different from Basel III minimum)</b>					
69	National CET1 minimum ratio				
	8.5			8.5	
70	National Tier 1 minimum ratio				
	10.3			10.3	
71	National total capital minimum ratio				
	12.5			12.5	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>					
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities				
	3 014			-	
73	Significant investments in the common stock of financial entities				
	5 079			4 006	
74	Mortgage servicing rights (net of related tax liability)				
	-			-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)				
	8 673			7 582	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>					
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)				
	2 927			2 642	
77	Cap on inclusion of provisions in Tier 2 under standardised approach				
	2 947			2 642	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (IRBA) (prior to application of cap)				
	2 830			2 804	
79	Cap for inclusion of provisions in Tier 2 under internal ratings based approach				
	3 030			2 844	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 January 2018 and 1 January 2022)</b>					
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)				
	-			-	

<sup>1</sup> References refer to the reconciliation of accounting capital to regulatory capital.



## Composition of regulatory capital [CC1]

### Bank

	a		b	a	
	31 Dec 2022			30 Jun 2022	
	Amounts			Amounts	
	Rm	Ref. <sup>1</sup>		Rm	
<b>CET1 capital: instruments and reserves</b>					
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	49 087	(f)		46 082
3	Accumulated other comprehensive income (and other reserves)	975	(g)		308
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	<b>CET1 capital before regulatory adjustments</b>	<b>87 246</b>			<b>83 574</b>
<b>CET1 capital: regulatory adjustments</b>					
7	Prudent valuation adjustments	340			743
8	Goodwill (net of related tax liability)	112	(b)		112
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	10 503	(c)		9 960
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	(3 213)			(3 271)
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	(213)			(21)
15	Defined-benefit pension fund net assets	466			466
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	2			3
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	-			-
27	Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-			-
28	<b>Total regulatory adjustment to CET1</b>	<b>7 997</b>			<b>7 992</b>
29	<b>CET1 capital</b>	<b>79 249</b>			<b>75 582</b>
<b>Additional Tier 1 capital: instruments</b>					
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	15 085			15 215
31	of which: classified as equity under applicable accounting standards	7 503	(h)		7 004
32	of which: classified as liabilities under applicable accounting standards	7 582	(i)		8 211
33	Directly issued capital instruments subject to phase out from additional Tier 1	-			-
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)	-			-

<sup>1</sup> References refer to the reconciliation of accounting capital to regulatory capital.



## Composition of regulatory capital [CC1]

### Bank (cont.)

	a		b	a
	31 Dec 2022			30 Jun 2022
	Amounts			Amounts
	Rm	Ref. <sup>1</sup>		Rm
35 of which: instruments issued by subsidiaries subject to phase out	-			-
<b>36 Additional Tier 1 capital before regulatory adjustments</b>	<b>15 085</b>			<b>15 215</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>				
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	-			-
<b>43 Total regulatory adjustments to additional Tier 1 capital</b>	<b>-</b>			<b>-</b>
<b>44 Additional Tier 1 capital (AT1)</b>	<b>15 085</b>			<b>15 215</b>
<b>45 Tier 1 capital (T1 = CET1 + AT1)</b>	<b>94 334</b>			<b>90 797</b>
<b>Tier 2 capital instruments and provisions</b>				
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	15 969	(d)		14 266
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)	-			-
49 of which: instruments issued by subsidiaries subject to phase out	-			-
50 Provisions	2 584			1 743
<b>51 Tier 2 capital before regulatory adjustments</b>	<b>18 553</b>			<b>16 009</b>
<b>Tier 2 capital: regulatory adjustments</b>				
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	-			-
<b>57 Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>			<b>-</b>
<b>58 Tier 2 capital (T2)</b>	<b>18 553</b>			<b>16 009</b>
<b>59 Total capital (TC = T1 + T2)</b>	<b>112 887</b>			<b>106 806</b>
<b>60 Total RWA</b>	<b>662 093</b>			<b>628 228</b>
<b>Capital ratios and buffers</b>				
61 CET1 (as a percentage of RWA)	12.0			12.0
62 Tier 1 (as a percentage of RWA)	14.2			14.5
63 Total capital (as a percentage of RWA)	17.0			17.0

<sup>1</sup> References refer to the reconciliation of accounting capital to regulatory capital.





## Composition of regulatory capital [CC1]

### Bank (cont.)

	a		b	a	
	31 Dec 2022			30 Jun 2022	
	Amounts			Amounts	
	Rm	Ref. <sup>1</sup>		Rm	
64 Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of RWA)	8.5			8.5	
65 of which: capital conservation buffer requirement	2.5			2.5	
66 of which: bank-specific countercyclical buffer requirement	-			-	
67 of which: higher loss absorbency requirement	1.0			1.0	
68 CET1 available to meet buffers (as a percentage of RWA) available after meeting the bank's minimum capital requirements <sup>2</sup>	3.5			3.5	
<b>National minima (if different from Basel III minimum)</b>					
69 National CET1 minimum ratio	8.5			8.5	
70 National Tier 1 minimum ratio	10.3			10.3	
71 National total capital minimum ratio	12.5			12.5	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>					
72 Non-significant investments in the capital and other TLAC liabilities of other financial entities	2 266			1 546	
73 Significant investments in the common stock of financial entities	691			658	
74 Mortgage servicing rights (net of related tax liability)	-			-	
75 Deferred tax assets arising from temporary differences (net of related tax liability)	5 356			4 893	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>					
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)	2 584			1 743	
79 Cap for inclusion of provisions in Tier 2 under internal ratings based approach	2 705			2 751	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 January 2018 and 1 January 2022)</b>					
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)	-			-	

<sup>1</sup> References refer to the reconciliation of accounting capital to regulatory capital.



