



Absa Group Limited

Pillar 3 risk management report for the reporting period ended 31 March 2023

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The Pillar 3 risk management report provides the quarterly view of Absa Group Limited (the Group) and Absa Bank Limited (the Bank) 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the Regulations relating to Banks (Regulations), issued in terms of the Banks Act, 1990 (Act No. 94 of 1990), were not superseded by the Pillar 3 disclosure requirements.

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

The information in this report is unaudited.



1. Key prudential metrics and RWA

In line with regulatory and accounting requirements, the capital and leverage positions of the Group and the Bank in this document are reflected on a regulatory basis (which requires unappropriated profits to be excluded).

The Group liquidity coverage ratio (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.

The summary table below provides key capital adequacy and liquidity information on a regulatory basis as at 31 March 2023.

1.1 KM1: Key metrics

Absa Group^{1,2}

| | a | b | c | d | e |
|---|---------------|------------------------|-------------------|--------------|---------------|
| | 31 March 2023 | 31 December 2022 | 30 September 2022 | 30 June 2022 | 31 March 2022 |
| Available capital (Rm) | | | | | |
| 1 CET1 | 119 299 | 120 390 ³ | 115 240 | 112 630 | 110 721 |
| 2 Tier 1 | 136 206 | 136 635 ³ | 130 587 | 129 460 | 126 582 |
| 3 Total capital | 159 247 | 158 719 ³ | 153 444 | 149 576 | 146 583 |
| RWA (Rm) | | | | | |
| 4 Total RWA | 1 017 928 | 1 007 387 ³ | 1 002 540 | 948 670 | 923 058 |
| Risk-based capital ratios as a percentage of RWA (%) | | | | | |
| 5 CET1 ratio | 11.7 | 12.0 ³ | 11.5 | 11.9 | 12.0 |
| 6 Tier 1 ratio | 13.4 | 13.6 | 13.0 | 13.6 | 13.7 |
| 7 Total capital ratio | 15.6 | 15.8 | 15.3 | 15.8 | 15.9 |
| Additional CET1 buffer requirements as a percentage of RWA (%) | | | | | |
| 8 Capital conservation buffer requirement | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| 9 Countercyclical buffer requirement ⁴ | - | - | - | - | - |
| 10 Global systemically important banks (G-SIB) and/or domestic systemically important banks (D-SIB) additional requirements | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 11 Total of bank CET1 specific buffer requirements (Row 8 + row 9 + row 10) | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 |
| 12 CET1 available after meeting the bank's minimum capital requirements | 3.2 | 3.5 ³ | 3.0 | 3.4 | 3.5 |
| Basel III leverage ratio | | | | | |
| 13 Total Basel III leverage ratio exposure measure (Rm) | 1 902 576 | 1 848 607 | 1 883 283 | 1 829 289 | 1 705 152 |
| 14 Basel III leverage ratio (%) (row 2 / row 13) | 7.2 | 7.4 | 6.9 | 7.1 | 7.4 |
| LCR | | | | | |
| 15 Total high-quality liquid assets (HQLA) (Rm) | 245 024 | 240 876 | 241 373 | 220 072 | 211 840 |
| 16 Total net cash outflow (Rm) | 185 132 | 193 299 | 186 811 | 181 679 | 177 802 |
| 17 LCR (%) | 132.4 | 124.6 | 129.2 | 121.1 | 119.1 |
| NSFR | | | | | |
| 18 Total available stable funding (ASF) (Rm) | 1 116 892 | 1 081 769 ³ | 1 058 319 | 1 030 521 | 973 930 |
| 19 Total required stable funding (RSF) (Rm) | 969 803 | 954 359 ³ | 947 805 | 911 668 | 855 523 |
| 20 NSFR (%) | 115.2 | 113.4 | 111.7 | 113.0 | 113.8 |

¹ The fully loaded accounted ECL basis has been fully transitioned in.

² The numbers are excluding unappropriated profits.

³ The December 2022 figures were revised to align with final regulatory submissions.

⁴ The countercyclical buffer in South Africa is currently zero.

