

Your story matters



# Absa Group Pre-close update

5 December 2024

# Charles Russon

Interim Group Chief Executive

# Key messages

- We are in a recovery phase (short- to medium-term)
- We are focused on precise execution to regain market confidence
- We are making four execution changes to drive improved performance
  - From focus on market share growth to sustainable growth delivering the right returns
  - From a product focus to both product and client/customer franchise profitability
  - Focus on precision of capital allocation
  - Driving a productivity and efficiency program to finance investment

# Key messages (continued)

- Performance differs across the group
  - We continue to see momentum in CIB
  - We will combine Product Solutions Cluster and Everyday Banking into Retail SA to accelerate customer focus
  - Relationship Banking is starting to deliver on the improvement plan
  - ARO RBB has maintained positive underlying momentum in a tough operating environment
  - Reallocate and slim down group centre for greater precision

# Deon Raju

Group Financial Director

# 2024 outlook

## Revenue

Mid-single digit revenue growth with broadly similar growth in net interest income and non-interest revenue.

## Balance sheet

Mid- to high single digit customer loan and customer deposit growth.

## Credit impairments

Credit loss ratio expected to improve to midway between 2023's 118bps and the 100bps top end of through-the-cycle target range. 2H24 within target range.

## Operating expenses

Mid-single digit growth in operating expenses, producing a similar cost-to-income ratio to 53.2% in 2023 and low to mid-single digit pre-provision profit growth.

## Returns

RoE between 14% and 15% from 14.4% in 2023.

## Capital

Group CET 1 ratio in upper half of 11.0% to 12.5% Board target range.  
Dividend payout ratio around 55%.

## Geographic split

SA to drive earnings growth, mostly due to improved RBB credit losses. Africa regions earnings likely to decrease on stronger Rand and higher credit charge off a low base.

# Pathway to our 2026 target



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