Absa Group Limited

Integrated Report
2024

Your story matters

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Our value creation story to investors...

At Absa, we are more than a bank; we are a united pan-African team that is inspired by our shared purpose: "Empowering Africa's tomorrow, together ... one story at a time"

This purpose guides us every day – it helps us create value, manage and grow our business, partner with our clients to help them achieve their aspirations, and impact the communities and environments we operate in. It is this purpose that drives our long-term ambition of being a leading pan-African bank. Our purpose, people and brand promise set us apart.

Find out more... *Organisational overview*

The reality of our world in 2024

- Political landscapes saw significant shifts following the outcome of elections in 64 countries, 22 of which were on the African continent. In our largest market, South Africa, the formation of a Government of National Unity (GNU) raised levels of optimism and business confidence. Absa Regional Operations (ARO) markets (Botswana, Ghana, Mauritius, Mozambique and Namibia) saw significant swings with election results which, in some cases, resulted in political, social and economic disruptions (e.g. Mozambique and Kenya).
- Economic shifts are also surfacing due to geopolitical conflicts and reconfigured trade relationships.
- Slow economic growth, sovereign debt challenges and rising cost-of-living, resulting in social unrest, were evident in parts of Africa, exacerbated by weak average exchange rates versus the rand. Many central banks in our markets started cutting policy rates, with the monetary easing cycle broadening.
- Digital wallet adoption continued reshaping payments online and in-store, driving more collaboration between traditional banks and non-bank players and leading to the adoption of new business models that leverage composable cloud-based architecture.
- Climate crises had devasting impacts on communities' livelihoods and economies (e.g. drought in southern Africa, spot floods in low-lying communities, floods in Kenya) and disproportionately affecting African economies and societies.
- Regulators continued driving near-record levels of rulemaking, while intensifying supervision and enforcement activities. ARO has seen heightened levels of intervention evidenced in increased regulatory reserving requirements (Ghana, Mozambique and Zambia), proposed caps on fee charges that impact banks' profitability and ability to deliver relevant services to the consumer. Top areas of regulatory focus included cybersecurity, artificial intelligence (AI), fraud, consumer protection, fair competition and financial resilience.

Find out more... *Our external environment in 2024, Group Chairman's message*

We are listening

We recognise that the quality of our relationships with stakeholders impacts our ability to fulfil our purpose and deliver value over the long term.

Total financial value distributed to stakeholders included R19.6 billion to suppliers, R33.7 billion to employees, R10.9 billion to government, R12.9 billion to shareholders, R0.3 billion to communities, and we directed R49.2 billion towards sustainable finance, positively impacting communities and climate initiatives.

Find out more... *Our stakeholders' needs and expectations*

Adapting our business model is necessary to recover

Financial capital | Human capital | Social and relationship capital | Intellectual capital | Manufactured capital | Natural capital

We create value as our capital stocks increase over time. While we use all ***six capitals*** in our value creation process, our business model is most reliant on financial and human capital, followed by intellectual and social and relationship capital, and, to a lesser extent, manufactured and natural capital. Despite not being a major consumer of natural capital, our leadership in sustainable finance allows us to generate significant natural capital value. We generate competitive advantage through our purpose, people and our ability to bring our products and services to 12 markets delivering on our brand promise: "Your story matters".

Five business units, namely Corporate and Investment Bank (CIB) pan-Africa, Relationship Banking (RB), Everyday Banking (EB), Product Solutions Cluster (PSC) and Absa Regional Operations Retail and Business Banking (ARO RBB) work together to provide payment services and a safe place to save and invest, provide funds for purchases and growth, give financial and business support, protect against risk (insurance) and the management of business and financial risks.

We are conducting a review of our operating model, with a view to accelerate the delivery of our commercial ambitions across EB, PSC and Private Wealth Banking in RB. Our strategic priorities centre around franchise-led, customer-focused business model that emphasises both customer experience and product excellence. By promoting organic growth, advancing digital modernisation, pursuing alternate revenue streams, and improving operational resilience, we are positioning the Group to meet evolving market demands with agility and precision. Our business model outcomes:

- RoE recovery through a diversified franchise
- Customer primacy and brand affinity
- A digitally powered business
- A home to Africa's leading talent with a culture of performance
- A beacon of inclusion across the continent
- A steward for climate and intergenerational wealth
- Strong governance as a non-negotiable.

Find out more... *Our business model*

Our value creation story to investors... continued

Refining our strategy in response to key risks and opportunities

The material matters that influence our ability to create value over the short, medium and long term, i.e. our ability to achieve our strategic objectives, include:

- Delivering returns-focused growth
- Elevated levels of sovereign and country risk
- Supporting social cohesion and stressed consumers
- Digital advancement and stewardship
- Leadership and a performance culture
- Regulatory focus on banking models and returns
- Climate change and a just transition.

Find out more... ***Material matters***

Grounded in our purpose, our ambition remains to be a leading pan-African bank, delivering on medium-term targets with clarity on where to play and how to win. We have refined the articulation of our diversified franchise strategic pillar to emphasise our focus on both growth and returns in response to the material forces we face as a Group.

Find out more... ***Our strategy***

Performance continues to support our medium-term outlook

Serving clients and employees...

- We experienced positive customer primacy trends (pan-RBB customers up 6%) on the back of improved customer experience scores (weighted score of 101) and an improved brand consideration score of 43.3%.
- Our employee experience index declined from 71.5 to 64.6, reflecting a downward trend in job satisfaction, employee sentiment, and advocacy. However, it was pleasing to note that participation in our survey increased to 91%, a clear indication that our employees remain invested in our organisation. We are driving a culture of performance focused on transparent communication, distributed leadership, and individual and collective accountability. This cultural alignment, alongside talent management, succession planning and strengthened leadership, is key to achieving consistent performance across the Group.
- The Group continues to make progress on our journey as a digitally powered business, showing 14.2% growth year-on-year in digitally active customers, supported by adoption initiatives, simplified digital onboarding processes, single sign-on (SSO) migration and improved digital activity. This was evident in ARO markets, especially Mauritius, Tanzania and Kenya, whereas growth in South Africa's digitally active customers was strongest in the Inclusive Banking and Student segments.

Driving productivity...

- Non-interest revenue (NIR) growth of 6% was achieved against 1% in the prior year, driven by growth in net fees and commissions income (up 4%), net insurance income (up 12%) and trading income ex hedging (up 11%).
- Pre-provision profit growth (up 5%) reflects solid revenue growth of 5% and operating cost increases of 5%. Cost increases are reflective of investments in our people and technology, and offset by Productivity Programme benefits achieved from technology, retail distribution and CRES, resulting in a flat cost-to-income ratio of 53.2%.
- Absa's geographic and sectoral diversification has been a source of resilience. South Africa contributed 72% of Group earnings, mostly due to lower credit impairments in PSC and EB, improvements in Retail SA and as a result of risk reduction and improved collection activities.
- Earnings in our African regions decreased due to the stronger South African rand, increased cash reserve requirements in certain countries, higher credit impairments in ARO RBB off a low base, plus a challenging operating environment in several markets. However, African markets delivered strong revenue and pre-provision profit growth in constant currency.

Delivering shareholder value...

- Group RoE improved from 14.4% to 14.8% but remained below our medium-term return objective. RoE reflected stronger growth in the second half (15.5%) than in the first half (14%) supported by strong headline earnings growth in the second half (27%). Excluding the impact of Naira losses, Ghana hyperinflation and the run-down of Separation costs, underlying headline earnings growth of 16% remained robust, reflecting an improved credit loss ratio, momentum on NIR and solid cost containment.
- The Group declared an ordinary dividend of 775 cents on 11 March 2025 (a full year dividend payout ratio of 55%).
- We were pleased to celebrate the first distribution of R114 million to employees in the Absa eKhaya Colleague Share Scheme in May 2024.

The value creation process is not static. Therefore, as part of a future-oriented mindset, we assess our Group's outlook in the short, medium and long term. A key focus area is set at improving our RoE recovery and a near term objective of achieving RoE of 16% by 2026.

Find out more... ***Performance against strategy... an executive overview, Performance against strategy... detailed stories, Outlook***

Sustainable performance is built on solid foundations of governance and fair reward

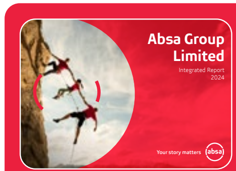
At Absa, our remuneration ambitions are framed within the context of our purpose and strategy. We aim to deliver fair, responsible and sustainable remuneration outcomes that are underpinned and informed by the consistent implementation of transformative and competitive people practices aligned with our broader sustainability commitments.

The decision-makers in our story are part of a robust governance system that protects the integrity and future sustainable delivery of shareholder value. We have a diverse Board that ranges broadly in age, race, gender, ethnicity, country of origin, culture, educational background, skills, experience, and knowledge. This provides a conducive environment for discussion, debate, input, challenge and thoughtful outcomes.

Find out more... ***Governance, RemCo Chairman's background statement***

Reading this report

We listen to our stakeholders. Our annual reporting suite is developed over time in response to your information needs and to meet regulatory requirements. For each disclosure subset, we apply a different materiality lens to make our reporting concise and relevant. All the reports and more detail are available at *https://www.absa.africa/investor-relations/annual-reports/*.



This Integrated Report

We tell a holistic and forward-looking story about value creation and preservation. It includes material sustainability impacts that influence enterprise value or affect our business model.

We apply financial materiality

Dynamic thinking guides our materiality lenses, with detailed reporting in the different reporting subsets.

Dynamic thinking

Financial and risk disclosures

We report on matters that relate to financial performance and related risks, including assumptions and cash flow projections.