## Reconciliation of regulatory capital to balance sheet [cc2]

### Group

	31 Dec 2022			30 Jun 2022	
	a	b	c	a	b
	Accounting balance sheet per published financial statements <sup>1</sup>	Balance sheet per regulatory scope of consolidation <sup>1</sup>	Ref. <sup>2</sup>	Accounting balance sheet per published financial statements <sup>1</sup>	Balance sheet per regulatory scope of consolidation <sup>1</sup>
	Rm	Rm		Rm	Rm
<b>Assets</b>					
Cash, cash balances and balances with central banks	67 179	65 384		61 353	58 903
Investment securities	215 637	208 522		206 609	199 974
Trading portfolio assets	206 436	206 436		211 797	211 797
Hedging portfolio assets	4 973	4 973		6 096	6 096
Other Assets	25 190	23 952		53 053	51 881
Current tax assets	657	553		632	507
Non-current assets held for sale	212	212		5 150	5 150
Loans and advances	1 213 399	1 212 505		1 160 281	1 159 000
Reinsurance assets	663	-		1 025	-
Investment linked to Investment contracts	19 288	-		18 930	-
Investments in associates and joint ventures	2 409	5 853		1 635	4 983
Goodwill and intangible assets	12 901	11 738		12 200	11 188
of which goodwill	757	645	(b)	751	639
of which other intangibles	12 144	11 733	(c)	11 449	11 111
net of deferred tax	-	(640)	(c)	-	(562)
Investment properties	397	225		419	233
Property and equipment	15 325	15 229		15 206	15 115
Deferred tax assets	8 535	8 401		7 310	7 186
<b>Total assets</b>	<b>1 793 201</b>			<b>1 761 696</b>	

<sup>1</sup> Relates to Absa Group Limited balance sheet, including insurance entities.

<sup>2</sup> References to composition of capital disclosure table.



## Reconciliation of regulatory capital to balance sheet [cc2]

### Group (cont.)

Group	31 Dec 2022			30 Jun 2022	
	a Accounting balance sheet per published financial statements <sup>1</sup> Rm	b Balance sheet per regulatory scope of consolidation <sup>1</sup> Rm	c Ref. <sup>2</sup>	a Accounting balance sheet per published financial statements <sup>1</sup> Rm	b Balance sheet per regulatory scope of consolidation <sup>1</sup> Rm
<b>Liabilities</b>					
Trading portfolio liabilities	94 895	94 895		97 631	97 631
Hedging portfolio liabilities	2 237	2 237		7 082	7 082
Other liabilities	36 522	34 952		61 207	59 588
Provisions	5 912	5 751		3 960	3 859
Current tax liabilities	971	949		1 151	1 138
Non-current liabilities held for sale	26	26		3 333	3 333
Deposits	1 241 918	1 241 918		1 213 509	1 213 509
Debt securities in issue	205 519	205 519		174 871	174 871
Liabilities under investment contracts	19 999	(50)		19 830	491
Policyholder liabilities under insurance contracts	5 384	-		5 776	-
Borrowed funds	26 420	23 551		25 240	22 477
of which directly qualifying AT1 instruments	-	7 582	(h)		8 211
of which directly issued qualifying Tier 2 instruments	-	15 969	(d)		14 266
of which relates to subsidiaries	-	-			-
Deferred tax liabilities	351	119		434	166
<b>Total liabilities</b>	<b>1 640 154</b>			<b>1 614 024</b>	
<b>Equity</b>					
<b>Capital and reserves</b>					
Attributable to ordinary equity holders:					
Paid-in share capital	11 845	11 845	(e)	12 383	12 383
Retained earnings including unappropriated profits	121 763	121 763		117 218	117 218
of which amount eligible for CET1	-	113 625	(f)	-	105 838
of which unappropriated profits	-	8 138		-	11 380
Accumulated other comprehensive income	887	895	(g)	534	534
Non-controlling Interest - Ordinary shares	6 405	6 080		5 889	5 559
of which relate to eligible CET1	-	5 048	(a)	-	4 587
of which relates to eligible AT1	-	1 032		-	972
Non-controlling Interest - Preference shares	4 644	1		4 644	-
Non-controlling Interest - Additional Tier 1 Capital	7 503	7 503	(h)	7 004	7 004
<b>Total equity</b>	<b>153 047</b>			<b>147 672</b>	
<b>Total liabilities and equity</b>	<b>1 793 201</b>			<b>1 761 696</b>	

<sup>1</sup> Relates to Absa Group Limited balance sheet, including insurance entities.

<sup>2</sup> References to composition of capital disclosure table.



## Reconciliation of regulatory capital to balance sheet [cc2]

### Bank

	31 Dec 2022			30 Jun 2022	
	a	b	c	a	b
	Accounting balance sheet per published financial statements	Balance sheet per regulatory scope of consolidation		Accounting balance sheet per published financial statements	Balance sheet per regulatory scope of consolidation
Bank <sup>1</sup>	Rm	Rm	Ref. <sup>2</sup>	Rm	Rm
<b>Assets</b>					
Cash, cash balances and balances with central banks	37 344	37 344		34 955	34 955
Investment securities	128 439	128 439		122 050	122 050
Trading portfolio assets	156 071	156 071		156 423	156 423
Hedging portfolio assets	4 972	4 972		6 095	6 095
Other Assets	17 265	17 101		42 068	42 068
Current tax assets	45	45		84	84
Non-current assets held for sale	90	90		104	104
Loans and advances	1 032 520	1 032 216		998 979	998 979
Loans to Absa Group companies	73 200	76 733		74 957	-
Investment linked to Investment contracts	-	-		-	-
Investments in associates and joint ventures	1 725	1 726		1 635	4 983
Goodwill and intangible assets	11 256	10 615		10 634	10 072
of which goodwill	112	112	(b)	112	112
of which other intangibles	11 143	11 143	(c)	10 522	10 522
net of deferred tax	-	(640)	(c)	-	(562)
Investment properties	-	-		-	-
Property and equipment	11 686	11 686		11 717	11 717
Deferred tax assets	4 739	4 739		4 357	4 357
<b>Total assets</b>	<b>1 479 352</b>			<b>1 464 058</b>	

<sup>1</sup> Absa Bank Limited includes subsidiary undertakings, special-purpose entities, joint ventures, associates, and offshore holdings.

<sup>2</sup> References to composition of capital disclosure table.



