



Absa Group Limited
Internal Audit Report 2023
Subject Matter

Absa Group Internal Audit (“Absa IA”) provided a reasonable assurance opinion on the selected key performance metrics as described in Table A and a limited assurance conclusion on the selected information (key performance metrics, basis of preparation, strategy and resource allocation, materiality determination process and material matters) listed in Table B below.

Read full assurance statement as contained in the Integrated Report 2023.

Table A: Reasonable assurance on the following selected information (marked with a ‘RA’ on the relevant pages within the Integrated Report)

Category	Performance Metrics – as presented in the “Value over time” table in the Report	Reporting Boundary	Summary of work performed
Natural Capital	Sustainability-linked financing ¹	Absa Group Limited, CIB, EB, RB, ARO RBB (Retail Banking and Business Banking) and PSC	<p>A reasonable assurance engagement involves performing procedures to obtain evidence about the measurement of the selected key performance metrics and related disclosures in the report. The nature, timing and extent of procedures selected depend on the auditor’s professional judgment, including the assessment of the risks of material misstatement of the selected performance metrics, whether due to fraud or error. The procedures performed included:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of quantification methods, reporting policies, and internal guidelines used; • Assessing the suitability of the applicable reporting criteria as a basis for preparing the selected information; and • Evaluating the overall presentation of the selected Natural Capital performance metrics. <p>We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions and opinion.</p>
	ESG loans	Absa Group Limited	

¹ Includes loans relating to social and relationship capital.

Table B: Limited assurance on the following selected information (marked with a 'LA' on the relevant pages within the Integrated Report)

Category	Performance Metrics – as presented in the “Value over time” table in the Report	Reporting Boundary	Summary of work performed
Human Capital	Management control – employment equity AIC employees (SA only) (race equality)	South Africa	<p>Our evaluation included performing such procedures over the key performance metrics as we considered necessary which included:</p> <ul style="list-style-type: none"> • Interviewing management to obtain an understanding of the defined criteria, process and relevant information systems. • Assessing the processes to generate, collate, aggregate, validate and monitor the data used to prepare the metrics for disclosure in the report. • Inspecting supporting documentation and performing sample testing on the underlying data. • Independently obtaining data from source systems and recalculating the metrics. • Performing procedures to verify whether the metrics were monitored within the AGL during the reporting period. • Evaluating whether the metric disclosures are consistent with our overall knowledge and experience of the AGL and non-financial processes.
	Employee headcount	South Africa, ARO and Representative Offices	
	Economic value to employees		
	Female-to-male ratio (gender equality)	South Africa and ARO	
	Retention of high-performing employees		
	Employee experience index		
	Employee headcount below the age of 40 (age neutrality)		
	Turnover rate		
	Employee training and development spend		
	Absenteeism rate		
	Absa Way Code of Ethics training completion		
Manufactured Capital	ATMs	South Africa and ARO	
	Outlets		
	PoS devices		
Intellectual Capital	Digitally active customers - total	RB, EB, PSC, CIB Pan-Africa and ARO RBB	
	Growth in digitally active customers – Group-wide composite measure		
	Total severity 1 and 2 incidents	South Africa and ARO	
	Service availability for the Group		
	Retail digital channel availability	RB, EB and PSC	

Category	Performance Metrics – as presented in the “Value over time” table in the Report	Reporting Boundary	Summary of work performed
Financial Capital	Capital lite revenue	Absa Group Limited	<p>Our evaluation included performing such procedures over the key performance metrics as we considered necessary which included:</p> <ul style="list-style-type: none"> • Interviewing management to obtain an understanding of the defined criteria, process and relevant information systems. • Assessing the processes to generate, collate, aggregate, validate and monitor the data used to prepare the metrics for disclosure in the report. • Inspecting supporting documentation and performing sample testing on the underlying data. • Independently obtaining data from source systems and recalculating the metrics. • Performing procedures to verify whether the metrics were monitored within the Group during the reporting period. • Evaluating whether the metric disclosures are consistent with our overall knowledge and experience of the Group and non-financial processes.
	Total operational risk losses		
	Total shareholder return		
	Total economic value distributed		
	Economic value retained		
Social and Relationship Capital	Economic value to suppliers	Absa Group Limited	
	Economic value to government		
	Economic value to investors		
	Economic value to communities		
	Client experience	CIB Pan-Africa	
	Client primacy		
	Customer experience	RB, EB, PSC, ARO RBB	
	Active customer numbers		
	Active transactional customer numbers	EB, RB, ARO RBB	
	Treating customers fairly outcome score		
	ReadyToWork participants	South Africa and ARO	
	Consumer education participants		
Group customer experience index (Revenue weighted)			

Table C: Limited assurance on the following selected information (marked with a 'LA' on the relevant pages within the Integrated Report)

Category	Content elements as presented within the Report	Reporting Boundary	Summary of work performed
Basis of preparation	Managements description of the integrated reporting process	Absa Group Limited	Our evaluation included performing such procedures as we considered necessary which included: <ul style="list-style-type: none"> • Interviewing management to obtain an understanding of the process and information systems relevant to the reporting processes for the Integrated Report; and • Inspecting supporting documentation, approvals and minutes of meetings to confirm management's description of the processes performed in compiling and reviewing the Integrated Report.
Strategy and resource allocation	Strategic framework		Our evaluation included performing such procedures as we considered necessary which included: <ul style="list-style-type: none"> • Obtaining an understanding of the information systems and processes for collecting, reporting and consolidating the data and information in the sections; • Obtaining an understanding of internal control relevant to our audit, but not for the purpose of expressing an opinion on the effectiveness of the AGL's internal control; • Identifying and assessing whether the risks identified by management are misleading or unbalanced, or contains material misstatements, whether due to error or fraud. Designing and performing audit procedures responsive to those risks identified by management and obtaining audit evidence that is sufficient and appropriate to provide a basis for our conclusion. These procedures consisted amongst others of: <ul style="list-style-type: none"> ◦ Interviewing management and relevant staff at a Group level responsible for the strategy and results; ◦ Interviewing management and relevant staff to obtain an understanding of the processes for collecting, reporting and consolidating the data in the non-financial information for the aforementioned sections; ◦ Obtaining assurance evidence that the aforementioned sections reconciles with underlying records of AGL; ◦ Evaluating relevant internal and external supporting documentation, on a test basis, to determine the reliability of the aforementioned sections; and ◦ Performing procedures to assess whether the aforementioned sections are prepared in line with the <IR> Framework.
	Strategic themes		
	Resource allocation to strategic initiatives		
Materiality determination process			
Material matters	Unpacking material matters		