Group Annual Consolidated and Separate Financial Statements

Financial Results Booklet

Results Presentation

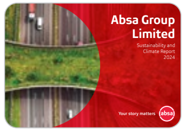
Pillar 3 Risk Management Report

Notice of Annual General Meeting

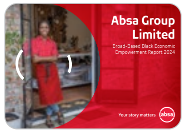
We apply financial materiality

Environmental, social and governance (ESG) disclosures

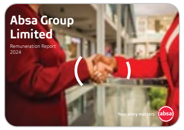
We report on matters that reflect Absa's significant impacts on the economy, environment and people.



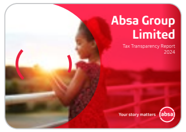
Sustainability and Climate Report



Broad-Based Black Economic Empowerment Report



Remuneration Report



Tax Transparency Report

We apply double materiality (financial and impact materiality)

* Absa may have positive and/or negative impacts on prosperity, people and the planet. However, only a subset of these impacts, in turn, affect our business model and thereby create or erode enterprise value and influence returns to providers of financial capital (financial materiality). We, therefore, re-direct stakeholders in need of detailed sustainability impact disclosures to our ***Sustainability and Climate Report***.

Reading this report continued

Materiality determination

We take a financial materiality approach in this report. We believe this is most appropriate when considering the information needs of capital markets. A matter is material if it can significantly affect our ability to create or preserve value (i.e., enterprise value) over the short, medium and long term. The material matters were approved by the Board as the outcome of our ***materiality determination process***.

Material sustainability impact disclosures are set out in the ***Sustainability and Climate Report***.

How we define future periods in this report:

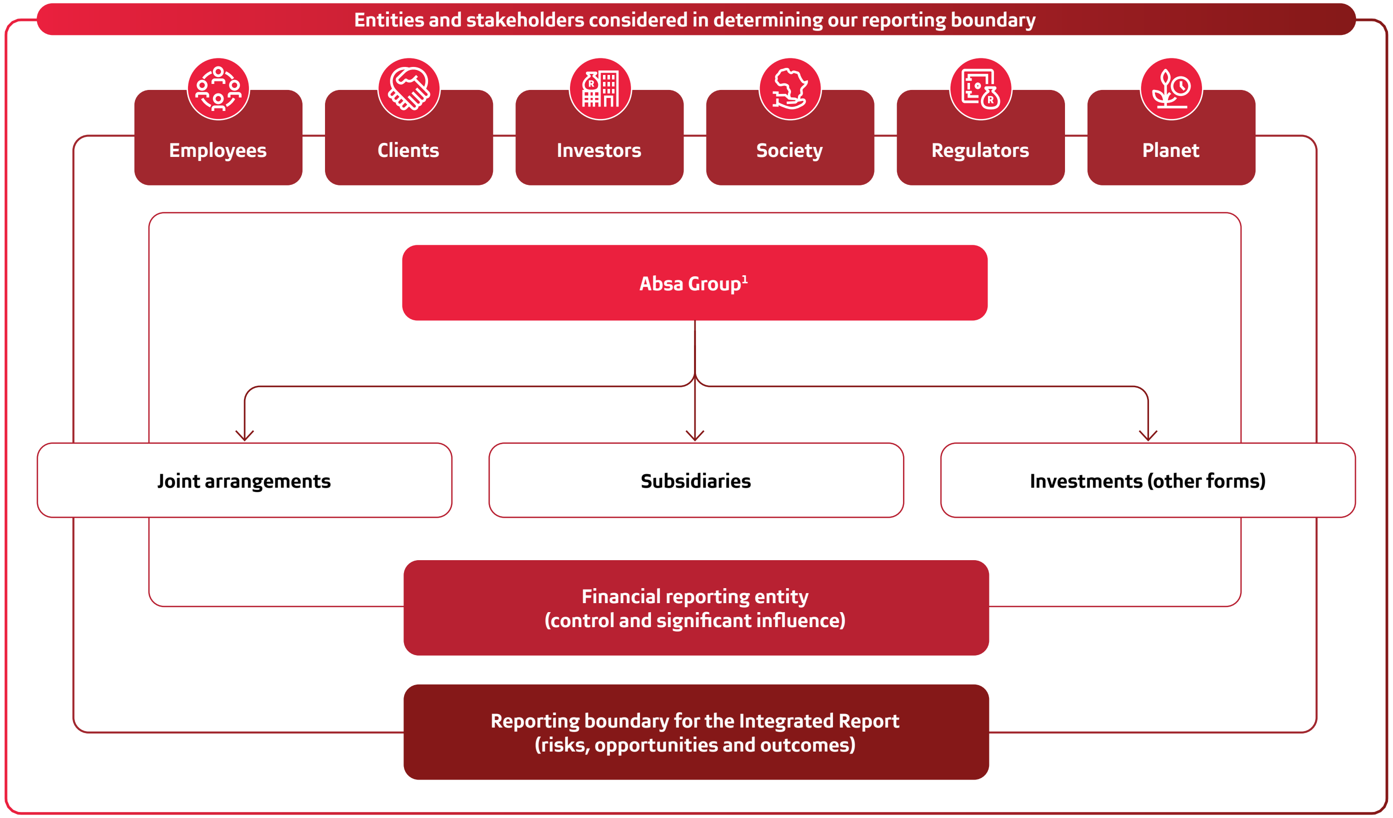
Short term
Less than 12 months

Medium term
Three years

Long term
Longer than three years

Integrated reporting scope and boundary[LA-IA]

We write this report mainly for investors. They want a concise yet sufficiently informed view of Absa's value creation, preservation and erosion outcomes. We include information about the whole Group (our integrated reporting boundary) which includes the ARO markets. Financial information applies to those entities over which we have control and significant influence. Environmental and social information relates to our value chain, with the emphasis on South Africa, and is noted as such where relevant.



[1] A list of subsidiaries and consolidated structured entities are outlined in note 46.4 of the ***Group Consolidated Annual Financial Statements***.

This report covers the period from 1 January 2024 to 31 December 2024. In the ***basis of preparation and presentation section***, we explain our approach and methodology in drafting the story contained in this report, including changes since our previous report, caution about forward-looking statements and IFRS results.

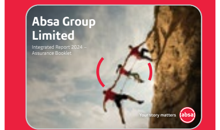
Reading this report continued

Reporting process and assurance

We apply a risk-based ***combined assurance approach*** to the Group's operations which is reflected in our reporting. Internal controls, management assurance, compliance, internal audit reviews, and the services of independent external assurance providers support the accuracy of disclosures. In line with their respective mandates, the following committees review and recommend specific reports to the Board for approval:

- Disclosure Committee (DC)
- Social, Sustainability and Ethics Committee (SSEC)
- Remuneration Committee (RemCo)
- Directors' Affairs Committee (DAC)
- Group Audit and Compliance Committee (GACC)
- Information Technology Committee (ITC)
- Group Risk and Capital Management Committee (GRCMC).

This Integrated Report



For a comprehensive understanding of assurance obtained, read our ***Assurance Booklet*** and refer to the ***basis of preparation and presentation*** for an overview of our assurance journey.

- Deloitte provided limited assurance on selected metrics, and the qualitative description of the integrated reporting process. Denoted as "LA-EA" in this report.
- Group Internal Audit provided limited assurance on select metrics, content elements and principles (as defined by the International Integrated Reporting Framework). Denoted as "LA-IA" in this report.
- Select financial metrics were extracted from the Annual Financial Statements. Denoted as "AFS" in this report.

Annual Consolidated and Separate Financial Statements

Reasonable assurance provided through a joint audit by PricewaterhouseCoopers Inc. and KPMG Inc. Their audit opinion can be found in the ***Annual Financial Statements***.

B-BBEE Report

Empowerdex verified our B-BBEE rating. The scope and conclusions of these can be found on our ***website***.

Sustainability and Climate Report

Deloitte provided limited assurance on selected metrics. Find their audit opinion ***here***.

Board approval

Supported by the DC[1], the Board acknowledges its responsibility for the integrity of the Group's external reporting. This report provides material and relevant information to providers of financial capital to enable informed capital allocation decisions. This report is presented in accordance with the Integrated Reporting Framework (2021)[2]. It addresses all material matters influencing Absa's ability to create and preserve value or those that may lead to value erosion in the short, medium and long term. It is our opinion that this Integrated Report presents a fair and balanced view of our performance, strategy, governance, and outlook. The Board approved this report on 24 March 2025.

Alison Beck	Fulvio Tonelli	Nonhlanhla Mjoli-Mncube	Sello Moloko (Chairman)
Alpheus Mangale	Ihron Rensburg	Peter Mageza	Tasneem Abdool-Samad
Charles Russon	John Cummins	René van Wyk	
Deon Raju	Luisa Diogo	Rose Keanly	

Navigational icons used in this report

Integrated thinking principle

We signpost where integrated thinking and decision making are at play to create the basis for long-term value creation.

King IV statement[3]

We signpost statements by those charged with governance in line with King IV disclosure practices, noting the number of the King IV principle to which it relates.

Six capitals

We consider all six capitals in assessing value creation, preservation and erosion. These icons signpost the relevant capitals. A full description of each capital is available in the ***supplementary information***.

Financial capital | Human capital | Social and relationship capital | Intellectual capital | Manufactured capital | Natural capital

United Nations Sustainable Development Goals (SDGs)

We prioritise six SDGs where the Group makes the most significant contribution and impact:

SDG 5 | SDG 7 | SDG 8 | SDG 10 | SDG 13 | SDG 16

Interactive navigation

Readers are encouraged to use hyperlinked text (in red italics) to find more or connected information. Use the main navigation at the top of the page to move between chapters.