Absa Bank^{1,2}

| | a | b | c | d | e |
|---|------------------|----------------------|----------------------|-----------------|------------------|
| | 31 March 2023 | 31 December 2022 | 30 September 2022 | 30 June 2022 | 31 March 2022 |
| Available capital (Rm) | | | | | |
| 1 CET1 | 79 704 | 79 249 | 75 009 | 75 582 | 75 821 |
| 2 Tier 1 | 95 402 | 94 334 | 88 666 | 90 797 | 90 215 |
| 3 Total capital | 114 701 | 112 835 ³ | 108 002 | 106 806 | 107302 |
| RWA (Rm) | | | | | |
| 4 Total RWA | 660 251 | 662 093 | 654 895 | 628 228 | 628 390 |
| Risk-based capital ratios as a percentage of RWA (%) | | | | | |
| 5 CET1 ratio | 12.1 | 12.0 | 11.5 | 12.0 | 12.1 |
| 6 Tier 1 ratio | 14.4 | 14.2 | 13.5 | 14.5 | 14.4 |
| 7 Total capital ratio | 17.4 | 17.0 | 16.5 | 17.0 | 17.1 |
| Additional CET1 buffer requirements as a percentage of RWA (%) | | | | | |
| 8 Capital conservation buffer requirement | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| 9 Countercyclical buffer requirement ⁴ | | | | | |
| 10 Global systemically important banks (G-SIB) and/or domestic systemically important banks (D-SIB) additional requirements | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 11 Total of bank CET1 specific buffer requirements (Row 8 + row 9 + row 10) | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 |
| 12 CET1 available after meeting the bank's minimum capital requirements | 3.6 | 3.5 | 3.0 | 3.5 | 3.6 |
| Basel III leverage ratio | | | | | |
| 13 Total Basel III leverage ratio exposure measure (Rm) | 1 578 254 | 1 543 179 | 1 558 417 | 1 537 928 | 1 450 804 |
| 14 Basel III leverage ratio (%) (row 2 / row 13) | 6.0 | 6.1 | 5.7 | 5.9 | 6.2 |
| LCR | | | | | |
| 15 Total high-quality liquid assets (HQLA) (Rm) | 215 111 | 208 117 | 212 724 | 191 019 | 186 662 |
| 16 Total net cash outflow (Rm) | 157 519 | 161 347 | 160 215 | 155 817 | 152 760 |
| 17 LCR (%) | 136.6 | 129.0 | 132.8 | 122.6 | 122.2 |
| NSFR | | | | | |
| 18 Total available stable funding (ASF) (Rm) | 917 129 | 895 875 ³ | 871 027 | 857 843 | 814 099 |
| 19 Total required stable funding (RSF) (Rm) | 837 645 | 826 055 ³ | 814 313 | 790 522 | 751 037 |
| 20 NSFR (%) | 109.5 | 108.5 | 107.0 | 108.5 | 108.4 |

¹ The fully loaded accounted ECL basis has been fully transitioned in.

² The numbers are excluding unappropriated profits.

³ The December 2022 figures were revised to align with final regulatory submissions.

⁴ The countercyclical buffer in South Africa is currently zero.



