



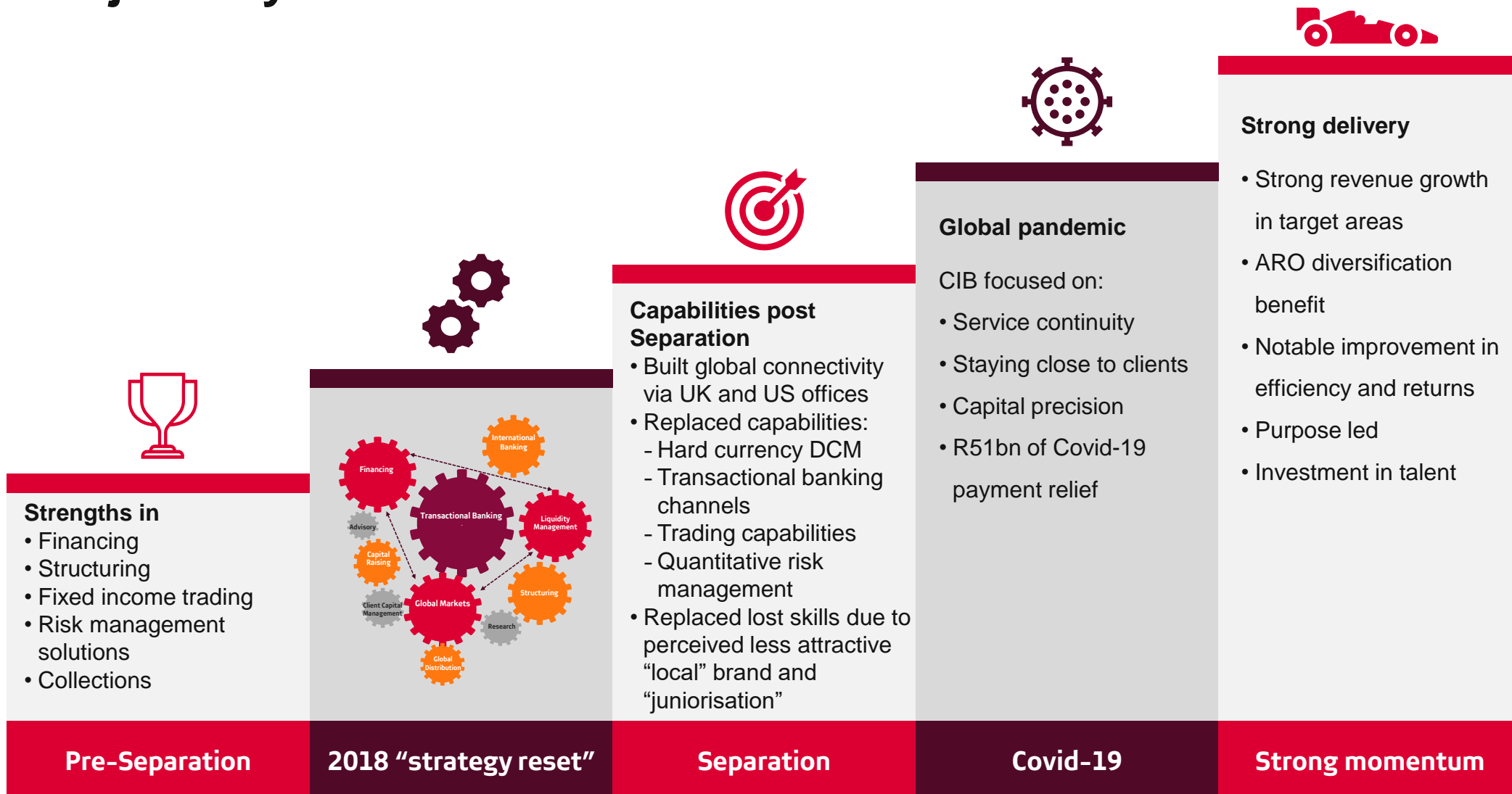
# Absa Group

UBS SA Financials Conference  
Powering resilience

Charles Russon  