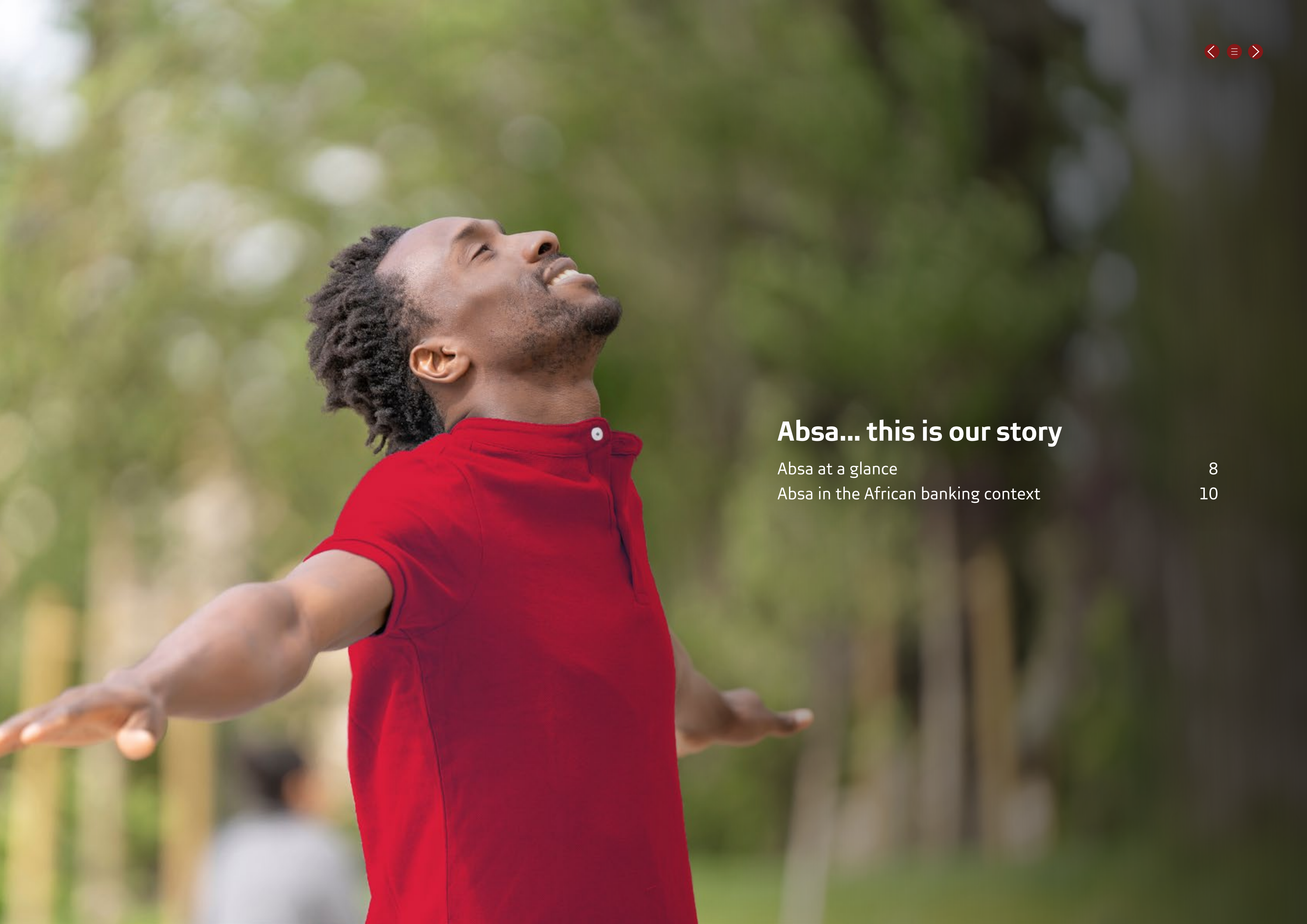
Use the home icon to go to the content index.

Use the forward and back arrows to navigate through the report.

1 The Disclosure Committee (DC) includes the Independent Group Chairman, Lead Independent Director, and the chairs of the GACC, GRCMC, SSEC, ITC, and RemCo, along with the Interim Group CEO and Group Financial Director. The Group Chief Strategy and Sustainability Officer attends, while other Absa Group Executive Committee members or management may be invited as needed to discuss specific disclosures.

2 IFRS Foundation Integrated Reporting Framework (2021).

3 King IV Report on Corporate Governance™ for South Africa, 2016 (King IV). Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.



Absa… this is our story

Absa at a glance

Our story in Africa started more than 130 years ago... Today, Absa Group Limited is one of the largest diversified financial services groups on the African continent. We are purpose-led and values-driven.

Our purpose

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

Our ambition

To be a leading pan-African bank

Our values

Trust

Resourceful

Stewardship

Inclusion

Courage

Our African footprint[LA-IA]

We are a leading pan-African bank with an expanding presence and impact. Our ARO operations are geographically diverse and serve a range of customer segments. These markets are key to our future growth and diversification plans.

Country[1]	36 779 Employees	139 436 PoS	6 347 ATMs	1 016 Outlets	Founded
Botswana	960	6 974	127	32	1950
Ghana	1 201	1 629	164	61	1917
Kenya	2 386	16 790	263	87	1916
Mauritius	1 024	2 402	42	14	1919
Mozambique	805	1 897	93	45	2002
Seychelles	269	2 308	23	6	1959
South Africa	26 542	95 706	5 138	616	1888
Tanzania[2]	1 644	2 130	263	81	1945
Uganda	928	3 334	113	39	1927
Zambia	807	3 266	121	35	1918

Country	Employees	
Namibia	1	Representative offices
Nigeria	12	
Czech Republic	145	Technology support operations
People's Republic of China[3]	6	General advisory support
United Kingdom (UK)	37	Securities entities
United States (US)	12	

Our international presence is shown on the ***business model*** and includes representative offices, technology support operations, general advisory support offices and securities entities, set out above.

1 Banks are wholly owned, apart from the following, where we hold majority stakes: Botswana 67.8%, Kenya 68.5%, Mozambique 98.7%, NBC, Tanzania 55% and Seychelles 99.8%.

2 Absa Bank Tanzania (ABT) and National Bank of Commerce (NBC) combined.

3 Non-banking subsidiary providing general advisory services to clients based in China for concluding transactions in South Africa and across the African continent.

Key facts about Absa[LA-IA]

- **R169.7bn** market capitalisation
- **R22.1bn** headline earnings SA: R15.9bn | ARO: R6.2bn
- **16** countries
- **R49.2bn** Sustainable finance
- **R1 403bn** gross loans and advances
- **12.7 million** customers
- **1 016** outlets
- **4.6 million** digitally active customers
- **R1 507bn** deposits
- **15.8%** CET1
- **14.8** RoE (%)
- Listings on JSE, A2X

Our organisational purpose is unique and clearly articulated. It is brought to life in the interactions of our leadership, management, employees, customers, partners, suppliers, governments and local communities. Our ***behaviours*** and how we do things are consistent with our purpose.

Absa at a glance continued

Our structure, products and services[LA-IA]

We generate competitive advantage through innovation, our unique insights and perspectives, and our ability to bring our products and services to market effectively and efficiently, while generating a financial surplus. We understand how our products and services meet our customers' needs.

We commenced with a strategic review of our Retail SA business structure to create a successful retail ecosystem that places us on solid footing in key market battlegrounds. This will impact our PSC, EB and RB business units.

	Corporate and Investment Bank (CIB)	Absa Regional Operations RBB (ARO RBB)	Product Solutions Cluster (PSC)	Relationship Banking (RB)	Everyday Banking (EB)
Products and services[1]	• Corporate Bank: Cash Management, including Custody and Trustee, and Trade and Working Capital • Investment Bank: Global Markets, Investment Banking Division, Commercial Property Finance, Equity Investments.	**Segments:** • Retail Banking: Premier, Prestige, Personal, and Inclusive segments • Business Banking: SME and Commercial segments • Insurance: Life Insurance, and Non-Life Insurance • ARO offers a similar range of products as those available in South Africa.	• Home Loans • Vehicle and Asset Finance • Life Insurance • Non-Life Insurance • Advice and Investments.	• Business Bank: Commercial, small- and medium-sized enterprises • Private Wealth Banking • Commercial Asset Finance, Commercial Property Finance, Term Lending, Absa Vehicle Management Services, Islamic Banking, Acquiring, Cash Management, General Banking Solutions, Commercial Issuing.	• Personal Loans • Credit Cards • Transactions and Deposits.
Areas of differentiation	• Over 100 years of experience on the African continent with global connectivity and local differentiation • Leading industry expertise in renewable energy, mining and resources, infrastructure, oil and gas and telecoms • Consistently recognised as an industry leader in investment banking, research, trade and cash management • Leading in equities and forex trading technology • Fixed income and foreign exchange market maker • Corporate transaction banking platforms that create a unified pan-African client experience • Sector expertise and thought leadership across several key sectors driving African economies • Strong stakeholder relationships.	• Operating in our markets for more than 100 years, we maintain a loyal universal customer base • Award winning digital and payments offerings and services • Well-established branch presence in all major cities • Growing agency banking network supported by digital servicing capability to increase financial inclusion and access • Playing our role in sustainability, supporting small- and medium-sized enterprises (SMEs) and our inclusive customer base through instant, digital micro loans.	• Strong secured lending presence backed by decades of experience • Robust credit and collections capability combined with solutions for distressed customers • A unique and seamless bancassurance model integrated into the broader Absa franchise • An accomplished advisory and investment capability • One of the oldest and largest trust businesses in South Africa • Experience in successfully partnering with leading market players • Award winning customer experience in Life Insurance • Strong digital capabilities underpinning the speed of customer engagement • Fully digitised car and home insurance offering that offers rewards.	• Designated relationship capability, providing customers with a single relationship manager rather than multiple touch points within the Group • Major player in agri business and collaborator with dedicated teams and competitive value propositions • Payments acceptance processes constitute nearly 40% of transaction values and volumes in the South African market • Wealth creation through high-quality conversations and advice • Bespoke solutions that assist clients in growing their businesses • Holistic client value propositions which include both banking and non-banking solutions • Award winning Islamic Banking proposition • Sector expertise and thought leadership across several key sectors (Agriculture, Manufacturing, Transport and Logistics, Renewable Energy, Public Sector, Wholesale, Retail and Franchise, Tourism, and Enterprise Development).	• Over two million customers are biometrically verified • A comprehensive suite of payment options • A Branch-on-the-Move solution that takes banking services directly to communities • A free rewards programme • A market-first digital fraud warranty • Absa Abby, the award winning chatbot • Credit Coach aims to guide one million South Africans toward financial wellness and healthy credit behaviour through the Journey to Yes initiative.