1. Key prudential metrics and RWA

1.2 OV1: Overview of RWA

| | Group | | | Bank ¹ | | |
|--|------------------|------------------------|------------------------|-------------------|----------------------|------------------------|
| | a | b | c | a | b | c |
| | 31 March 2023 | 31 December 2022 | 31 March 2023 | 31 March 2023 | 31 December 2022 | 31 March 2023 |
| | RWA Rm | RWA Rm | MRC ² Rm | RWA Rm | RWA Rm | MRC ² Rm |
| 1 Credit risk (excluding counterparty credit risk (CCR)) | 756 387 | 739 995 ³ | 94 548 | 486 638 | 488 353 ³ | 60 829 |
| 2 Of which: standardised approach (SA) | 254 135 | 235 128 | 31 767 | 419 | 506 | 52 |
| 3 Of which: foundation internal ratings-based (FIRB) approach | - | - | - | - | - | - |
| 4 Of which: supervisory slotting approach | - | - | - | - | - | - |
| 5 Of which: advanced internal ratings-based (AIRB) approach | 502 252 | 504 867 ³ | 62 781 | 486 219 | 487 847 ³ | 60 777 |
| 6 CCR | 16 451 | 16 303 | 2 056 | 14 575 | 14 860 | 1 822 |
| 7 Of which: standardised approach for CCR (SA-CCR) | 16 451 | 16 303 | 2 056 | 14 575 | 14 860 | 1 822 |
| 8 Of which: internal model method (IMM) | - | - | - | - | - | - |
| 9 Of which: other CCR | - | - | - | - | - | - |
| 10 Credit valuation adjustment (CVA) | 7 941 | 6 480 | 993 | 6 815 | 5 098 | 852 |
| 11 Equity positions under the simple risk weight approach | 3 484 | 3 482 | 436 | 1 823 | 1 823 | 228 |
| 12 Equity investments in funds – look-through approach | 7 935 | 8 151 | 992 | 2 570 | 2 626 | 321 |
| 13 Equity investments in funds – mandate-based approach | - | - | - | - | - | - |
| 14 Equity investments in funds – fall-back approach | - | - | - | - | - | - |
| 15 Settlement risk | 888 | 1 279 | 111 | 825 | 1 222 | 103 |
| 16 Securitisation exposures in banking book | 566 | 577 | 71 | 566 | 577 | 71 |
| 17 Of which: IRB ratings-based approach (SEC-IRBA) | - | - | - | - | - | - |
| 18 Of which: securitisation external ratings-based approach (RBA) (SEC-ERBA), including internal assessment approach (IAA) | - | - | - | - | - | - |
| 19 Of which: securitisation SA (SEC-SA) | 566 | 577 | 71 | 566 | 577 | 71 |
| 20 Traded market risk | 40 312 | 38 882 | 5 039 | 28 555 | 28 250 | 3 570 |
| 21 Of which: SA | 19 610 | 18 915 | 2 451 | 7 853 | 8 283 | 982 |
| 22 Of which: internal model approach (IMA) | 20 702 | 19 967 | 2 588 | 20 702 | 19 967 | 2 588 |
| 23 Capital charge for switch between trading book and banking book | - | - | - | - | - | - |
| 24 Operational risk | 122 493 | 122 493 ³ | 15 312 | 74 857 | 74 857 ³ | 9 357 |
| Non-customer assets | 26 669 | 25 838 | 3 334 | 17 457 | 17 405 | 2 182 |
| 25 Amounts below the thresholds for deduction (subject to 250% risk weight) | 25 274 | 34 379 | 3 159 | 13 666 | 15 118 | 1 708 |
| 26 Floor adjustment (after application of transitional cap) ⁴ | 9 528 | 9 528 ³ | 1 191 | 11 904 | 11 904 ³ | 1 488 |
| 27 Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26+non-customer assets) | 1 017 928 | 1 007 387 ³ | 127 242 | 660 251 | 662 093 | 82 531 |

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

² The 2023 minimum total regulatory CAR of 12.5% includes the capital conservation buffer, Pillar 2A at 1.00% and the D-SIB add-on but excludes the bank-specific individual capital requirement (Pillar 2B add-on).

³ The December 2022 figures were revised to align with final regulatory submissions.

⁴ Includes the operational risk floor.



1. Key prudential metrics and RWA

1.3 CR8: RWA flow statements of credit risk exposures under IRB

| | a 31 March 2023 RWA amounts Rm | a 31 December 2022 RWA amounts ¹ Rm |
|-------------------------------------|---|---|
| 1 RWA as at end of previous quarter | 504 867 | 493 244 |
| 2 Asset size | (538) | 6 286 |
| 3 Asset quality | (2 216) | 4 659 |
| 4 Model updates | - | (124) |
| 5 Methodology and policy | - | - |
| 6 Acquisitions and disposals | - | - |
| 7 Foreign exchange movements | 1 840 | (1 940) |
| 8 Other ² | (1 701) | 2 742 |
| 9 RWA as at end of reporting period | 502 252 | 504 867 |

1.4 MR2: RWA flow statements of market risk exposures under IMA

| | a | b | 31 March 2023 | | e | f |
|----------------------------------|------------------------------|---|---|--|-------------|-----------------|
| | Value at risk (VaR) Rm | Stressed value at risk (sVaR) Rm | Incremental risk charge (IRC) Rm | Credit risk mitigation (CRM) Rm | Other Rm | Total RWA Rm |
| 1 RWA at previous quarter end | 9 692 | 10 275 | - | - | - | 19 967 |
| 2 Movements in risk levels | 1 388 | (653) | - | - | - | 735 |
| 3 Model updates/changes | - | - | - | - | - | - |
| 4 Methodology and policy | - | - | - | - | - | - |
| 5 Acquisitions and disposals | - | - | - | - | - | - |
| 6 Other | - | - | - | - | - | - |
| 7 RWA at end of reporting period | 11 080 | 9 622 | - | - | - | 20 702 |

| | a | b | 31 December 2022 | | e | f |
|----------------------------------|-----------|------------|------------------|-----------|-------------|-----------------|
| | VaR Rm | sVaR Rm | IRC Rm | CRM Rm | Other Rm | Total RWA Rm |
| 1 RWA at previous quarter end | 8 749 | 8 688 | - | - | - | 17 437 |
| 2 Movements in risk levels | 943 | 1 587 | - | - | - | 2 530 |
| 3 Model updates/changes | - | - | - | - | - | - |
| 4 Methodology and policy | - | - | - | - | - | - |
| 5 Acquisitions and disposals | - | - | - | - | - | - |
| 6 Other | - | - | - | - | - | - |
| 7 RWA at end of reporting period | 9 692 | 10 275 | - | - | - | 19 967 |

¹ The December 2022 figures were revised to align with final regulatory submissions.