10 October 2023

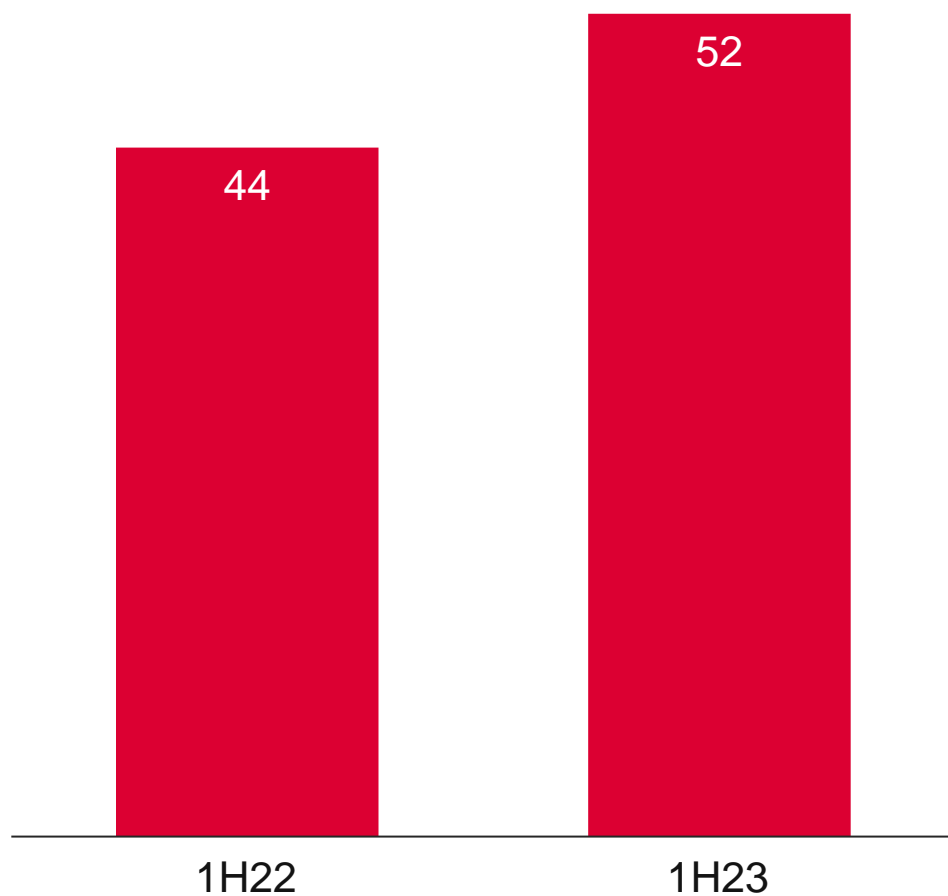


# CIB journey

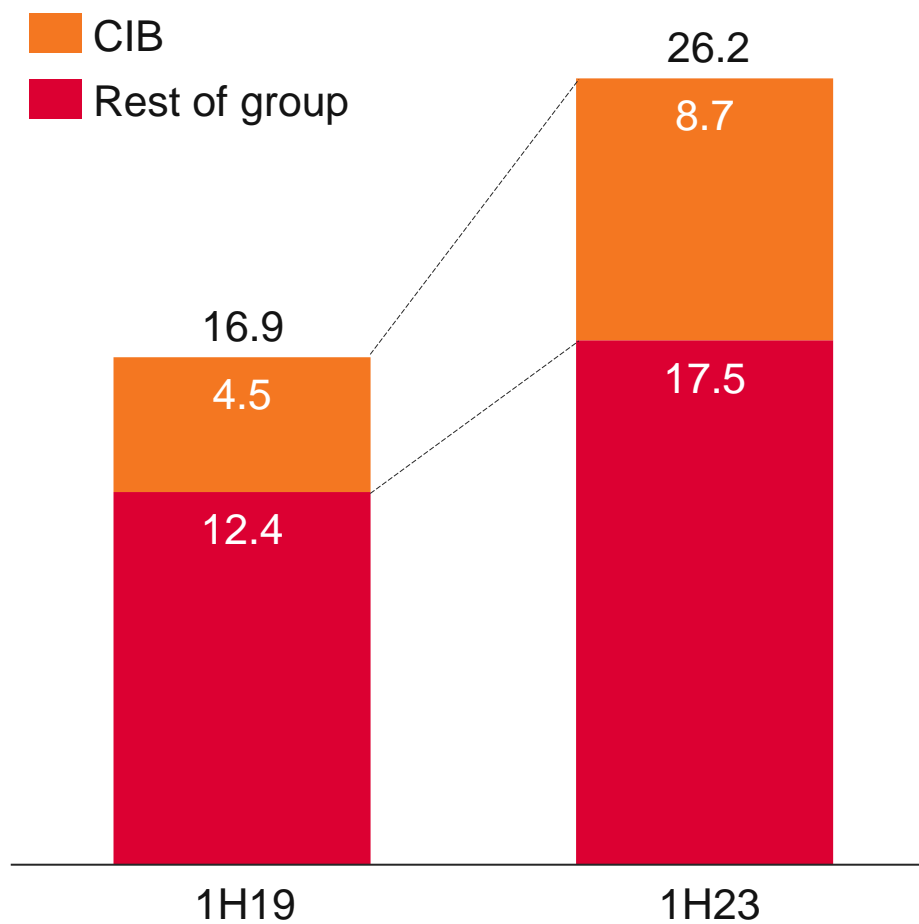


# An important