[1] Read the comprehensive business profiles in our ***Results Booklet***.

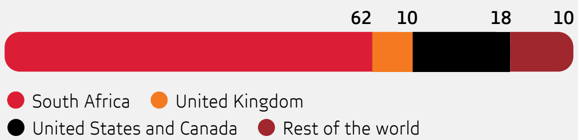
Absa at a glance continued

Our investor base[LA-IA]

The 894.4 million issued shares are held by a diverse shareholder base:

Top 10 shareholders by (%)	2024	2023
Newshelf 1405 Limited (SA)[1]	7.00	7.00
M&G (SA, UK)	5.72	5.06
Public Investment Corporation (SA)	4.86	5.14
Blackrock Incorporated (US, UK, JP, AU, CA)	4.38	4.57
CitiGroup Global Markets (SA)	3.90	3.83
The Vanguard Group (US, AU)	3.85	3.73
Investec Securities (SA)	3.50	3.35
Schroders (UK, AU, SG, US, JP)	3.20	1.92
Old Mutual (SA)	3.18	3.26
Sanlam Investment Management (SA)	2.77	3.27
Other	57.64	58.87

Geographic shareholder split (%)



[1] Further information about the Group's Absa eKhaya Colleague Share Scheme in *A winning, talented and diverse team*.

Absa in the African banking context[LA-IA]

Country[2]	GDP[3] (USDbn)	GDP growth[3] (%)	Population[4] (million)	Banking revenue pool[5] (Rbn)	Number of banks[5]	% of total banking income held by top five banks[5]
Botswana	19.7	2.7	2.5	11.1	13	99.5
Ghana	71.6	2.9	33.8	52.3	27	50.5
Kenya	106.9	5.6	55.3	72.2	43	58.2
Mauritius	14.4	7.0	1.3	27.2	19	87.0
Mozambique	21.0	5.4	33.6	25.1	19	77.25
Seychelles	2.2	(1.4)	0.1	2.7	7	98.1
South Africa[6]	377.8	0.6	63.2	389.9	17	92.57
Tanzania[8]	78.9	5.1	66.6	36.8	40	66.7
Uganda	51.7	4.7	48.7	23.2	27	57.5
Zambia	27.7	5.8	20.7	16.2	15	72.1

Absa relative to peers[5]

Country[2]	Rank by income	Return on equity	Cost-to-income
Botswana	2	4	2
Ghana	4	3	1
Kenya	4	2	1
Mauritius	4	3	3
Mozambique	4	4	4
Seychelles	1	3	3
South Africa[7]	3	5	5
Tanzania[8]	3	5	5
Uganda	2	2	3
Zambia	3	3	1

Key facts about our African markets

- Highest GDP: **South Africa**
- Highest GDP growth %: **Mauritius**
- Highest number of banks: **South Africa**
- Biggest banking revenue pool: **South Africa**
- Highest population: **Tanzania**
- Highest concentration (% of total banking income held by top five banks): **Botswana**

[2] South Africa based on 2024 financial results, with the balance of geographies based on 2023 financial results.
[3] Source: Absa Economic Research, Q4 publications.
[4] The population statistics were obtained from *World Bank DataBank* on 21 February 2025, and represent data from 2023.
[5] Source: BankFocus estimates.
[6] The banking revenue pool, number of banks and percentage of revenue held by the top five banks were extracted from BankFocus on 18 March 2025.
[7] The peers include Standard Bank of South Africa Limited, FirstRand Bank Limited, Nedbank Limited and Capitec Bank Limited. Absa, i.e. Absa Bank Limited's ranking relative to peers is among the top five banks based on banking revenue.
[8] Absa Bank Tanzania and NBC combined.

Empowering Africa's tomorrow... our strategic intent

Group Chairman's message

Operating context

On behalf of the Board, I present this report following a year that can be described as a global point of inflection. Over 3.7 billion people voted in 64 nations while conflicts persisted in the Middle East and between Russia and Ukraine. Political shifts in the UK and US added to uncertainty.

Despite challenges, the global economy stayed stable with easing inflation and lowering interest rates. However, conflicts, slower growth in China, and rising US trade tensions hamper outlook. In Africa, Kenya, Mozambique, Tanzania, and Uganda experienced some political tensions. Botswana and Ghana saw peaceful power transfers, indicating democratic maturity but post-election protests in Mozambique impacted its economy.

The formation of a Government of National Unity (GNU) in South Africa infused some cautious optimism about the economic reform agenda. However, uncertainties remain around the coalition's capacity to align different policy agendas and drive actionable outcomes. Businesses and individuals have yet to recover fully from the effects of years of loadshedding, continued high levels of unemployment and a lengthy period of high interest rates impacting performance across financial services providers. On the upside, improvements in electricity supply and indications of easing rates bode well for the return of confidence.

Find out more... ***Our external environment in 2024***.

Absa in 2024

The Group faced some challenges in 2024, with the intense media scrutiny and the early retirement of Arrie Rautenbach as Group CEO. We acknowledge that these developments strained our reputation and our relationships with some stakeholders. We have reflected deeply as a Board and actively worked with the executive team on the necessary changes to restore confidence in and strengthen our Group. As such, we have seen positive signs over the past few months that the work we have been doing as the Board, together with management, to stabilise the organisation, is starting to pay off. The improved financial performance we reported for 2024, particularly in the second half of the year, is testament to management's dedication and renewed focus on execution. As the Board, we are pleased by the financial performance in the second half of the year and recognise that we need to maintain this positive momentum and achieve our communicated market guidance on a consistent basis to fully restore credibility with our stakeholders.

We are pleased to report a 10% increase in the Group's headlines earnings which resulted in an improved RoE of 14.8%. The Group ended the year with a strong capital and liquidity position above the Board's target range.

The Board is cognisant of the need to balance short-term performance recovery and long-term strategic delivery, ensuring both immediate results and sustained progress. We refined our strategy to drive returns-focused growth, embed a culture for improved performance, supported by strengthened governance and regulatory alignment. Over the medium term, the Board is focused on the recovery of RoE underpinned by strong growth in NIR.

We have a realistic plan in place and are pleased by the commitment and single-minded focus on execution from the executive team. The planned review of our Retail SA businesses is a vital step towards building on our existing success, deepening our product offering while strengthening our focus on customers and clients.

Our businesses have had to respond to an evolving regulatory environment across our markets, with government policy positions influenced by a challenging macroeconomic environment. Our commitment to working with governments and regulators is a priority, and compliance to laws and regulations non-negotiable, and as such, we continue to invest in and maintain these capabilities across our businesses. One of the key priorities for the Board is to instil a culture of ownership, accountability and a commitment to regulatory standards. We acknowledge the critical role culture plays in delivering on our strategy and will support the executive team to lead this change. This shift is central to developing a workforce that is agile, risk-aware, and equipped to drive our pan-African ambition.

Board matters and executive changes

I am pleased to report that, after undertaking an extensive and rigorous search process, we appointed Kenny Fihla as a permanent Chief Executive Officer for the Group effective 17 June 2025. Kenny brings strong pan-African banking experience and a proven track record in delivering results in challenging times. He will strengthen our executive leadership and work with the team to stabilise the organisation and ensure we are well-positioned to meet both current and future demands. As the Board, we are confident that his leadership will further enhance Absa's positive momentum and our ability to deliver meaningful value to our clients and stakeholders.

Group Chairman's message continued

Let me express our appreciation to Arrie Rautenbach for his commitment and contribution in his 27 years of service to the Absa Group. We wish him well in his retirement.

I would also like to convey our deepest gratitude to Charles Russon for stepping in and effectively leading the Group on an interim basis. He demonstrated steady leadership, clear strategic focus and the ability to deliver results in a challenging operating environment.

Daisy Naidoo retired from the Board at the annual general meeting (AGM) in June 2024. We wish to thank Daisy for her diligence and contribution to the Group during her term.

Swithin Munyantwali resigned from the Board in April 2024. We would also like to thank him for his dedication and contribution to the Board.

We remain on track with our ongoing commitment to enhancing the Board's competence and driving effective succession planning. To this end, we appointed Sindi Zilwa and Zarina Bassa to the Board effective 1 April 2025.

Zarina Bassa is a former audit partner and retail banking executive of many years, who has served as a non-executive director on diverse boards (including time on a bank board). She brings deep domain knowledge and years of commercial experience, to the Group.

Sindi Zilwa is also a former audit partner and a seasoned board director of almost three decades. She comes with a strong entrepreneurial flair in addition to audit and risk experience. Her board experience covers financial services and a wide range of other industries. She recently concluded a programme in technology risk management from Harvard University.

We are excited about these two appointments and confident in their ability to make an impact on the Board. We are also pleased with the diversity of skills and ideas that comes with their appointment.