² Other reflects RWA movements on non-performing loans due to differences in the definition of default between IFRS 9 impairment and regulatory capital models.



2. Leverage

Consistent with the treatment in table KM1, the leverage position below is shown on a regulatory basis.

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

Absa Group

| | Group | |
|--|------------------------|---------------------------|
| | 31 March 2023 Rm | 31 December 2022 Rm |
| 1 Total consolidated assets | 1 829 664 | 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 | (32 741) | (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 | 7 145 | (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) | 114 045 | 117 482 |
| 7 Other adjustments | (15 537) | (16 104) |
| 8 Leverage ratio exposure measure | 1 902 576 | 1 848 607 |

Absa Bank

| | Bank | |
|--|------------------------|---------------------------|
| | 31 March 2023 Rm | 31 December 2022 Rm |
| 1 Total consolidated assets | 1 498 229 | 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 | 7 242 | (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) | 88 502 | 92 485 |
| 7 Other adjustments | (15 718) | (15 121) |
| 8 Leverage ratio exposure measure | 1 578 254 | 1 543 179 |



2. Leverage

2.2 LR2: Leverage ratio common disclosure template

| | Group | | Bank | |
|--|-----------------------|--------------------------|-----------------------|--------------------------|
| | a 31 March 2023 | b 31 December 2022 | a 31 March 2023 | b 31 December 2022 |
| | Rm | Rm | Rm | Rm |
| On-balance sheet exposures | | | | |
| 1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral) | 1 653 867 | 1 611 729 | 1 360 905 | 1 338 039 |
| 2 (Asset amounts deducted in determining Basel III Tier 1 capital) | (15 537) | (16 104) | (15 718) | (15 121) |
| 3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2) | 1 638 330 | 1 595 625 | 1 345 187 | 1 322 918 |
| Derivative exposures | | | | |
| 4 Replacement cost associated with all derivative transactions (where applicable net of eligible cash variation margin and/ or with bilateral netting) | 29 146 | 20 943 | 28 439 | 20 510 |
| 5 Add-on amounts for potential future exposure (PFE) associated with all derivative transactions | 32 050 | 26 240 | 31 282 | 25 727 |
| 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) | (5 759) | (6 170) | (5 759) | (6 170) |
| 8 (Exempted central counterparty (CCP) leg of client-cleared trade exposures) | - | - | - | - |
| 9 Adjusted effective notional amount of written credit derivative | 9 792 | 8 445 | 9 792 | 8 445 |
| 10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | - | - | - | - |
| 11 Total derivative exposures (sum of rows 4 to 10) | 65 229 | 49 458 | 63 754 | 48 512 |
| Security financing transaction exposures | | | | |
| 12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | 84 972 | 86 043 | 80 811 | 79 264 |
| 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) | 84 972 | 86 043 | 80 811 | 79 264 |
| Other off-balance sheet exposures | | | | |
| 17 Off-balance sheet exposures at gross notional amount | 396 836 | 408 792 | 335 777 | 350 894 |
| 18 (Adjustments for conversion to credit equivalent amounts) | (282 791) | (291 310) | (247 275) | (258 409) |
| 19 Off-balance sheet items (sum of rows 17 and 18) | 114 045 | 117 482 | 88 502 | 92 485 |
| Capital and total exposures | | | | |
| 20 Tier 1 capital (excluding unappropriated profits) | 136 206 | 136 619 | 95 402 | 94 334 |
| 21 Total exposures (sum of lines 3, 11, 16 and 19) | 1 902 576 | 1 848 607 | 1 578 254 | 1 543 179 |
| Leverage ratio | | | | |
| 22 Basel III leverage ratio | 7.2 | 7.4 | 6.0 | 6.1 |