## Reconciliation of regulatory capital to balance sheet [cc2]

### Bank (cont.)

	31 Dec 2022			30 Jun 2022	
	a	b	c	a	b
	Accounting balance sheet per published financial statements	Balance sheet per regulatory scope of consolidation	Ref. <sup>1</sup>	Accounting balance sheet per published financial statements	Balance sheet per regulatory scope of consolidation
Bank	Rm	Rm		Rm	Rm
<b>Liabilities</b>					
Trading portfolio liabilities	91 397	91 397		92 099	92 099
Hedging portfolio liabilities	2 237	2 237		7 082	7 082
Other liabilities	23 994	23 525		43 986	43 986
Provisions	4 051	4 051		2 737	2 737
Current tax liabilities	381	381		712	712
Non-current liabilities held for sale	-	-		-	-
Deposits	1 015 623	1 015 623		1 009 868	1 009 869
Debt securities in issue	203 275	203 275		172 587	172 587
Liabilities under investment contracts	-	-		-	-
Policyholder liabilities under insurance contracts	-	-		-	-
Borrowed funds	26 282	23 551		25 103	22 477
of which directly qualifying AT1 instruments	-	7 582	(i)	-	8 211
of which directly issued qualifying Tier 2 instruments	-	15 969	(d)	-	14 266
of which relates to subsidiaries	-	-		-	-
Deferred tax liabilities	23	23		26	26
Loans from Absa Group companies	9 157	9 152		7 906	7 906
<b>Total liabilities</b>	<b>1 376 414</b>			<b>1 362 106</b>	
<b>Equity</b>					
<b>Capital and reserves</b>					
Attributable to ordinary equity holders:					
Paid-in share capital	37 184	37 184	(e)	37 184	37 184
Retained earnings including unappropriated profits	52 633	52 633		52 812	52 812
of which amount eligible for CET1	-	49 087	(f)	-	46 082
of which unappropriated profits	-	3 546		-	6 730
Accumulated other comprehensive income	974	975	(g)	308	308
Non-controlling Interest - Ordinary shares	-	-		-	-
Non-controlling Interest - Preference shares	4 644	-		4 644	-
Non-controlling interest – Additional Tier 1 capital	7 503	7 503	(h)	7 004	7 004
<b>Total equity</b>	<b>102 938</b>			<b>101 952</b>	
<b>Total liabilities and equity</b>	<b>1 479 352</b>			<b>1 464 058</b>	

<sup>1</sup> 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

		31 Dec 2022
		Rm
1	Total consolidated assets	1 793 201
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(31 869)
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	(14 103)
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)	117 482
7	Other adjustments	(16 104)
8	<b>Leverage ratio exposure measure</b>	<b>1 848 607</b>

#### Bank

		31 Dec 2022
		Rm
1	Total consolidated assets	1 479 352
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
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	(13 537)
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)	92 485
7	Other adjustments	(15 121)
8	<b>Leverage ratio exposure measure</b>	<b>1 543 179</b>



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

### LR2: Leverage ratio common disclosure template

	Group		Bank		
	a	b	a	b	
	31 Dec 2022	30 Sep 2022	31 Dec 2022	30 Sep 2022	
	Rm	Rm	Rm	Rm	
<b>On-balance sheet exposures</b>					
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1 611 729	1 627 575	1 338 039	1 340 411
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(16 104)	(17 523)	(15 121)	(16 440)
3	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)</b>	<b>1 595 625</b>	<b>1 610 052</b>	<b>1 322 918</b>	<b>1 323 971</b>
<b>Derivative exposures</b>					
4	Replacement cost associated with all derivative transactions (where applicable net of eligible cash variation margin and/ or with bilateral netting)	20 943	21 154	20 510	20 583
5	Add-on amounts for potential future exposure (PFE) associated with all derivative transactions	26 240	29 661	25 727	28 892
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)	(6 170)	(5 475)	(6 170)	(5 475)
8	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-	-	-
9	Adjusted effective notional amount of written credit derivative	8 445	7 833	8 445	7 833
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-
11	<b>Total derivative exposures (sum of rows 4 to 10)</b>	<b>49 458</b>	<b>53 173</b>	<b>48 512</b>	<b>51 833</b>
<b>Security financing transaction exposures</b>					
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	86 043	84 928	79 264	77 401
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-
14	CCR exposure for SFT assets	-	-	-	-
15	Agent transaction exposures	-	-	-	-
16	<b>Total securities financing transaction exposures (sum of rows 12 to 15)</b>	<b>86 043</b>	<b>84 928</b>	<b>79 264</b>	<b>77 401</b>
<b>Other off-balance sheet exposures</b>					
17	Off-balance sheet exposures at gross notional amount	408 792	413 442	350 894	344 031
18	(Adjustments for conversion to credit equivalent amounts)	(291 310)	(278 312)	(258 409)	(238 819)
19	<b>Off-balance sheet items (sum of rows 17 and 18)</b>	<b>117 482</b>	<b>135 130</b>	<b>92 485</b>	<b>105 212</b>
<b>Capital and total exposures</b>					
20	Tier 1 capital (excluding unappropriated profits)	136 619	130 587	94 334	88 666
21	<b>Total exposures (sum of lines 3, 11, 16 and 19)</b>	<b>1 848 607</b>	<b>1 883 283</b>	<b>1 543 179</b>	<b>1 558 417</b>
<b>Leverage ratio</b>					
22	<b>Basel III leverage ratio</b>	<b>7.4</b>	<b>6.9</b>	<b>6.1</b>	<b>5.7</b>



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## 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	12	13	14
1 Issuer	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	Absa Group Limited
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ZAE000255915	ZAG000154527	ZAG000159476	ZAG000164906	ZAG000171893	XS233910287	ZAG000191925	ZAG000146002	ZAG000147026	XS1799058174	ZAG000155615	ZAG000158452	ZAG000166125	ZAG000189580
3 Governing law(s) of the instrument	South Africa	South Africa	South Africa	South Africa	South Africa	United Kingdom (Except certain provisions under South African law)	South Africa	South Africa	South Africa	United Kingdom (Except certain provisions under South African law)	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)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory treatment</b>														
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	Tier 2	Tier 2
5 Post-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	Tier 2	Tier 2
6 Eligible at solo/Group /Group and solo	Group	Group	Group	Group	Group	Group	Group	Group	Group	Group	Group	Group	Group	Group
7 Instrument type (types to be specified by each jurisdiction)	Ordinary 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	Additional Tier 1 Callable Notes	Subordinated Callable Notes	Subordinated 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 845	R1 241	R1 678	R1 376	R1 209	USD500	R1 999	R395	R1 015	USD400	R1 513	R1 611	R2 705	R1 922
9 Par value of instrument	R1 694	R1 241	R1 678	R1 376	R1 209	USD500	R1 999	R390	R1 014	USD400	R1 500	R1 580	R2 676	R1 916
10 Accounting classification	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	Liability amortised cost	Liability amortised cost	Liability amortised cost	Liability amortised cost
11 Original date of issuance	1986	09 Oct 2018	28 May 2019	05 Dec 2019	26 Oct 2020	27 May 2021	15 Nov 2022	14 Aug 2017	29 Sep 2017	25 April 2018	28 Nov 2018	10 Apr 2019	17 Feb 2020	15 Sep 2022
12 Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	NA	NA	NA	NA	NA	NA	NA	14 Aug 2029	29 Sep 2029	25 April 2028	29 Nov 2028	11 Apr 2029	17 May 2030	16 Sep 2032
14 Issuer call subject to prior supervisory approval	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	NA	10 Oct 2023, R1 241	28 Nov 2024, R1 678	05 Jun 2025, R1 376	27 Oct 2025, R1 209	28 May 2026, USD500	16 Nov 2027, R 1 999	14 Aug 2024, R390	29 Sep 2024, R1 014	25 April 2023, USD400	29 Nov 2023, R1 500	11 Apr 2024, R1 580	17 May 2025, R2 676	16 Sep 2027, R1 916
16 Subsequent call dates, if applicable	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	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	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
<b>Coupons / dividends</b>														