Conclusion

In a year that was marked by unflagging media focus but followed by efficacious operational change and strong signs of institutional progress, I wish to extend my deepest appreciation to my colleagues on the Board, the executive leadership team, and all Absa employees for their unwavering dedication in delivering on our commitments.

Our people's resilience and passion for our purpose have fortified Absa's foundation, enabling us to serve our clients with distinction while navigating the complexities of today's environment.

As we look to the future, we remain confident in our strategy to enable Absa's role as a driving force for economic empowerment across Africa. Our focus is on execution and innovation, ensuring we continue to unlock opportunities for growth and deliver meaningful value for our stakeholders.

To our clients, customers, partners, regulators, and investors – thank you for your trust and support. Together, we will continue building a sustainable, inclusive future, guided by our purpose of Empowering Africa's tomorrow, together … one story at a time.

Our external environment in 2024[LA-IA]

We routinely assess the impact of the external environment on the robustness of our business model and our operations, and our ability to execute our strategy, deliver our strategic objectives and create value over time.

Remodelled political landscapes

The World Economic Forum holds a predominantly negative outlook for the global economy over the next two years, which is expected to worsen over the next decade. There is a sense of instability and more turbulent conditions prevailing.

Elections were held in 64 countries in 2024, including in the US. On the African continent, there were elections in 22 countries, including in our South Africa, Ghana, Botswana, Mauritius, Mozambique, Namibia and Tanzania markets.

Voting outcomes brought some significant political shifts. The ruling party in Botswana was voted out after more than 60 years in power and, in South Africa, the ANC lost its majority support for the first time in 30 years, resulting in a coalition government. Mozambique experienced escalating post-election violence.

The United States election outcome resulted in US shares hitting record highs on Wall Street, with banks performing especially well. Bitcoin achieved an all-time high. However, disruptive foreign and local policy choices by the Trump administration signals increased long-term geopolitical tensions and disruptions in global trade.

The World Economic Forum's post-election predictions include a reduction in the speed of interest rate declines, an increase in US debt and more expensive funding for emerging markets against a backdrop of a more business-friendly regulatory approach.

Divisions are deepening

Over the past four years, the world has moved from trusting business to entering a cycle of distrust underpinning a far more polarised world. Divisions are deepening, amplified by election outcomes. The Edelman Trust Barometer indicated higher trust in developing countries than in developed countries in 2024, with a slight trust increase in South Africa.

Divisions are further entrenched by economic concentration. Increased poverty, deepening income equality and cost-of-living pressures resulted in protests in Kenya, our largest ARO market. Africa accounts for more than half of the people living in poverty worldwide. Corruption also remains a significant challenge across many African countries. According to the 2023 Corruption Perceptions Index, most African nations are either stagnant or failing to make progress in the fight against corruption[1].

The internationalisation of geopolitical conflicts continued deepening rifts between warring nations and allies linked to the Russia-Ukraine war, the Middle East conflict and tension over Taiwan.

[1] 2024 Africa Sustainable Development Report.

Our external environment in 2024 continued

Changing dynamics in our core markets

Africa was caught between global geopolitical tussles and dealing with its own rapidly changing geopolitical dynamics. Many central banks in our African markets have started cutting policy rates this year, with the monetary easing cycle broadening. Economic growth is mostly on an upward trajectory, supported by improved rains in drought-stricken regions, greater access to cheaper credit, improved financial flows into emerging and frontier markets and continued multilateral assistance. Most markets also demonstrated resilience after elections.

Most sub-Saharan African countries have been facing marked exchange rate pressures for over a year. Currencies in the region have weakened significantly against the US dollar, which is the key currency for trade invoicing and external debt. Dollar liquidity shortages enhanced the scrutiny of directives governing cross-border payments.

Key (XX) = Overall score

- Legal standards and enforceability
- Macroeconomic environment and transparency
- Pension fund development
- Market transparency, tax and regulatory environment
- Access to foreign exchange
- Market depth

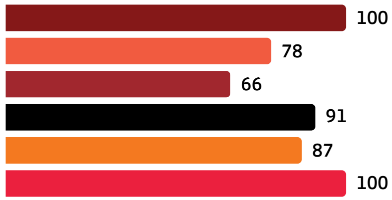
The Absa Financial Market Index assesses market accessibility, openness and transparency based on 40 indicators across six pillars across 29 African countries.

The ***Outlook*** section provides a forward-looking view of these markets.

We present how market factors and ecosystem development affected our five largest revenue contributing markets in 2024.

2024 macroeconomic forecasts[1]

South Africa (87)



Real GDP:
0.6%
CPI:
4.4%
Repo rate (eop)[2]:
7.75%

More positive sentiment emerged towards the end of 2024 as the new GNU settled in, loadshedding remained suspended, and improvements related to freight rail and port infrastructure became evident. Nevertheless, economic recovery remained sluggish, suggesting that recent shocks related to electricity supply and logistics constraints may have scarred some sectors.

Agreed reforms and more collaborative public-private partnerships started paving the way for economic recovery, supported by lower inflation and commitments to infrastructure investment.

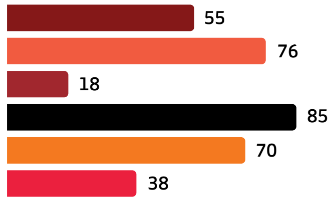
South Africa's sovereign credit risk premium remained elevated. Household consumption was under pressure for a large part of the year, driven by high interest rates, which only started moderating in the last quarter. The latter easing led to rising consumer confidence, boosted by pension reforms that allowed access to retirement funds. Household consumption increased as real disposable income gained momentum.

Consumer behaviour demonstrated a noticeable shift towards increasing demand for credit and financial products that offer better value.

The first repo rate cut in four years was announced in September 2024 as lower inflation prompted what is expected to be a gradual and shallow rate cut cycle.

The rand strengthened during the year, ending at an average of R18.33/USD, but volatility increased following the US elections and dollar strength. Emerging water supply shortages pose a risk to the outlook for South Africa.

Kenya (57)



Real GDP:
4.5%
CPI:
4.5%
Repo rate (eop):
11.25%

Kenya experienced strong economic growth that was tempered by protests against the proposed Finance Bill, which was subsequently withdrawn, affecting government's ability to meet heavy debt service obligations to the International Monetary Fund (IMF). However, a new round of tax reforms is likely to follow on the seventh and eight reviews of the ECF/EFF arrangement with the IMF.

Global uncertainty related to commodity prices remained. Growth was nevertheless supported by a robust services sector and healthy agricultural productivity aided by government policy interventions and good rainfall.

Key challenges still include poverty, inequality and youth unemployment amplified by a constrained fiscal environment.

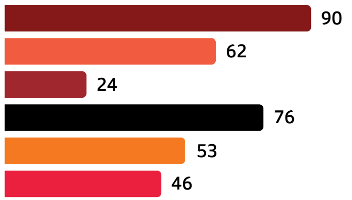
GDP growth has primarily relied on household consumption spending. Financial inflows were dominated by external borrowing, either by the government or the private sector, rather than foreign direct investment.

Inflation eased to 4.5% over the year as the exchange rate strengthened and food prices benefited from good harvests and stable fuel prices. With a La Niña developing, Kenya is at risk of disruptive rainfall affecting food production and leading to upward pressure on food inflation. International oil prices also present upside risk.

1 Absa Economic Research Q1 2025.
2 Eop meaning end of period.

Our external environment in 2024 continued

Ghana (59)



Real GDP:
6.1%

CPI:
22.9%

Repo rate (eop):
27%

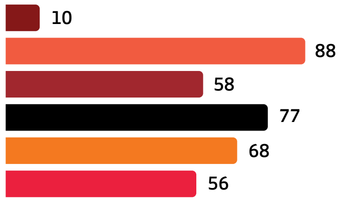
A strong industrial sector, increased construction activity and household consumption, as well as growth in the services sector, spurred accelerated economic growth in Ghana. A hyperinflationary economy for the past three years, Ghana's inflationary pressure dropped from 39.2% to 22.9%, ticking up again from December 2024. However, improved macroeconomic conditions – including a decline in high food inflation and a more stable exchange rate – contributed to consumer and business confidence.

A return to stability is expected based on the completion of sovereign debt restructuring and a strong commitment to fiscal prudence.

Cocoa prices reached record levels in April 2024, but the contribution to the trade balance diminished towards the end of the year due to extreme weather impacts.

Large fiscal slippage remains a key risk as macroeconomic stability relies on meeting multilateral debt restructuring targets.

Botswana (59)



Real GDP:
(2.9)%

CPI:
2.8%

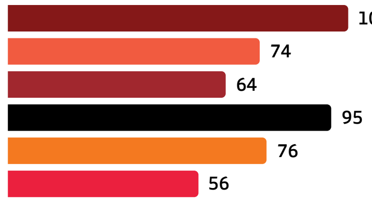
Repo rate (eop):
1.9%

Economic growth in Botswana continued decelerating due to weak international demand for mining production, especially rough diamonds. This has resulted in reduced export earnings which constrained government spending. Monetary policy easing was based on modest inflation and led to several rate cuts. The decline in inflation from 5.1% to 2.8% was mainly due to lower fuel prices and favourable base effects. The currency also benefited from the South African rand strength.

The market continued to operate below capacity on the back of subdued economic activity and little evidence of effective stimulation, despite rate cuts, potentially worsening a significant fiscal deficit.

The country's new political leadership and administration will face challenges, including an extended drought, youth unemployment and income inequality.

Mauritius (77)



Real GDP:
5.5%

CPI:
3.6%

Repo rate (eop):
4.0%

Robust performance in key sectors, including construction and private sector investment, led to strong albeit slightly decelerating economic growth in Mauritius. Domestic consumption and investment continued to increase at a solid pace, supported by ongoing capital projects and buoyant household spending. The current account deficit improved on account of healthy tourism earnings and higher interest income.