contributor to group

CIB percent of Group headline earnings \*



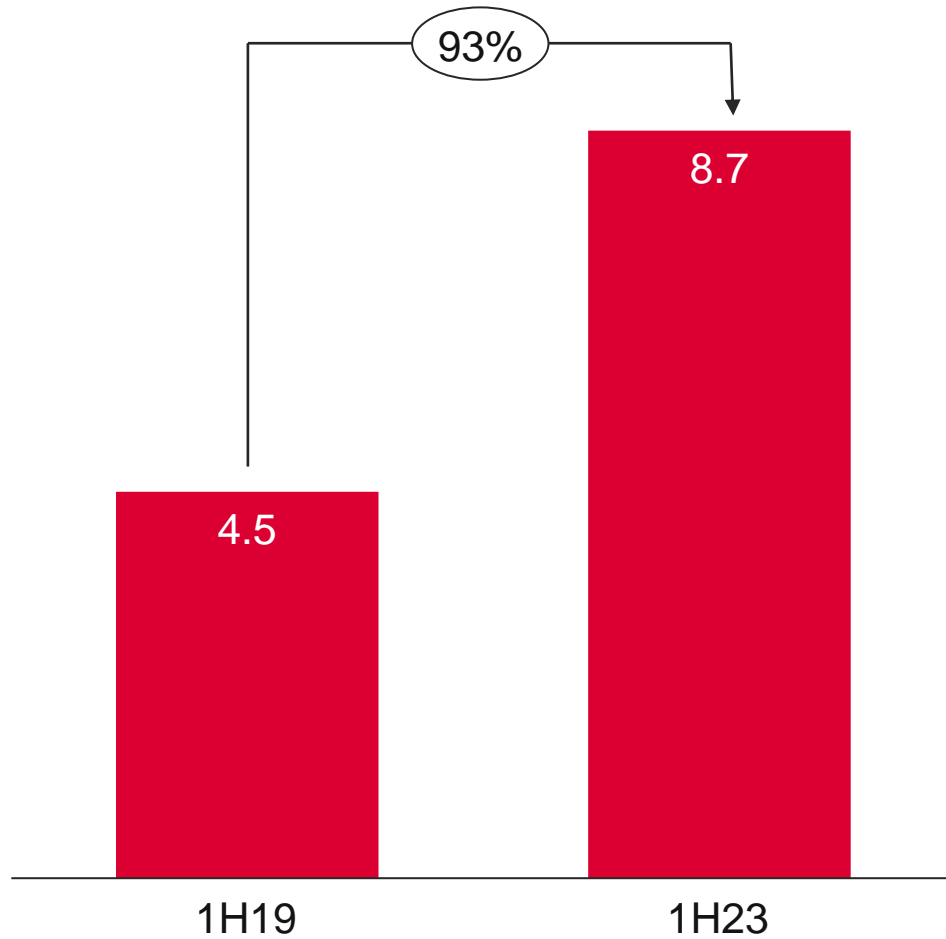
Pre-provision profit (Rbn)