## 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	12	13	14
17 Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating	Floating	Fixed	Floating	Floating	Floating	Fixed	Floating	Floating	Floating	Floating
18 Coupon rate and any related index	NA	3M JIBAR +475bps	3M JIBAR +450bps	3M JIBAR +425bps	3M JIBAR +455bps	6.375%	3M JIBAR +358bps	3M JIBAR +385bps	3M JIBAR +345bps	6.250%	3M JIBAR +245bps	3M JIBAR +240bps	3M JIBAR +213bps	3M JIBAR +210bps
19 Existence of a dividend stopper	No	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No	No	No	No
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21 Existence of step up or other incentive to redeem	NA	No	No	No	No	No	No	No	No	No	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	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	Non-convertible	Non-convertible
24 If convertible, conversion trigger (s)	NA	NA	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	NA	NA
26 If convertible, conversion rate	NA	NA	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	NA	NA
28 If convertible, specify instrument type convertible into	NA	NA	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	NA	NA
30 Write-down feature	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31 If write-down, write-down trigger(s)	NA	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
32 If write-down, full or partial	NA	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
33 If write-down, permanent or temporary	NA	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA	NA	N/A	NA	NA	NA	NA	NA	NA	NA
34 Type of subordination <sup>a</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 14, then Columns 2 to 7	Columns 8 to 14	Columns 8 to 14	Columns 8 to 14	Columns 8 to 14	Columns 8 to 14	Columns 8 to 14	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
36 Non-compliant transitioned features	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37 If yes, specify non-compliant features	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



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## 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	13	14
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	Absa Bank Limited	Absa Bank Limited
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ZAE000 079810	ZAG000 154519	ZAG000 159484	ZAG000 164955	ZAG000 171976	NA	ZAG000 192063	ZAG000 146010	ZAG000 147034	NA	ZAG000 155722	ZAG000 158494	ZAG000 166174	ZAG000 189598
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	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)		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory treatment</b>														
4 Transitional Basel III rules	Common Equity Tier 1	Addi-- tional Tier 1	Addi-- tional Tier 1	Addi-- tional Tier 1	Addi-- tional Tier 1	Addi-- tional Tier 1	Addi-- tional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5 Post-transitional Basel III rules	Common Equity Tier 1	Addi-- tional Tier 1	Addi-- tional Tier 1	Addi-- tional Tier 1	Addi-- tional Tier 1	Addi-- tional Tier 1	Addi-- tional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
6 Eligible at Solo/Group /Group & Solo	Solo	Solo	Solo	solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo
7 Instrument type (types to be specified by each jurisdiction)	Ordinary share capital and premium	Addi-- tional Callable Notes	Addi-- tional Callable Notes	Addi-- tional Callable Notes	Addi-- tional Callable Notes	Addi-- tional Callable Notes	Addi-- tional Callable Notes	Sub ordina-- ted Callable Notes	Sub ordina-- ted Callable Notes	Sub ordina-- ted Loan	Sub ordina-- ted Callable Notes	Sub ordina-- ted Callable Notes	Sub ordina-- ted Callable Notes	Sub ordina-- ted Callable Notes
8 Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	R37 184	R1 241	R1 678	R1 376	R1 209	USD500	R1 999	R395	R1 015	USD400	R1 513	R1 611	R2 705	R1 922
9 Par value of instrument	R304	R1 241	R1 678	R1 376	R1 209	USD500	R1 999	R390	R1 014	USD400	R1 500	R1 580	R2 676	R1 916
10 Accounting classification	Share holders' equity	Share holders' equity	Share holders' equity	Share holders' equity	Share holders' equity	Liability amor-- tised cost	Share holders' equity	Liability amor-- tised cost	Liability amor-- tised cost	Liability amor-- tised cost	Liability amor-- tised cost	Liability amor-- tised cost	Liability amor-- tised cost	Liability amor-- tised cost
11 Original date of issuance	1986	09 Oct 2018	28 May 2019	05 Dec 2019	26 Oct 2020	27 May 2021	15 Nov 2020	14 Aug 2017	29 Sep 2017	25 April 2018	28 Nov 2018	10 Apr 2019	17 Feb 2020	15 Sep 2022
12 Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	NA	NA	NA	NA	NA	NA	NA	14 Aug 2029	29 Sep 2029	25 April 2028	29 Nov 2028	11 Apr 2029	17 May 2030	16 Sep 2032
14 Issuer call subject to prior supervisory approval	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	NA	10 Oct 2023, R1 241	28 Nov 2024, R1 678	05 Jun 2025, R1 376	27 Oct 2025, R1 209	28 May 2026, USD500	16 Nov 2027, R1 999	14 Aug 2024, R390	29 Sep 2024, R1 014	25 April 2023, USD400	29 Nov 2023, R1 500	11 Apr 2024, R1 580	17 May 2025, R2 676	16 Sep 2027, R1 916
16 Subsequent call dates, if applicable	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	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	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
<b>Coupons / dividends</b>														
17 Fixed or floating dividend/ coupon	Floating	Floating	Floating	Floating	Floating	Fixed	Floating	Floating	Floating	Fixed	Floating	Floating	Floating	Floating
18 Coupon rate and any related index	NA	3M JIBAR +475bps	3M JIBAR +450bps	3M JIBAR +425bps	3M JIBAR +455bps	6.375%	3M JIBAR +358bps	3M JIBAR +385bps	3M JIBAR +345bps	6.250%	3M JIBAR +245bps	3M JIBAR +240bps	3M JIBAR +213bps	3M JIBAR +210bps
19 Existence of a dividend stopper	No	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No	No	No	No