Inflation decreased to an average of 3.6%, reflecting the benign global food and energy price environment, lower shipping costs, as well as the fading out of domestic shocks.

Bank credit demand, including from households, was lively, growing 7.6% annually to July 2024. The trade balance is set for relief from subdued oil prices and supportive export sugar prices, recovering some of the recent currency losses.

Digital infrastructure, instant payments and new currencies

Open banking introduced an enabling infrastructure and significant changes to payment ecosystems, leading to new products and services being offered by non-traditional competitors. This includes Pay by Bank, an account-to-account payment method allowing quick and secure money transfers directly between bank accounts, eliminating the need for credit or debit cards.

Consumers are increasingly adopting digital wallets which are reshaping payments online and in-store, further supporting the move towards account-to-account payments.

In Europe, new regulations are driving a more connected financial ecosystem where banks have to provide 24/7 "real-time" transfers from January 2025. Instant payment transactions will become the norm across all channels, replacing credit transfers.

These changes are driving more collaboration between traditional banks and non-bank players, leading to the adoption of new business models, and leveraging composable cloud-based architecture.

High-value data sharing throughout new ecosystems is becoming more viable and secure through the use of AI and emerging technologies. So-called synthetic data sets address concerns around privacy, security and data sovereignty.

Banks pausing for more regulatory clarity on many of these developments run the risk of falling behind, losing customers and missing opportunities, leaving them disadvantaged and irrelevant in a significantly reshaped ecosystem.

87 countries
(representing over 90% of global GDP) are exploring central bank digital currencies

9 countries
have fully launched a state-owned digital currency

Our external environment in 2024 continued

Climate financing deficit in Africa

Climate extremes are becoming more frequent and severe and are disproportionately affecting African economies and societies. On average, climate-related hazards cause African countries to lose 2–5% of their GDP annually, with many diverting up to 9% of their budgets to respond to climate events. COP29 highlighted the need for a more equitable system for climate finance in Africa to avoid deepening the continent's debt.

For example, Zambia experienced a severe El Niño-induced drought that left the Kariba dam without water to run its hydroelectric turbines. This has led to loadshedding of up to 21 hours per day in Zambia and 17 hours per day in neighbouring Zimbabwe. For African countries, ESG considerations remained central to promoting resilient and attractive financial markets. 23 countries have incorporated ESG into their financial market frameworks. These geographies include some of our ARO markets, with ESG bonds listed in Botswana, Mauritius and Zambia. Absa's ESG liabilities in Africa amount to R12.4 billion, including bonds, loans and green deposits.

Zambia also implemented new climate-related financial regulations, and a new green taxonomy was published in the Western African Economic and Monetary Union to promote ESG assets[1].

The increasing emphasis on sustainability, climate change and renewable energy is expected to create considerable opportunities for banks to grow their balance sheets and develop innovative, sustainable financing solutions. More advanced climate information and early warning systems will ensure more agile responses to climate-related hazards. There is also a need to update regional strategies for disaster risk reduction, with an important facilitation role for insurance groups.

USD100 billion
climate finance target for Africa per year – contributions have been far below the target[1]

10 countries
in Africa have received the majority of climate finance contributions

USD1 billion
has been earmarked in cash reserves to fund climate projects in Africa through a new agreement between Absa and the Multilateral Investment Guarantee Agency

Social protection and financial inclusion

In Africa, social protection systems are fragmented and inadequate in coverage, with only 17.4% of the population covered by formal social protection systems[1]. Social assistance programmes account for 77% of social protection measures on the continent at 3.8% of GDP compared to 17.4% in Europe and Central Asia[2].

A lack of productive and decent jobs remains a significant challenge for young people in sub-Saharan Africa. The combination of fast-growing populations and slow economic growth deficits continued to limit job creation, including the social protection and security benefits associated with employment.

Broadening access to financial services can mobilise greater household savings, marshal capital for investment, expand the class of entrepreneurs and enable more people to invest in themselves and their families.

In South Africa, a new Corporation for Deposit Insurance (CODI) scheme was established in April 2024 to protect bank depositors should their bank fail. The scheme provides a safety net by ensuring access to up to R100 000 for qualifying depositors from a fund that will be built from financial contributions from banks.

Despite such progress, the inability to successfully address social protection challenges is underscored by society's beliefs that governments are far less competent and ethical than businesses. The Edelman Trust Barometer highlighted an increasing belief that "society is changing too quickly and not in ways that benefit people like me". There is also a growing perception that "the system is biased in favour of the rich".

By enabling affordable access to finance, banks can strengthen individual and business resilience and help achieve development objectives.

<7.5 million
personal income taxpayers collectively support about 28 million grant recipients in South Africa[3]

>94%
of South African adults are financially included, and approximately 82% of this adult population has access to at least one bank account

One out of four adults in Africa has access to an account at a formal financial institution, signalling a significant opportunity for financial inclusion.

Governance challenges in a world of new rules

Geopolitical conflicts have the potential to paralyse international governance mechanisms and create a fragmented order characterised by regional rules and norms. National identities, international law and democratic values are coming into question, threatening human rights and re-igniting violence. This highlights the need for robust but flexible standard-setting to drive development aligned with societal needs[4].

In the past two years, regulators engaged in near-record levels of rulemaking while intensifying supervision and enforcement activities. Top areas of regulatory focus included cybersecurity, AI, fraud, consumer protection, fair competition and financial resilience[5].

During 2024, we have seen a rise in over 12 000 regulatory alerts across 10 of the markets we operate in, with some having a direct or indirect impact in our operating environment. This demonstrates the complexity in an operating environment with increased regulatory developments and regulations.

The application of existing legislation around intellectual property, employment, competition policy, data protection, privacy, and human rights is also evolving to address new challenges, for example, those posed by Generative AI (GenAI). Evolving regulation requires an increase in global treaties and agreements to boost local efforts, including those addressing cybercrime and safeguarding new payment systems.

South Africa was the first country on the African continent to adopt the International Organization of Securities Commission's enhanced multilateral memorandum of understanding. The agreement fosters greater cross-border enforcement cooperation and assistance among securities regulators, enabling them to respond to the risks and challenges posed by globalisation and advances in technology.

Banks must invigorate trust and reclaim their role as the central provider of financial products and services. New ESG agendas, driven by investors, governments and regulators, feature heightened corporate governance and market integrity expectations, while emphasising intolerance for misinformation or greenwashing.

1 2024 Africa Sustainable Development report.
2 A Comprehensive Analysis of Social Protection in Africa, 2023.
3 South African Reserve Bank: Digital Payments Roadmap.
4 WEF The Global Risks Report 2024.
5 KPMG: 2025: The Year of Regulatory Shift.

Our stakeholders' needs and expectations

We consider how our strategic actions affect our broader stakeholders. Our Absa culture creates trust, inspires innovation and aligns with our business partners and wider stakeholders. We recognise the critical interdependency between value creation, preservation and erosion across our resources and relationships.

Our stakeholders are key characters in our story. The quality of our relationships with them impacts our ability to fulfil our purpose.

The Absa Stakeholder Engagement Policy guides our engagement with key stakeholders to support business development, build trust, legitimacy, and to defend and enhance our reputation. It outlines the principles, approaches, and guidelines for engaging stakeholders to ensure transparency, inclusivity, and effective communication in decision-making processes.

The primary objectives of the policy are to:

- Provide an overview of stakeholder engagement
- Highlight key stakeholders
- Outline stakeholder engagement principles
- Outline the Group's position on funding of political parties and faith-based organisations
- Provide an assessment and monitoring guide.

Value creation index	Stakeholder engagement index	Thick Trust index	Active advocacy index
↓ 73.5% (2023: 74.2%)	↓ 71.9% (2023: 72.0%)	↑ 75.3% (2023: 75.2%)	↑ 73.4% (2023: 72.4%)
All banks' average benchmark	**All banks' average benchmark**	**All banks' average benchmark**	**All banks' average benchmark**
74.6% (2023: 73.6%)	71.6% (2023: 70.8%)	70.3% (2023: 69.9%)	71.8% (2023: 70.9%)

An external stakeholder view...

Our Corporate Reputation Tracking Programme helps us to understand the levels of trust in the Absa Group and develop an appropriate response. In the latest Globescan survey, conducted between September and December, 776 key opinion formers across Africa participated, with an even spread per market.

The Group's level of Thick Trust[1] remained stable in 2024, with affinity scores reaching their highest point since the inception of the survey. This means that Absa is increasingly demonstrating to stakeholders that we are more than just a bank and it would matter if our bank was no longer around. It implies that Absa's strategic imperatives are starting to gain traction with stakeholders.

Absa took the trust leader position in six out of 10 markets measured. Leader markets included Mozambique, Uganda, Botswana, Ghana, Zambia and Kenya.

... Reflecting a resilient reputation

The Active Advocacy dimension[2], which measures trust outcomes, was a highlight in 2024, peaking at its highest index score since the inception of the programme. This milestone reflects the returns on Absa's trust-building efforts to date. Stakeholders' likelihood to collaborate with and promote Absa remained strong, while their intention to support us in a crisis saw the biggest upswing since inception. This shows that stakeholders across Africa have been given sufficient information and evidence to increasingly support the Absa brand.

... Positioning Absa for confident leadership

Leadership at Absa remained in the spotlight. Stakeholders expected Absa to exhibit stronger industry leadership, help develop policy to address sector-wide issues and to have leaders who are more accessible and approachable. Leadership changes at Group level had a more localised impact on the SA market.

The survey concluded that Absa seems to have found a comfortable place of operating that appears to be its new normal. We have established a broader network of influencers that build the Absa brand.