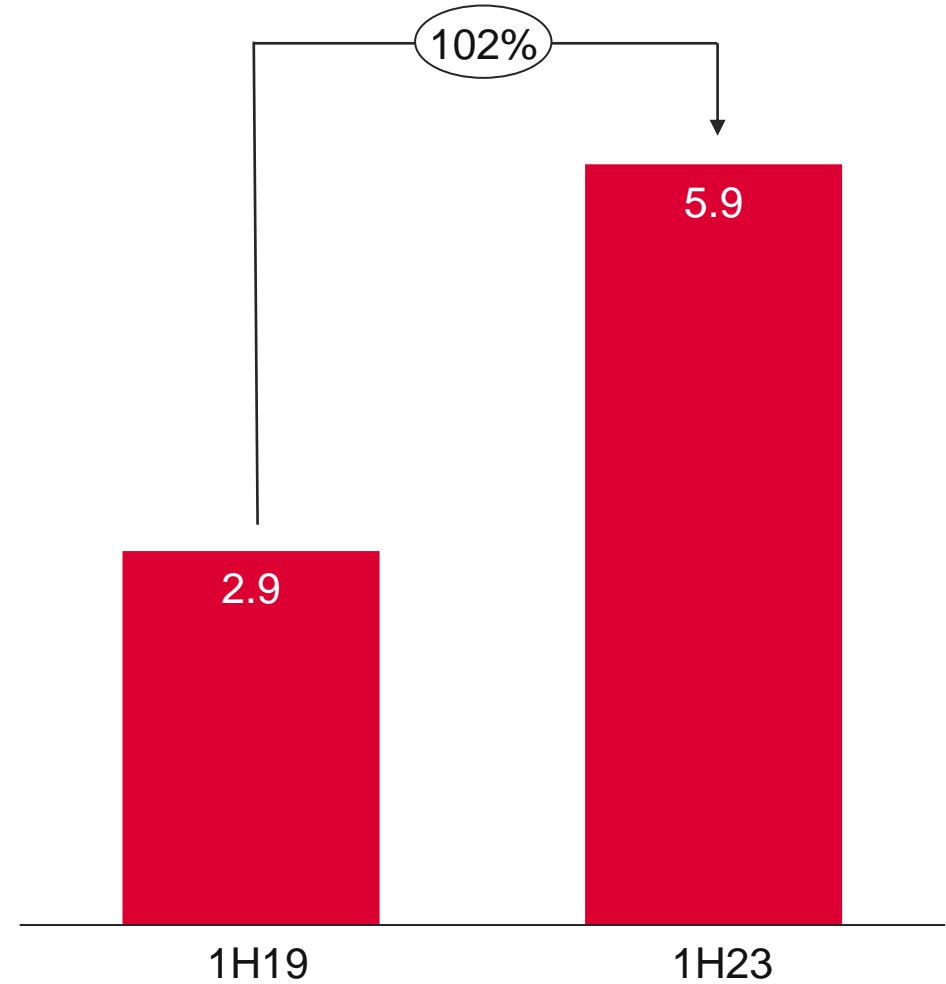
Note: \* Excluding Head office, Treasury and other

# We have built strong momentum

CIB pre-provision profit (Rbn)

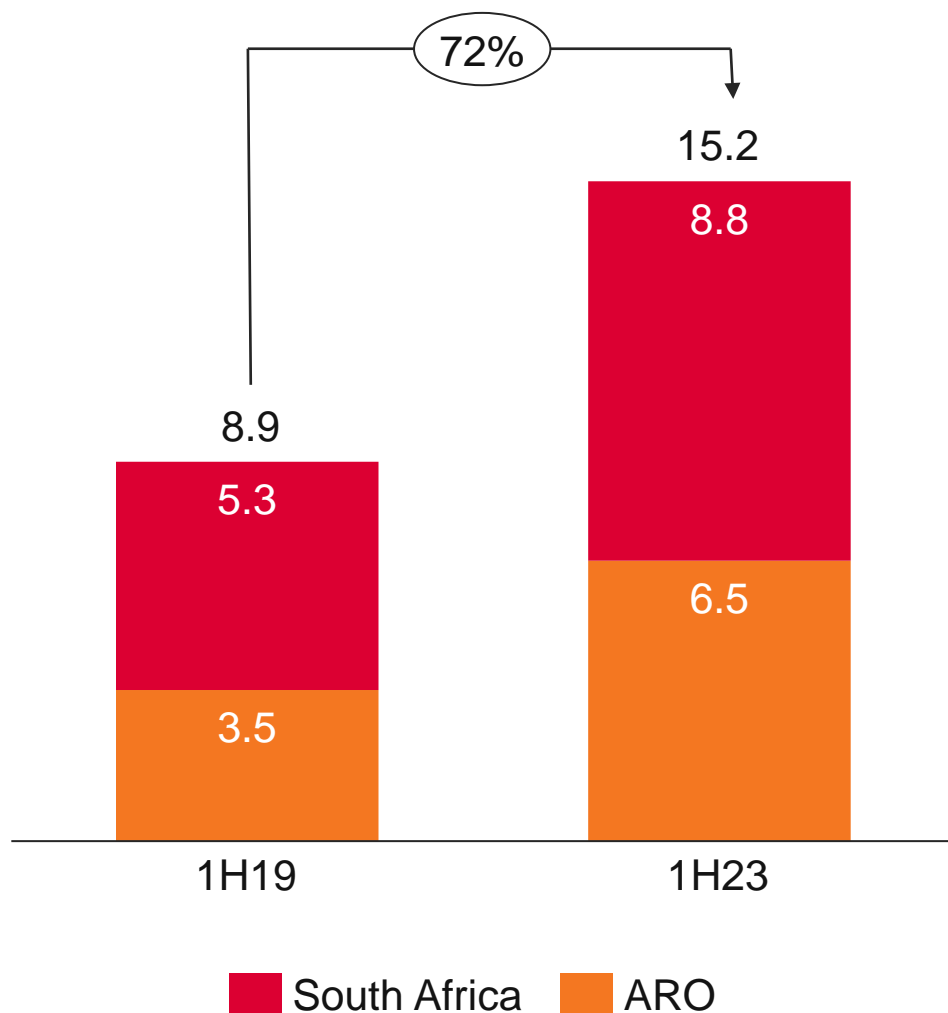


CIB headline earnings (Rbn)