3. Liquidity

3.1 LIQ1: Liquidity coverage ratio (LCR)

| Group ¹ | a | | b | | a | | b | |
|---|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| | 31 March 2023 | | 31 March 2023 | | 31 December 2022 | | 31 December 2022 | |
| | 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 | | 245 024 | | 245 024 | | 240 876 | | 240 876 |
| Cash outflows | | | | | | | | |
| 2 Retail deposits and deposits from small business customers of which: | 457 524 | 38 657 | 457 524 | 38 657 | 457 319 | 36 692 | 457 319 | 36 692 |
| 3 Stable deposits | - | - | - | - | - | - | - | - |
| 4 Less stable deposits | 457 524 | 38 657 | 457 524 | 38 657 | 457 319 | 36 692 | 457 319 | 36 692 |
| 5 Unsecured wholesale funding of which: | 537 893 | 271 500 | 537 893 | 271 500 | 521 622 | 262 457 | 521 622 | 262 457 |
| 6 Operational deposits (all counterparties) and deposits in networks of cooperative banks | 157 322 | 39 330 | 157 322 | 39 330 | 157 728 | 39 432 | 157 728 | 39 432 |
| 7 Non-operational deposits (all counterparties) | 368 221 | 219 820 | 368 221 | 219 820 | 359 315 | 218 446 | 359 315 | 218 446 |
| 8 Unsecured debt | 12 350 | 12 350 | 12 350 | 12 350 | 4 579 | 4 579 | 4 579 | 4 579 |
| 9 Secured wholesale funding | | 877 | | 877 | | 663 | | 663 |
| 10 Additional requirements of which: | 339 444 | 47 421 | 339 444 | 47 421 | 335 960 | 45 729 | 335 960 | 45 729 |
| 11 Outflows related to derivative exposures and other collateral requirements | 22 352 | 22 352 | 22 352 | 22 352 | 19 626 | 19 626 | 19 626 | 19 626 |
| 12 Outflows related to loss of funding on debt products | - | - | - | - | - | - | - | - |
| 13 Credit and liquidity facilities | 317 092 | 25 069 | 317 092 | 25 069 | 316 334 | 26 103 | 316 334 | 26 103 |
| 14 Other contractual funding obligations | 317 | 317 | 317 | 317 | - | - | - | - |
| 15 Other contingent funding obligations | 253 013 | 10 669 | 253 013 | 10 669 | 249 072 | 10 337 | 249 072 | 10 337 |
| 16 Total cash outflows (Sum of lines 2+5+9+10+14+15) | | 369 441 | | 369 441 | | 355 878 | | 355 878 |
| Cash inflows | | | | | | | | |
| 17 Secured lending (e.g., reverse repos) | 47 280 | 11 681 | 47 280 | 11 681 | 45 641 | 4 333 | 45 641 | 4 333 |
| 18 Inflows from fully performing exposures | 194 297 | 163 799 | 194 297 | 163 799 | 174 432 | 144 398 | 174 432 | 144 398 |
| 19 Other cash inflows | 9 677 | 8 829 | 9 677 | 8 829 | 15 050 | 13 848 | 15 050 | 13 848 |
| 20 Total cash inflows (Sum of lines 17-19) | 251 254 | 184 309 | 251 254 | 184 309 | 235 123 | 162 579 | 235 123 | 162 579 |
| | | Total weighted value | | Total weighted value | | Total weighted value | | Total weighted value |
| High-quality liquid assets (HQLA) | | | | | | | | |
| 21 Total HQLA (Rm) | | 245 024 | | 245 024 | | 240 876 | | 240 876 |
| 22 Total net cash outflows (Rm) | | 185 132 | | 185 132 | | 193 299 | | 193 299 |
| 23 LCR (%) | | 132.4 | | 132.4 | | 124.6 | | 124.6 |

¹ 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.