## 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	13	14
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21 Existence of step up or other incentive to redeem	NA	No	No	No	No	No	No	No	No	No	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	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	Non-convertible	Non-convertible
24 If convertible, conversion trigger(s)	NA	NA	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	NA	NA
26 If convertible, conversion rate	NA	NA	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	NA	NA
28 If convertible, specify instrument type convertible into	NA	NA	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	NA	NA
30 Write-down feature	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31 If write-down, write-down trigger(s)	NA	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
32 If write-down, full or partial	NA	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
33 If write-down, permanent or temporary	NA	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA	NA	N/A	NA	NA	NA	NA	NA	NA	NA
34 Type of subordination <sup>a</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Columns 8 to 14, then Columns 2 to 7	Columns 8 to 14	Columns 8 to 14	Columns 8 to 14	Columns 8 to 14	Columns 8 to 14	Columns 8 to 14	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
36 Non-compliant transitioned features	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37 If yes, specify non-compliant features	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



## Liquidity coverage ratio common disclosure template and summary [LIQ1]

Group <sup>1</sup>	a		b		a		b	
	31 Dec 2022		30 Sep 2022		31 Dec 2022		30 Sep 2022	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
<b>High-quality liquid assets (HQLA)</b>								
1 <b>Total HQLA</b>		<b>240 876</b>						<b>241 373</b>
<b>Cash outflows</b>								
2 Retail deposits and deposits from small business customers of which:	457 319	36 692	448 978	36 064				
3 Stable deposits	-	-	-	-				
4 Less stable deposits	457 319	36 692	448 978	36 064				
5 Unsecured wholesale funding of which:	521 622	262 457	520 558	258 202				
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	157 728	39 432	166 841	41 710				
7 Non-operational deposits (all counterparties)	359 315	218 446	351 268	214 043				
8 Unsecured debt	4 579	4 579	2 449	2 449				
9 Secured wholesale funding		663		3 330				
10 Additional requirements of which:	335 960	45 729	318 615	44 367				
11 Outflows related to derivative exposures and other collateral requirements	19 626	19 626	19 909	19 909				
12 Outflows related to loss of funding on debt products	-	-	-	-				
13 Credit and liquidity facilities	316 334	26 103	298 706	24 458				
14 Other contractual funding obligations	-	-	1 805	1 805				
15 Other contingent funding obligations	249 072	10 337	236 284	9 460				
16 <b>Total cash outflows (Sum of lines 2+5+9+10+14+15)</b>		<b>355 878</b>						<b>353 228</b>
<b>Cash inflows</b>								
17 Secured lending (e.g., reverse repos)	45 641	4 333	56 274	5 646				
18 Inflows from fully performing exposures	174 432	144 398	175 867	147 226				
19 Other cash inflows	15 050	13 848	14 667	13 545				
20 <b>Total cash inflows (Sum of lines 17-19)</b>	<b>235 123</b>	<b>162 579</b>	<b>246 808</b>	<b>166 417</b>				
		<b>Total weighted value</b>		<b>Total weighted value</b>				
<b>High-quality liquid assets (HQLA)</b>								
21 <b>Total HQLA (Rm)</b>		<b>240 876</b>						<b>241 373</b>
22 <b>Total net cash outflows (Rm)</b>		<b>193 299</b>						<b>186 811</b>
23 <b>LCR (%)</b>		<b>124.6</b>						<b>129.2</b>

<sup>1</sup> The Group LCR reflects an aggregation of the Bank LCR and the LCR of the Absa Regional Operations (ARO). For this purpose, a simple average of the relevant three month-end data points is used for ARO, noting that ARO LCR is capped at 100% per the minimum regulatory requirements. For the 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 <sup>1</sup>	31 Dec 2022		30 Sep 2022	
	a	b	a	b
	Total unweighted value (average) Rm	Total weighted value (average) Rm	Total unweighted value (average) Rm	Total weighted value (average) Rm
<b>High-quality liquid assets (HQLA)</b>				
1 <b>Total HQLA</b>		208 117		212 724
<b>Cash outflows</b>				
2 Retail deposits and deposits from small business customers of which:	363 819	28 894	354 987	28 139
3 Stable deposits	-	-	-	-
4 Less stable deposits	363 819	28 894	354 987	28 139
5 Unsecured wholesale funding of which:	417 273	214 530	423 453	214 161
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	157 728	39 432	166 841	41 710
7 Non-operational deposits (all counterparties)	255 583	171 136	254 992	170 831
8 Unsecured debt	3 962	3 962	1 620	1 620
9 Secured wholesale funding		663		3 330
10 Additional requirements of which:	308 175	41 620	288 147	39 584
11 Outflows related to derivative exposures and other collateral requirements	17 836	17 836	17 645	17 645
12 Outflows related to loss of funding on debt products	-	-	-	-
13 Credit and liquidity facilities	290 339	23 784	270 502	21 939
14 Other contractual funding obligations	-	-	1 805	1 805
15 Other contingent funding obligations	217 814	9 019	205 524	8 189
16 <b>Total cash outflows (Sum of lines 2+5+9+10+14+15)</b>		294 726		295 208
<b>Cash inflows</b>				
17 Secured lending (e.g. reverse repos)	45 641	4 333	56 274	5 646
18 Inflows from fully performing exposures	140 947	118 314	139 225	117 805
19 Other cash inflows	11 934	10 732	12 663	11 542
20 <b>Total cash inflows (Sum of lines 17-19)</b>	198 522	133 379	208 162	134 993
		<b>Total weighted value</b>		<b>Total weighted value</b>
<b>High-quality liquid assets (HQLA)</b>				
21 <b>Total HQLA (Rm)</b>		208 117		212 724
22 <b>Total net cash outflows (Rm)</b>		161 347		160 215
23 <b>LCR (%)</b>		129.0		132.8

<sup>1</sup> The Bank LCR was calculated as a simple average of 90 calendar-day LCR observations.