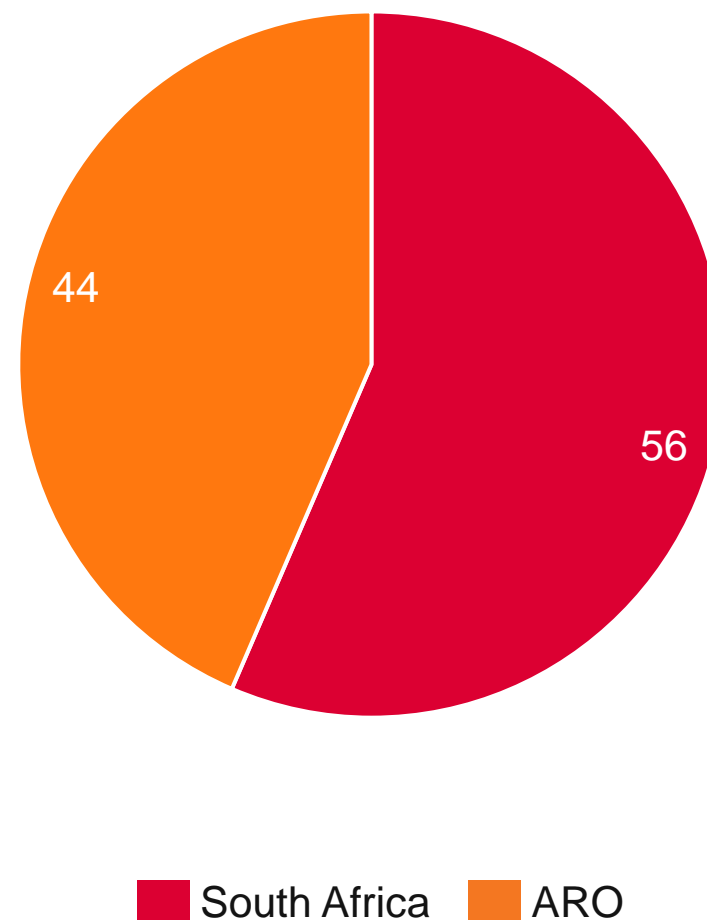


# Diversifying with ARO

CIB revenue (Rbn)