| | a | | b | | a | | b | |
|---|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| | 31 March 2023 | | 31 March 2023 | | 31 December 2022 | | 31 December 2022 | |
| | 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 |
| Bank¹ | | | | | | | | |
| High-quality liquid assets (HQLA) | | | | | | | | |
| 1 Total HQLA | | 215 111 | | | | | 208 117 | |
| Cash outflows | | | | | | | | |
| 2 Retail deposits and deposits from small business customers of which: | 362 298 | 30 764 | 363 819 | 28 894 | | | | |
| 3 Stable deposits | - | - | - | - | | | | |
| 4 Less stable deposits | 362 298 | 30 764 | 363 819 | 28 894 | | | | |
| 5 Unsecured wholesale funding of which: | 425 953 | 218 908 | 417 273 | 214 530 | | | | |
| 6 Operational deposits (all counterparties) and deposits in networks of cooperative banks | 157 322 | 39 330 | 157 728 | 39 432 | | | | |
| 7 Non-operational deposits (all counterparties) | 256 848 | 167 795 | 255 583 | 171 136 | | | | |
| 8 Unsecured debt | 11 783 | 11 783 | 3 962 | 3 962 | | | | |
| 9 Secured wholesale funding | | 877 | | 663 | | | | |
| 10 Additional requirements of which: | 311 666 | 42 929 | 308 175 | 41 620 | | | | |
| 11 Outflows related to derivative exposures and other collateral requirements | 20 141 | 20 141 | 17 836 | 17 836 | | | | |
| 12 Outflows related to loss of funding on debt products | - | - | - | - | | | | |
| 13 Credit and liquidity facilities | 291 525 | 22 788 | 290 339 | 23 784 | | | | |
| 14 Other contractual funding obligations | 317 | 317 | - | - | | | | |
| 15 Other contingent funding obligations | 222 400 | 9 374 | 217 814 | 9 019 | | | | |
| 16 Total cash outflows (Sum of lines 2+5+9+10+14+15) | | 303 169 | | 294 726 | | | | |
| Cash inflows | | | | | | | | |
| 17 Secured lending (e.g. reverse repos) | 47 280 | 11 681 | 45 641 | 4 333 | | | | |
| 18 Inflows from fully performing exposures | 150 021 | 126 394 | 140 947 | 118 314 | | | | |
| 19 Other cash inflows | 8 424 | 7 575 | 11 934 | 10 732 | | | | |
| 20 Total cash inflows (Sum of lines 17-19) | 205 725 | 145 650 | 198 522 | 133 379 | | | | |
| | | Total weighted value | | Total weighted value | | | | |
| High-quality liquid assets (HQLA) | | | | | | | | |
| 21 Total HQLA (Rm) | | 215 111 | | 208 117 | | | | |
| 22 Total net cash outflows (Rm) | | 157 519 | | 161 347 | | | | |
| 23 LCR (%) | | 136.6 | | 129.0 | | | | |

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



4. Abbreviations and acronyms

A

| | |
|------|--|
| AIRB | advanced internal ratings-based approach |
| ARO | Absa Regional Operations |
| ASF | available stable funding |

B

| | |
|-------|----------------------|
| Bank | Absa Bank Limited |
| Basel | Basel Capital Accord |

C

| | |
|------|------------------------------|
| CAR | capital adequacy requirement |
| CCP | central counterparty |
| CCR | counterparty credit risk |
| CET1 | common equity tier 1 |
| CRM | credit risk mitigation |
| CVA | credit valuation adjustment |

D

| | |
|--------|---------------------------------------|
| D-SIBs | domestic systemically important banks |
|--------|---------------------------------------|

F

| | |
|------|-----------------------------------|
| FIRB | foundation internal ratings-based |
|------|-----------------------------------|

G

| | |
|--------|---|
| GRCMC | Group Risk and Capital Management Committee |
| Group | Absa Group Limited |
| G-SIBs | global systemically important banks |

H

| | |
|------|----------------------------|
| HQLA | high quality liquid assets |
|------|----------------------------|

I

| | |
|------|---|
| IAA | internal assessment approach |
| IFRS | International Financial Reporting Standard(s) |
| IMA | internal models approach |
| IMM | internal model method |
| IRB | internal ratings-based |
| IRBA | internal ratings-based approach |
| IRC | incremental risk charge |

L

| | |
|-----|--------------------------|
| LCR | liquidity coverage ratio |
|-----|--------------------------|

M

| | |
|-----|------------------------------|
| MCR | minimum capital requirements |
|-----|------------------------------|

N

| | |
|------|--------------------------|
| NSFR | net stable funding ratio |
|------|--------------------------|

P

| | |
|-----|---------------------------|
| PFE | potential future exposure |
|-----|---------------------------|

R

| | |
|-----|-------------------------|
| RBA | ratings-based approach |
| RSF | required stable funding |
| RWA | risk-weighted assets |

S

| | |
|--------|--|
| SA | standardised approach |
| SA-CCR | standardised approach for counterparty credit risk |
| SEC | securitisation |
| SFTs | securities financing transactions |
| sVaR | stressed value at risk |

V

| | |
|-----|---------------|
| VaR | value at risk |
|-----|---------------|



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ISIN: ZAE000255915

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