## Net stable funding ratio [LIQ2]

Group	31 Dec 2022				
	Unweighted value by residual maturity				Weighted Value Rm
	No maturity Rm	<6 months Rm	6 months to <1 year Rm	≥1 year Rm	
	a	b	c	d	e
<b>Available stable funding (ASF) item</b>					
1 <b>Capital</b>	<b>135 787</b>	-	-	<b>17 487</b>	<b>153 274</b>
2 Regulatory capital	127 460	-	-	15 987	143 447
3 Other capital instruments	8 327	-	-	1 500	9 827
4 <b>Retail deposits and deposits from small business customers:</b>	<b>256 324</b>	<b>149 516</b>	<b>29 684</b>	<b>23 781</b>	<b>415 752</b>
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	256 324	149 516	29 684	23 781	415 752
7 <b>Wholesale funding:</b>	<b>220 594</b>	<b>568 711</b>	<b>77 710</b>	<b>164 613</b>	<b>502 086</b>
8 Operational deposits	140 141	31 682	-	2 372	88 283
9 Other wholesale funding	80 453	537 029	77 710	162 241	413 803
10 Liabilities with matching interdependent assets	-	<b>2 721</b>	-	-	-
11 <b>Other liabilities:</b>	<b>38 844</b>	<b>30 819</b>	<b>1 428</b>	<b>63 525</b>	<b>10 371</b>
12 NSFR derivative liabilities		-	-	55 865	
13 All other liabilities and equity not included in the above categories	38 844	30 819	1 428	7 660	10 371
<b>14 Total ASF</b>					<b>1 081 483</b>
<b>Required stable funding (RSF) item</b>					
15 Total NSFR high-quality liquid assets (HQLA)					<b>20 635</b>
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 <b>Performing loans and securities:</b>	<b>2 567</b>	<b>350 054</b>	<b>97 119</b>	<b>800 283</b>	<b>809 094</b>
18 Performing loans to financial institutions secured by Level 1 HQLA	-	40 227	960	189	4 692
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	172 138	25 238	117 801	156 241
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:	-	133 535	67 697	496 533	520 017
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	13 261	8 620
22 Performing residential mortgages, of which:	-	3 170	3 224	178 114	118 971
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	3 170	3 224	178 114	118 971
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2 567	984	-	7 646	9 173
25 Assets with matching interdependent liabilities	-	<b>2 721</b>	-	-	-
26 <b>Other assets:</b>	<b>3 052</b>	<b>7 631</b>	-	<b>139 816</b>	<b>104 130</b>
27 Physical traded commodities, including gold	614				522
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	5 712	4 855
29 NSFR derivative assets		-	-	36 260	909
30 NSFR derivative liabilities before deduction of variation margin posted		-	-	5 768	5 768
31 All other assets not included in the above categories	2 438	7 631	-	92 076	92 076
32 <b>Off-balance sheet items</b>		-	-	<b>404 883</b>	<b>20 244</b>
<b>33 Total RSF</b>					<b>954 103</b>
<b>34 Net stable funding ratio (%)</b>					<b>113.4</b>



## Net stable funding ratio [LIQ2]

Group	30 Sep 2022				Weighted Value Rm
	Unweighted value by residual maturity				
	No maturity Rm	<6 months Rm	6 months to <1 year Rm	≥1 year Rm	
Available stable funding (ASF) item					
1 Capital	130 400	-	-	18 954	149 354
2 Regulatory capital	122 073	-	-	17 454	139 527
3 Other capital instruments	8 327	-	-	1 500	9 827
4 Retail deposits and deposits from small business customers:	251 384	153 918	26 124	22 821	411 104
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	251 384	153 918	26 124	22 821	411 104
7 Wholesale funding:	212 003	593 942	96 205	151 423	489 912
8 Operational deposits	137 467	35 697	182	2 500	89 173
9 Other wholesale funding	74 536	558 245	96 023	148 923	400 739
10 Liabilities with matching interdependent assets	-	2 162	-	-	-
11 Other liabilities:	34 864	40 198	290	81 434	7 949
12 NSFR derivative liabilities	-	-	-	75 555	-
13 All other liabilities and equity not included in the above categories	34 864	40 198	290	5 879	7 949
<b>14 Total ASF</b>					<b>1 058 319</b>
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					19 797
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities:	5 327	375 270	93 525	782 922	800 950
18 Performing loans to financial institutions secured by Level 1 HQLA	-	40 559	-	502	4 558
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	189 844	26 853	111 743	153 646
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:	-	140 241	62 899	490 453	515 574
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	14 404	9 362
22 Performing residential mortgages, of which:	-	3 307	3 358	173 723	116 252
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	3 307	3 358	173 723	116 252
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	5 327	1 319	415	6 501	10 920
25 Assets with matching interdependent liabilities	-	2 162	-	-	-
26 Other assets:	3 339	21 103	-	166 454	106 757
27 Physical traded commodities, including gold	914	-	-	-	777
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	5 640	4 794
29 NSFR derivative assets	-	-	-	60 766	1 138
30 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	7 788	7 788
31 All other assets not included in the above categories	2 425	21 103	-	92 260	92 260
32 Off-balance sheet items				406 010	20 301
<b>33 Total RSF</b>					<b>947 805</b>
<b>34 Net stable funding ratio (%)</b>					<b>111.7</b>



## Net stable funding ratio [LIQ2]

Bank	a	b	c	d	e
	31 Dec 2022				
	Unweighted value by residual maturity				Weighted Value Rm
No maturity Rm	<6 months Rm	6 months to <1 year Rm	≥1 year Rm		
<b>Available stable funding (ASF) item</b>					
1 <b>Capital</b>	100 515	-	-	17 487	118 002
2 Regulatory capital	92 188	-	-	15 987	108 175
3 Other capital instruments	8 327	-	-	1 500	9 827
4 <b>Retail deposits and deposits from small business customers:</b>	256 324	65 320	25 562	19 931	332 416
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	256 324	65 320	25 562	19 931	332 416
7 <b>Wholesale funding:</b>	220 594	428 899	70 183	152 214	437 522
8 Operational deposits	140 141	31 682	-	2 372	88 282
9 Other wholesale funding	80 453	397 217	70 183	149 842	349 240
10 Liabilities with matching interdependent assets	-	2 721	-	-	-
11 <b>Other liabilities:</b>	38 844	21 486	1 341	58 567	7 728
12 NSFR derivative liabilities	-	-	-	53 505	-
13 All other liabilities and equity not included in the above categories	38 844	21 486	1 341	5 062	7 728
14 <b>Total ASF</b>					895 668
<b>Required stable funding (RSF) item</b>					
15 Total NSFR high-quality liquid assets (HQLA)					15 170
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 <b>Performing loans and securities:</b>	2 567	275 897	83 099	718 644	705 853
18 Performing loans to financial institutions secured by Level 1 HQLA	-	39 185	960	189	4 587
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	144 932	24 081	116 158	149 939
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:	-	87 626	54 834	416 574	423 214
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	10 520	6 838
22 Performing residential mortgages, of which:	-	3 170	3 224	178 114	118 971
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	3 170	3 224	178 114	118 971
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2 567	984	-	7 609	9 142
25 Assets with matching interdependent liabilities	-	2 721	-	-	-
26 <b>Other assets:</b>	3 052	7 631	-	121 303	87 017
27 Physical traded commodities, including gold	614	-	-	-	522
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	5 712	4 855
29 NSFR derivative assets	-	-	-	33 951	-
30 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	5 532	5 532
31 All other assets not included in the above categories	2 438	7 631	-	76 108	76 108
32 <b>Off-balance sheet items</b>				360 731	17 760
33 <b>Total RSF</b>					825 800
34 <b>Net stable funding ratio (%)</b>					108.5