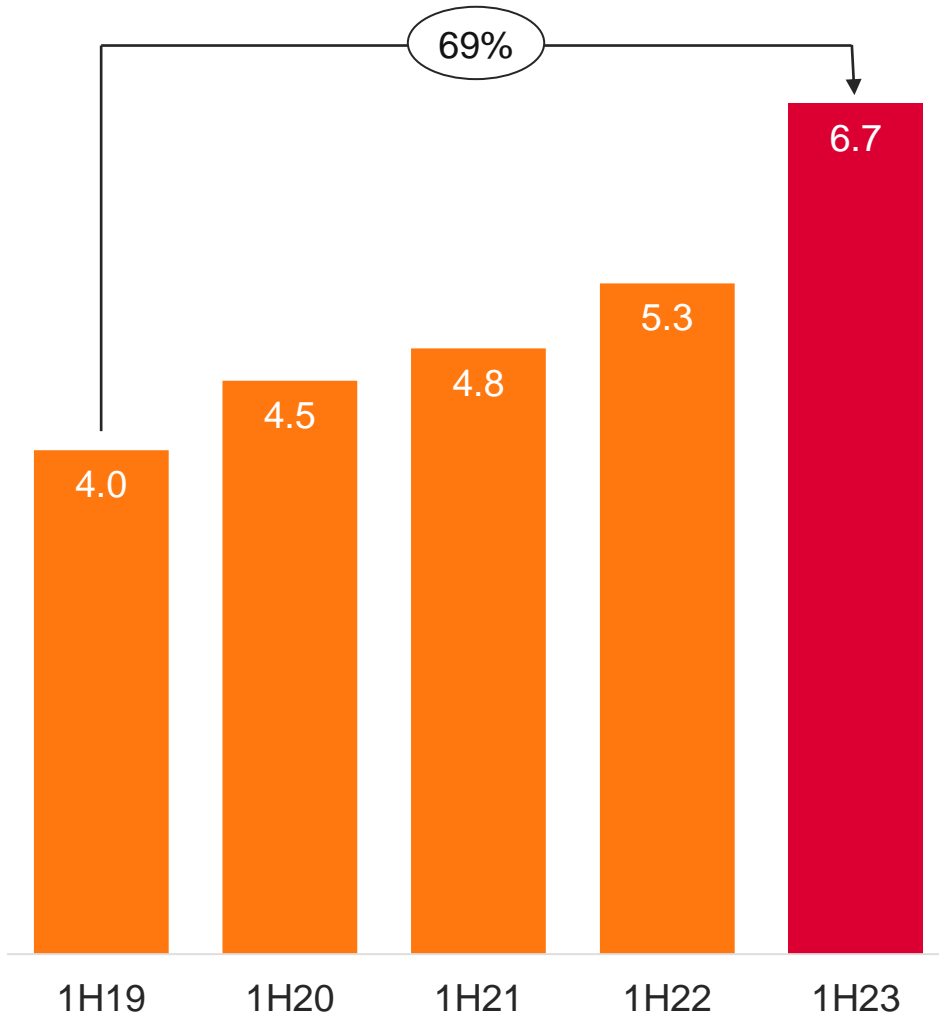


CIB headline earnings 1H23 (%)

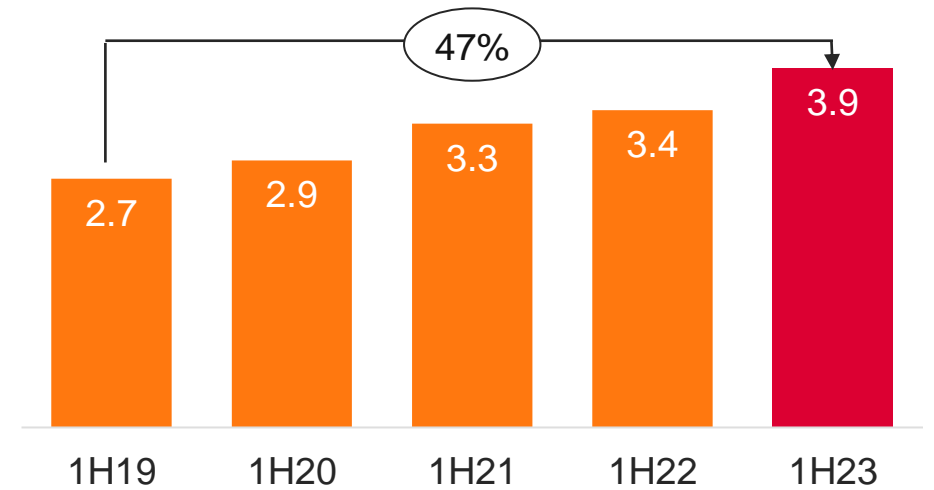


# Revenue growth broad-based; transactional strong

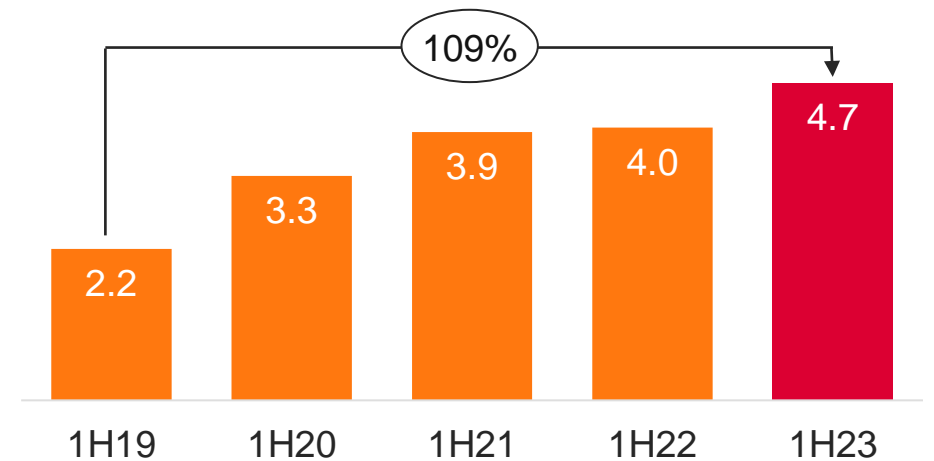
Transactional Banking revenue (Rbn)



Investment Banking Division & CPF revenue (Rbn)