1 Thick Trust is built on deep, open and enduring relationships with stakeholders, unlocking information flows, understanding, engagement and dialogue, collaboration, and co-creation.
2 Active advocacy considers the degree to which stakeholders are willing to collaborate with Absa, recommend us to others, provide support in times of crisis and disbelieve negative information.

Our stakeholders' needs and expectations continued

Economic value created and distributed

	2024 Rm	2023 Rm
Total income	**109 949**	104 642
+ Income from associates and joint ventures	**282**	200
- Impairments	**(14 304)**	(15 535)
- Other equity – Additional Tier 1 capital	**(1 100)**	(899)
- Non-controlling interest – Preference shares	**(408)**	(373)
- Non-controlling interest – Ordinary shares	**(1 858)**	(1 400)
= Total value available for distribution	**92 561**LA-IA	86 635
Total economic value distributed	**92 561**LA-IA	86 635
- Suppliers	**19 596**LA-IA	18 452
- Communities	**319**LA-IA	286
- Employees	**33 654**LA-IA	31 493
- Government	**10 912**LA-IA	10 031
- Investors	**12 874**LA-IA	12 337
- Retained for reinvestment	**15 206**LA-IA	14 036

We recognise the critical interdependency between value creation for Absa and value creation for our investors and other key stakeholders.

Our stakeholders and the quality of our relationships...

Investor community

Who they are

- Absa has over 55 000 local and foreign shareholders, including retail investors, asset managers, pension and sovereign wealth funds
- Employees participating in the eKhaya Colleague Share Scheme
- Investment analysts
- Prospective investors
- Debt investors and credit rating agencies.

Needs and expectations

- Stable senior leadership and succession planning
- Strong operational performance, including revenue and earnings growth, efficiency and adequate returns
- Maintaining a strong balance sheet (capital and liquidity)
- Adequate, sustainable total shareholder returns
- Sound risk management
- Transparent reporting and disclosures and effective communication
- Sound sustainability practices
- Strong financial controls, corporate governance and ethics.

Our response

We generate sustainable returns and manage risk by:

- Ensuring Absa is well-diversified by activity and geography
- Growing capital lite revenue
- Reviewing our Retail SA business model
- Digitisation and automation to enhance operational efficiencies
- Maintaining strong capital and funding to support growth
- Focusing on risk management including risk appetite, collections, recoveries and fraud
- Continuing to build out our climate framework and capabilities.

Quality of relationship

Our assessment is based on a total shareholder return of 24.3% in 2024, which is considerably higher than the -9% return in 2023 (2022: 35%).

Our stakeholders' needs and expectations continued

Clients

Who they are

- Individuals: Entry-level to high net-worth individuals, across all ages
- Businesses: Sole proprietors, SMEs (formal and informal), large corporates and multinationals
- Public sector: Local, provincial and national government and state-owned enterprises
- Various other legal entities such as development finance institutions
- Other financial institutions, trusts, non-governmental entities and associations.

Needs and expectations

- Stable, reliable banking platforms and systems with high levels of uptime
- Cost-effective, relevant, convenient and innovative financial service offerings
- A digitally powered bank that enhances efficiency, lowers costs, and strengthens capital for seamless, secure experiences
- Credible brand, trustworthy relationship, safety and protection against fraud, encompassing physical and data security
- Responsible banking, lending and insurance practices with affordable, transparent pricing.
- Excellent client service and advice (human and digital), including complaints handling
- Consistent customer experiences, irrespective of touchpoint
- User-friendly onboarding systems and the ability to transact through their chosen platform
- Best practice safety measures for client wellbeing
- Focus on financial inclusion to cater for underserved or unbanked populations
- Quick solutions for short-term capital needs
- A robust rewards programme that is simple and differentiated.

Our response

We deliver innovative technologies and propositions to help our clients empower their tomorrow by:

- Improving access to financial services in local, regional and global markets
- Deepening relationships through a life-stage/ecosystem approach
- Providing an extensive and accessible network, combining physical outlets and call centres with digital platforms and strategic partners
- Protecting data privacy and ensuring cybersecurity through robust technology and data management
- Enabling frontline employees with improved tools to communicate value to customers
- Developing personalised offers to clients to enhance customer experiences
- Increasing the advisor footprint and reach.
- Providing relevant financial literacy and consumer education support
- Planning with and expanding options for environmentally conscious commercial and retail customers
- Simplifying onboarding processes to include banker-assisted digital onboarding
- Launching new tailored loan products and tiered pricing models for businesses
- Enhancing business propositions specifically aimed at youth and women entrepreneurs
- Enhancing and simplifying the Rewards Programme with attractive benefit improvements.

Quality of relationship

Our Group customer experience index score reflects our commitment to delivering exceptional customer experiences. In 2024, we achieved a score of 101, exceeding our target of 85 and improving from 96 in 2023 (2022: 81).

Our stakeholders' needs and expectations continued

Employees

Who they are

- 36 779 employees (South Africa 26 542; ARO 10 037; international 200)
- 60% women and 40% men
- 81.6% AIC[1] employees (South Africa)
- 52.4% below the age of 40 and 86.3% below the age of 50
- 16 recognised employee trade unions, covering 35.7% of employees.

Needs and expectations

- A purpose and values-driven workplace with opportunities to contribute to society and one that is supportive of environmental and social sustainability
- A diverse, inclusive and supportive culture, where all employees are treated equitably without bias
- Secure employment, strong leadership and change management
- Flexible working hours and workspaces
- Competitive, fair and responsible pay, with market-related terms of employment, remuneration and benefits
- Training, development and career opportunities
- A healthy work environment promoting physical and mental wellbeing
- Effective performance management, recognition and rewards.

Our response

We create an environment where employees can fulfil their potential and deliver excellence to our clients by:

- Building an ownership mindset and implementing the eKhaya Colleague Share Scheme
- Creating differentiated experiences and inspiring a diverse and inclusive workforce
- Enhancing our employee value proposition, attracting and retaining the best talent
- Encouraging self-led development and opportunities for career progression
- Delivering performance-based reward and recognition
- Providing a comprehensive wellness programme and supporting flexible ways of work
- Listening and engaging colleagues on their experiences, and responding appropriately to areas of improvement
- Driving targeted initiatives to improve the representation of women in leadership positions.

Quality of relationship

Our employee experience index score declined to 64.6 from 71.5 in 2023 (2022: 68), falling below our target of 70. Despite this, 86% of employees express pride in our positive global impact and 90% believe in our values.

Regulators and industry bodies

Who they are

- Regulators: The South African Reserve Bank, Prudential Authority, Financial Sector Conduct Authority, Financial Intelligence Centre, National Credit Regulator, Information Regulator, Johannesburg Stock Exchange and equivalent in-country regulators
- Industry bodies and associations: Banking Association of South Africa, Payment Association of South Africa and in-country industry bodies and associations
- Revenue authorities: The South African Revenue Service and in-country revenue authorities.

Needs and expectations

- Compliance with all relevant laws and regulations. During 2024 we received over 12 000 regulatory alerts to changing regulations across 10 African markets
- Financial system stability spanning financial soundness to fair treatment of clients
- An ethical work environment
- Contribution to governmental development plans, national priorities, and the fiscus through fair tax payments
- Engagement on the Prudential Authority's flavour-of-the-year topic (2024: Strategic business growth and resilience of regulated financial institutions' business models in the current economic environment)
- Transparency on assurance providers and key external audit findings.

Our response

We support the creation of an environment that facilitates sustainable growth for all. We do this by:

- Setting governance as a non-negotiable priority
- Putting in place mechanisms to ensure compliance with regulation
- Facilitating responsible banking by ensuring appropriate "know your customer" due diligence is followed
- Ensuring a transparent and constructive relationship with regulators, including engagements on topical matters including policy
- Focusing on operational risk management, including heightened efforts to prevent financial crime and prevention of fraud.

Quality of relationship

We seek to maintain credible and arm's length relationships with regulators in our in-country operations. We see governance as a non-negotiable priority and aim to mitigate compliance risk, which includes financial crime and conduct risks in our in-country operations.

[1] All African, Indian or Coloured people qualifying for South African citizenship by birth or descent, or people who were naturalised before 27 April 1994.

Our stakeholders' needs and expectations continued

Society

Who they are

- Individual citizens
- Communities
- Civil society organisations
- Non-governmental organisations
- Media
- Third parties
- Suppliers.

Needs and expectations

- Meaningful contribution to scalable and innovative solutions that address societal and economic challenges
- Supporting disaster relief efforts to assist communities in crisis
- Alignment with national development plans to drive economic growth and stability
- Commitment to the SDGs and Africa's Agenda 2063 for impactful and measurable progress
- Addressing global sustainability challenges by promoting long-term environmental and social resilience.

Our response

Our societal interventions are aimed at meaningfully contributing to help create inclusive and sustainable economic growth aimed at impacting our communities. We do this by:

- Preparing young people for entrepreneurship and the future of work
- Advancing financial literacy and inclusion
- Providing products and services with a positive social impact
- Supporting an inclusive and responsible supply chain
- Minimising the impact of our business and carbon footprint on communities and society
- Supporting national development objectives and policies to stimulate inclusive growth, generating and distributing economic value.

Quality of relationship

Our commitment to society continues, with sustainable finance for financial inclusion reaching R12.1 billion in 2024 (2023: R10.1 billion; 2022: R9.9 billion). Our community investment also increased to R319 million in 2024 (2023: R286 million; 2022: R267 million).

The planet

Who they are

The natural resources on which we, our stakeholders and future generations depend. This includes water, energy, land and air.

Needs and expectations

- A comprehensive climate-change response, increased transparency in risk management and sustainability-related policies and standards
- Proactive management of the environmental and societal impacts of our business to encompass lending practices and our operational footprint
- Mobilising funds to support the just transition to a low-carbon economy and support for other environmental priorities such as a circular economy and responsible consumption.