## Net stable funding ratio [LIQ2]

Bank	30 Sep 2022				Weighted Value Rm
	Unweighted value by residual maturity				
	No maturity Rm	<6 months Rm	<1 year Rm	≥1 year Rm	
Available stable funding (ASF) item					
1 Capital	94 108	-	-	18 954	113 062
2 Regulatory capital	85 781	-	-	17 454	103 235
3 Other capital instruments	8 327	-	-	1 500	9 827
4 Retail deposits and deposits from small business customers:	251 384	69 596	21 201	20 806	328 768
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	251 384	69 596	21 201	20 806	328 768
7 Wholesale funding:	212 003	442 706	86 466	139 892	422 979
8 Operational deposits	137 467	35 697	182	2 500	89 173
9 Other wholesale funding	74 536	407 009	86 284	137 392	333 806
10 Liabilities with matching interdependent assets	-	2 162	-	-	-
11 Other liabilities:	34 864	26 978	201	76 759	6 218
12 NSFR derivative liabilities	-	-	-	72 567	-
13 All other liabilities and equity not included in the above categories	34 864	26 978	201	4 192	6 218
<b>14 Total ASF</b>					<b>871 027</b>
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					13 872
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities:	5 327	299 639	78 638	698 290	693 025
18 Performing loans to financial institutions secured by Level 1 HQLA	-	39 202	-	502	4 422
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	166 558	26 315	111 880	150 021
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:	-	89 253	48 550	405 723	411 443
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	11 617	7 551
22 Performing residential mortgages, of which:	-	3 307	3 358	173 723	116 252
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	3 307	3 358	173 723	116 252
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	5 327	1 319	415	6 462	10 887
25 Assets with matching interdependent liabilities	-	2 162	-	-	-
26 Other assets:	3 339	18 678	-	147 817	90 035
27 Physical traded commodities, including gold	914	-	-	-	777
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	5 640	4 794
29 NSFR derivative assets	-	-	-	57 713	-
30 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	7 494	7 494
31 All other assets not included in the above categories	2 425	18 678	-	76 970	76 970
32 Off-balance sheet items				355 128	17 381
<b>33 Total RSF</b>					<b>814 313</b>
<b>34 Net stable funding ratio (%)</b>					<b>107.0</b>



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## Remuneration

### Basel Pillar 3 remuneration disclosures [REMA]

The Group's Remuneration Policy, which describes the key features of the remuneration framework, will be outlined in the 2022 Remuneration Report. This will be published with the Group's Integrated Reporting Suite on 31 March 2023.

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 cover all elements of remuneration and benefits, including for all subsidiaries, and with a specific focus 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 remuneration advisory services and market benchmarking data, including Vasdex Associates, RemChannel, McLagan, Mercer and KornFerry.

In the following tables, senior managers are defined as members of the Group 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 is approved by the RemCo. 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 2022, a total of 14 individuals were classified as senior managers and 61 individuals as other material risk takers. There were no material changes in 2022 to the methodology to classify material risk takers.

The Pillar 3 reporting includes all individuals who hold material risk taker roles during the year, which includes pro-rating and possible overlap in roles. Also included are additions to or removals from the list of roles deemed to be material risk takers, based on the application of our material risk taker approach from time to time. The changes to our operating model and the RemCo's oversight over the remuneration implications for the changes in the Group operating model will be set out in our 2022 Remuneration Report.

#### Design and structure of remuneration processes

The Group's remuneration principles, which guide the development and implementation of remuneration practices are consistent with those applied in 2021. These are:

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

Remuneration for most employees consists of fixed remuneration (salary and benefits) and eligibility for a short-term incentive based on performance. Senior managers, executives and those who are regarded as key to the future performance of the organisation (including key talent, and holders of scarce and critical skills) may be eligible to receive a long-term incentive, with allocations in this regard remaining highly selective. The Group's short-term incentive and long-term incentive scorecards consist of a mix of financial and non-financial performance targets, aligned respectively to the Board-approved short-term plan (STP) and medium-term plan (MTP). These, and the Group's approach to the assessment of outcomes, will be in our 2022 Remuneration Report.

The RemCo conducts reviews of the remuneration policy at least annually. There were no changes to our remuneration policy in 2022.

Key implementation enhancements in 2022 included:

- Extending the Group's long-term incentive participation to increase coverage for scarce and critical skills.
- A further market adjustment, informed by market benchmarking, of our on-target short-term incentive pool.
- Taking additional steps in fair and responsible pay predominantly in respect of fixed pay increases and short-term incentive allocation for more junior employees, as well as addressing pay differentials.
- Reviewing the remuneration implications of the revised Group operating model in the context of our agreed approach to executive remuneration.

Further implementation progress was made in respect of fair and responsible remuneration to ensure alignment with the Group's commitments as part of its broader ESG agenda.

Further detail regarding the Group's remuneration policy and its implementation will be in the 2022 Remuneration Report.

In terms of remuneration of control function employees and material risk takers:

- 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 independent control functions' performance, particularly evaluating the performance of the Chief Internal Auditor, the Chief Compliance Officer, and the Chief Risk Officer.
- 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.