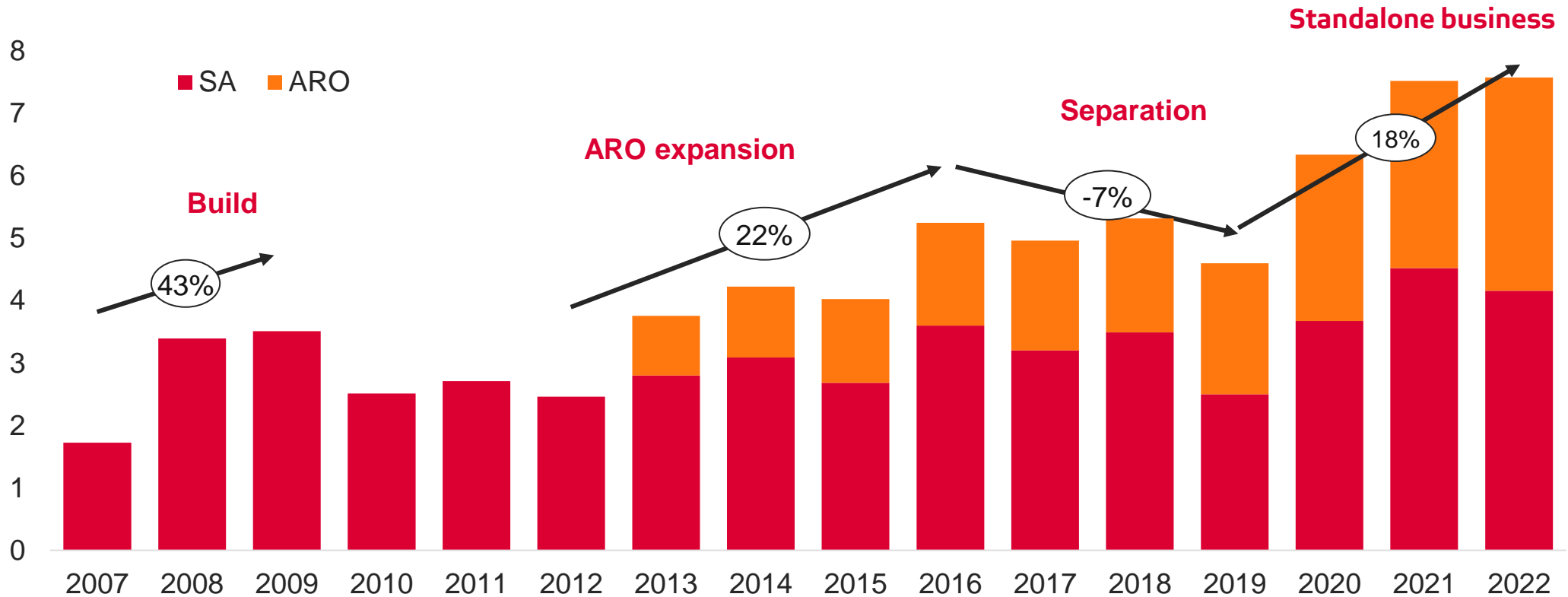


Global Markets revenue (Rbn)



# Global Markets is flow-driven

Global Markets revenue (Rbn)



**1. Absa Capital created**  
Markets grew strongly pre-GFC, leveraging Absa's balance sheet and Barclays flows

**2. Built out a Pan African Markets business**  
Strategic decision to expand CIB across Africa

**3. Barclays exit**  
Large disruption of Markets value proposition and global institutional client franchise

**4. Standalone business**  
Built resilient SA business post separation that has a Pan African mandate



# A purpose-led business

## Absa Group Purpose and strategic themes



Empowering Africa's tomorrow, together  
...one story at a time

## Four pillars underpin Absa ESG strategy



### Environmental:

- Climate change and biodiversity
- To be a leader in Sustainable Finance



### Social:

- Contributing to societies we operate in
- Champion diversity and inclusion, support education and skills development



### Governance:

- Adopting highest standards of ethics
- Excellence in governance and risk management



### Public:

- Active influence on public policy & regulation
- Support government policy and agendas



# Key player in resolving SA power challenges

## Projects closed to date

# 47

- 4.5GW
- 47 projects = 23 wind, 18 PV, 5 CSP, 1 biomass
- 3.9GW REIPP and 400MW captives

## REIPP market share

# 53%

- Total cumulative MW closed to Round 4 (49% share)
- Round 5 (84% of deals)
- Round 6 (300MW, c.30%)

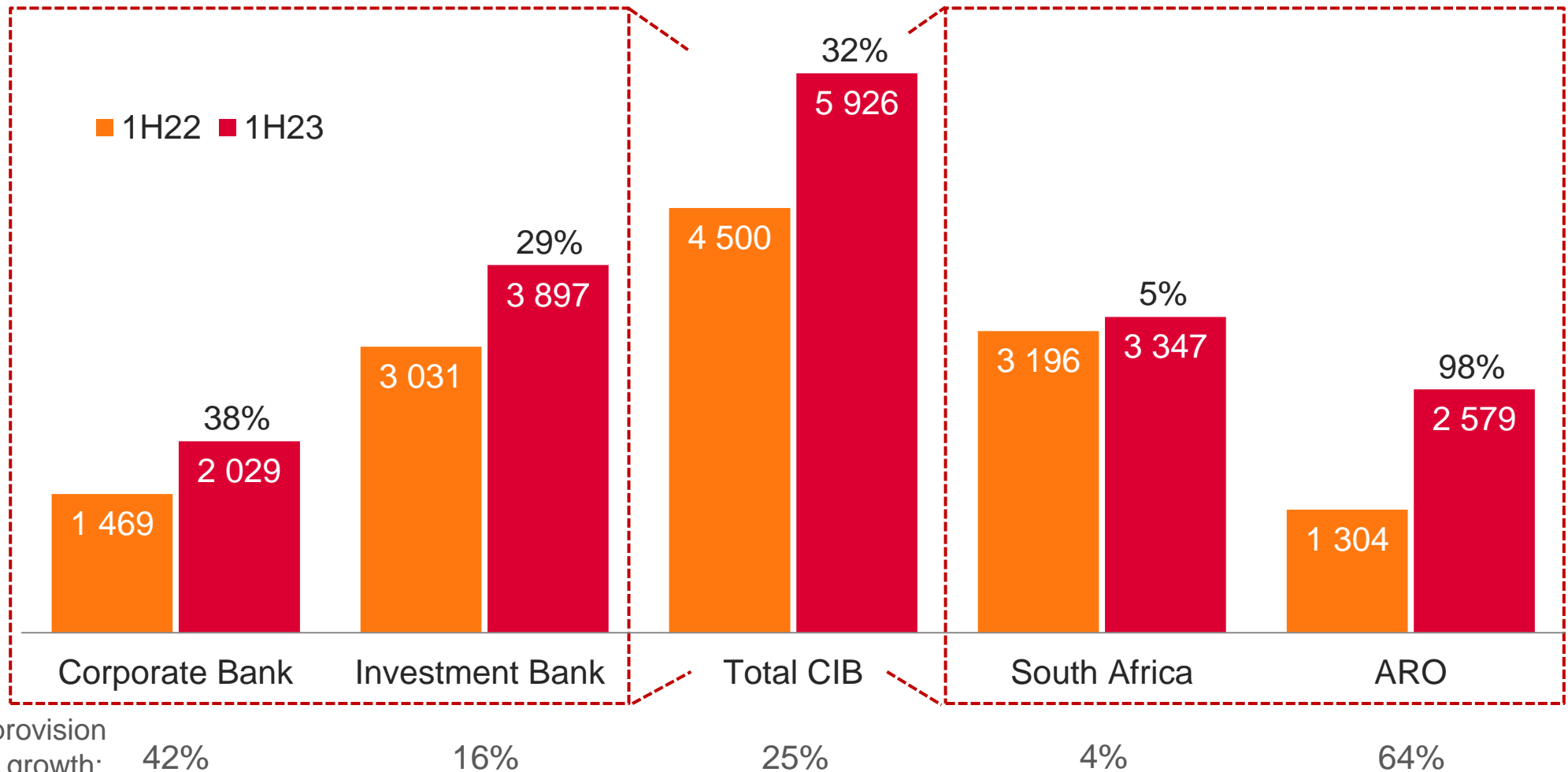
## Current Pipeline

# 26 projects

- Total mandated 26 projects totaling 3.1GW, split across:
  - 10 Wind projects (1.4GW)
  - 16 PV projects (1.7GW)

# Resilient 1H23 performance

Headline earnings (Rm)



# Delivered on our commitments

	1H19	Target	1H23
Revenue diversity (%)	36	>40	39
Cost-to-income ratio (%)	51.1	<50	42.6
Credit loss ratio (bp)	22	20-30	16
Return on regulatory capital (%)	18.0	>19.0	26.5
ARO contribution	Long-term target 50% of total revenue (1H23: 42%)		

Note: Revenue diversity is non-interest income to total revenue

# Key takeaways

- Executed a consistent strategy
- Built substantial resilience
- Diversified our franchise
- Built strong momentum
- Delivered on commitments