## Remuneration

### Risk and remuneration

The RemCo considers the Group short-term incentive performance pool in the context of the quality of the Group's earnings (with inputs from the Group Audit and Compliance Committee) and whether any further risk adjustment was required. No adjustments were deemed necessary for 2022 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.

The Group's Remuneration Review Panel, a sub-committee of the Exco, is chaired by the Chief Compliance Officer. This panel makes recommendations on adjustments to individual awards and malus adjustments and clawbacks in the event of conduct, compliance, control, regulatory or ethical issues arising that impact on, or are impacted by, remuneration. In the event of senior executives possibly being implicated in any matter of concern, this would be escalated to the Group Chief Executive and, when required, to the Directors' Affairs Committee, and the RemCo would consider the remuneration implications.

### Linking performance and reward

The Group performance short-term incentive pool is determined by the RemCo based on a scorecard of measures aligned to the Board-approved STP and MTP. This takes account of the Group's performance and relative market performance. This will be described in our 2022 Remuneration Report.

The pool is distributed to the various businesses and functions based on performance relative to scorecards and contribution to Group performance.

Individual awards are differentiated in favour of higher performers, aligned with our pay for performance philosophy.

### 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, for awards that are subject to performance conditions. Vesting of performance awards may occur in a range of 0% of the value of the award for underperformance to 150% for significant outperformance. Time-based awards (*which do not apply to awards made to executive directors, prescribed officers and other senior executives*) vest at 100% of the award, subject to continued employment and the requirement that the participant has met or exceeded the requirement of their role for all the three performance years to which the award applies. Long-term incentives are awarded in Absa Group shares (or phantom shares where applicable), thus linking the awards to the Group share price, and vest over three years for all participants.

Share-based short-term incentive deferrals do not have future performance conditions, but outcomes are linked to the performance of the Absa Group share price over the vesting period. Vesting occurs on a pro-rata 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 2022 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 pro-rata over 3 years.
- Long-term incentives, for eligible employees.
- Employees in specifically designated sales roles may participate in formulaic incentive schemes, which may include pay-out frequencies of monthly, quarterly, half-yearly or annually.

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 typically be a smaller component of total remuneration.



## Remuneration

### Remuneration awarded during the financial year [REM1]

			a	b
			2022	
			Senior managers	Other material risk takers
			Rm	Rm
<b>Aggregate remuneration for senior managers and material risk takers</b>				
1	<b>Fixed remuneration</b>	<b>Number of employees</b>	<b>14</b>	<b>61</b>
2		<b>Total fixed remuneration</b>	<b>72</b>	<b>273</b>
3		Of which: cash based <sup>1</sup>	72	273
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	<b>Variable remuneration</b>	<b>Number of employees</b>	<b>14</b>	<b>61</b>
10		<b>Total variable remuneration</b>	<b>201</b>	<b>447</b>
11		Of which: cash based <sup>2</sup>	60	159
12		Of which: deferred	-	-
13		Of which: shares or other share linked instruments <sup>3</sup>	141	288
14		Of which: deferred	141	288
15		Of which: other forms	-	-
16		Of which: deferred	-	-
17	<b>Total</b>		<b>273</b>	<b>720</b>

<sup>1</sup> Total fixed remuneration for this disclosure includes the full value of leave encashments and separation payments during the year, where applicable.

<sup>2</sup> This includes, for 2022, the cash bonus payable in March 2023 in respect of performance for the 2022 financial year.

<sup>3</sup> Includes, for 2022, the Share Incentive Plan awards made during the 2022 financial year and deferred short-term incentives in respect of the 2022 financial year made in April 2023. All awards are subject to continued service and malus and clawback provisions.



## Remuneration

### Special payments [REM2]

	a	b	c	d	e	f
	2022					
	Guaranteed bonus		Sign – on awards		Severance payments <sup>1</sup>	
	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	-	-	-	-	-	-

### Deferred remuneration [REM3]

	a	b	c	d	e
	2022				
	Total amount of outstanding deferred remuneration as at the end December 2022 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 <sup>2</sup> Rm	Total amount of amendment during the year due to ex post implicit adjustments <sup>3</sup> Rm	Total amount of deferred remuneration paid out in the financial year Rm
1 Senior management					
2 Cash <sup>4</sup>	0.12	0.12	1.2	-	14
3 Shares <sup>5</sup>	439	439	5.2	(75)	54
4 Cash linked instruments	-	-	-	-	-
5 Other	-	-	-	-	-
6 Other material risk takers					
7 Cash <sup>7</sup>	-	-	2.4	-	44
8 Shares <sup>8</sup>	903	903	14.8	(160)	135
9 Cash linked instruments	-	-	-	-	-
10 Other	-	-	-	-	-
11 Total	1 342	1 342	24	(235)	247

<sup>1</sup> This includes only amounts paid in excess of contractual entitlements.

<sup>2</sup> Ex post explicit adjustments reflect service credits and dividend equivalents determined and paid on vesting for the cash value plan, share value plan, Share Incentive Plan (deferred) and Long-Term Incentive plan respectively.

<sup>3</sup> Ex post implicit adjustments were determined using each individual's award dates, award values, measurement of the pre-determined performance conditions for the performance period ending 31 December 2021 and the vesting dates. The RemCo approved the performance conditions for the 2019 long term incentive award were measured for the three-year performance period ending December 2021. The amount reflected therefore represents the value of awards that lapsed in March and September 2022 due to partial fulfilment of the 2019 long-term incentive plan performance conditions. The value reflected includes the full forfeiture amount for both senior management and material risk takers, notwithstanding that the vesting period applicable to senior managers for these awards is five years. The 2022 disclosure reflect the adjustments based on the time-based pro-rata applied on performance conditions of one eligible leaver's 2021 and 2022 share incentive plan performance awards, vesting April 2023 and 2024 respectively, due to his notice of termination of service on 1 June 2022.

<sup>4</sup> Includes the last tranche of the cash value plan vested in March 2022 as well as the cash portion of the 2020 short-term incentive (paid in March 2021) which was deferred into the cash value plan vested in April 2022, subject to continued service, malus and clawback (for all material risk takers, including executive directors and prescribed officers) provisions. The reporting includes adjustments for 3 additional employees due to terminations and new appointments within a specific position.

<sup>5</sup> Includes the share incentive plan, share value plan, share incentive plan (deferred) and long-term incentive plan awards. The reporting includes adjustments for 4 additional employees due to terminations and new appointments within a specific position.



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