Our response

We seek to address climate change and play an active role in minimising pressure on nature's resources by:

- Committing to achieving a net zero state for scope 1, 2 and 3 emissions by 2050
- Supporting clients in responsible consumption and the transition to a low-carbon economy
- Advancing our environmental and social risk management practices and capabilities in climate risk management
- Minimising our direct environmental impacts.

Quality of relationship

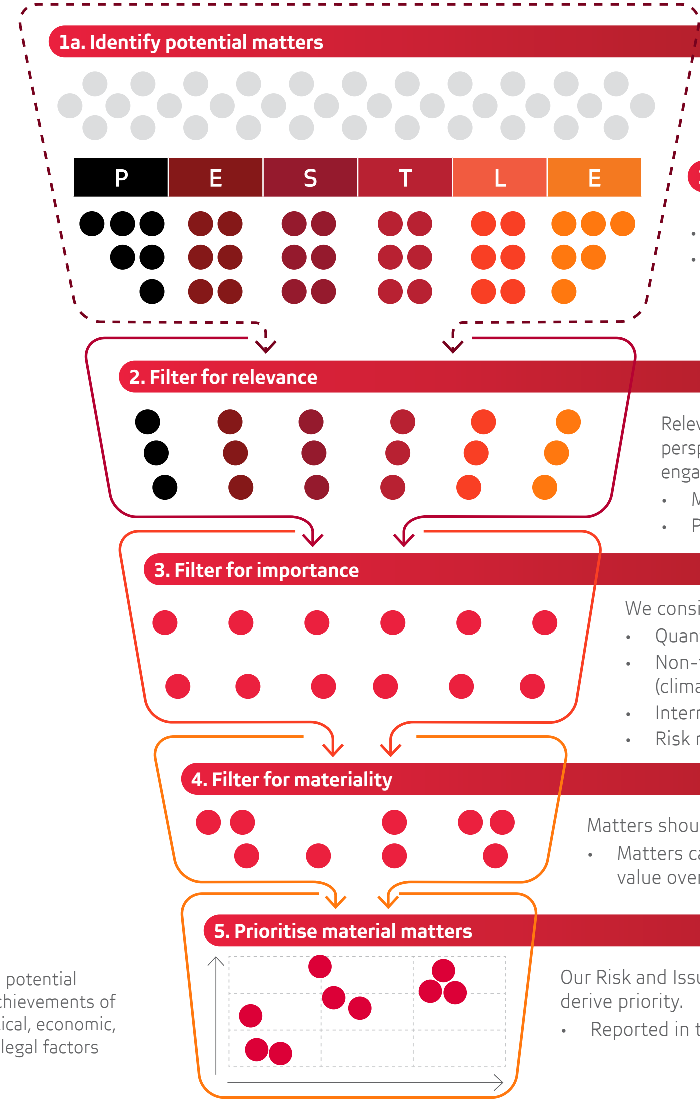
As a leader in sustainable finance, we play a key role in climate change mitigation. Our sustainable finance for climate reached R37.1 billion in 2024 (2023: R32.5 billion; 2022: R31.8 billion). We have set the long-term ambition to reach a net zero state by 2050 for our scope 1, 2 and 3 emissions.

Material matters

Materiality determination process[LA-IA]

We understand how material issues associated with our business model affect our ability to execute our strategy.

As a financial services provider, we play a pivotal role in the economic activity of individuals, businesses, and nations, helping to create, grow and protect wealth through partnerships in economic development. Many factors affect our ability to create value, including our operating environment, stakeholders, responses to risks and opportunities and our chosen strategy. This report provides the context for what we have deemed our material matters – those which can significantly affect our ability to create or preserve value or lead to value erosion over the short, medium and long term. We have not seen directional shifts in our material matters year-on-year. Our materiality determination process is discussed and illustrated as follows:



1a. Identify potential matters

- External environment scanning
- External stakeholder feedback
- Internal stakeholder feedback
- Industry analysis.

1b. Consider PESTLE

- PESTLE[1] completeness check
- We use double materiality in our thinking, considering both outside-in (financial materiality) and inside-out (impact materiality) factors.

2. Filter for relevance

Relevance (again using a double materiality perspective) derives from analysis and internal engagement on:

- Matters on the Board agenda
- Peer analysis
- Ability to affect performance
- Ability to affect governance
- Ability to affect strategy (considering risks and opportunities as part of the Absa's Strategic Planning process).

3. Filter for importance

We consider:

- Quantitative and qualitative risk appetite (both financial AND non-financial)
- Non-financial impact types include regulatory, customer, reputation, service and colleague (climate impacts are quantified)
- Internal and external area of effect
- Risk register cross check.

4. Filter for materiality

Matters should be financially material

- Matters can substantively influence providers of financial capital's assessments of our ability to create value over the short, medium and long term.

5. Prioritise material matters

Our Risk and Issue Classification Standard considers likelihood, severity of impact, risk classification and onset to derive priority.

- Reported in the Integrated Report.

[1] An analytical approach to identify and assess the actual and potential environmental factors that could impact the strategy and achievements of an organisation, based on the assessment of, inter alia, political, economic, socio-cultural, technological, ecological, demographical and legal factors (regulatory factors grouped with "L").

Material matters continued

Risk management overview[LA-IA]

The Group actively identifies and assesses risks arising from internal and external environments, while proactively identifying emerging risks. To ensure effective implementation, we monitor our consolidated response as follows:

- Recognise the importance of a strong risk culture, which is integral to the Group's culture
- Consider key (principal) risks, clear ownership and accountability, and Group-wide risk coverage
- Support the Group's strategy with a coherent risk management operating model and appropriate risk practices, tools and techniques
- Uphold the risk governance structure at Group, country, business and Group functions, with clear Board escalation and oversight
- Follow comprehensive and structured processes for evaluating, responding to and monitoring risks
- Oversee and manage Group-wide assurance through a combined assurance model with clear accountability across the three lines of defence.

We developed the risk strategy alongside the Group strategy. This forms part of the strategic planning process to ensure the business strategy is achievable within the risk appetite, and we consider risk information in the organisation's decision-making and planning process.

Find out more... ***Pillar 3 Risk Management Report***.

Risk appetite[LA-IA]

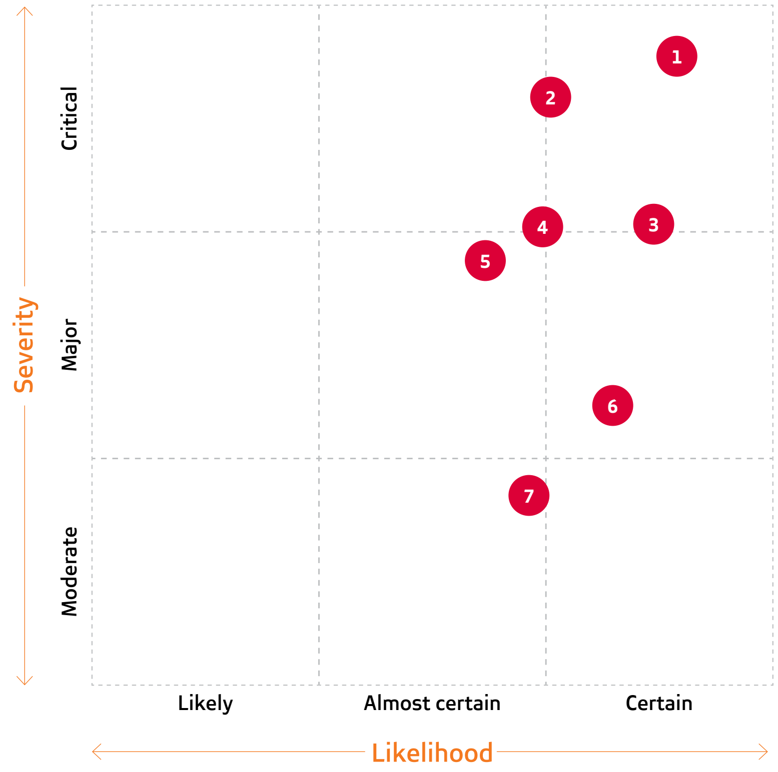
11 There were no undue or unusual risks taken outside of our tolerance levels.

The Group's risk appetite is defined as the risk that Absa Group, its business lines and subsidiaries are prepared to accept to meet strategic objectives. It explicitly defines the risk boundaries within which management is expected to operate under business-as-usual and stressed conditions when pursuing the business strategy.

Our risk appetite is stated qualitatively in terms of risk principles and risk preferences and refers to the types of risk the Group actively seeks as well as those it accepts and avoids. In addition, the maximum amount of risk the Group is prepared to accept to achieve its business objectives is defined using a range of quantitative metrics relating to capital adequacy, earnings volatility, liquidity, and leverage. These are cascaded to the level of principal risk, legal entity, and business unit.

Additional qualitative statements and risk appetite metrics relevant to the risk types, legal entities and business units are defined to align strategy execution and support the Group's defined risk appetite.

Prioritised material matters[LA-IA]



1. Delivering returns-focused growth
2. Elevated levels of sovereign and country risk
3. Supporting social cohesion and stressed consumers
4. Digital advancement and stewardship
5. Leadership and a performance culture
6. Regulatory focus on banking models and returns
7. Climate change and a just transition

Material matters continued

Delivering returns-focused growth[LA-IA]

In a world of economic uncertainty, resilience is evident in financial institutions that have geographic and product diversity. Balancing stability and flexibility remain key as interest rate cycles turn. Pockets of opportunity are emerging despite geopolitical risks and damaging climate events...

As global cycles of high inflation and market volatility peak, decision-makers remain ambivalent about the depth and length of the deceleration trajectory. Interest rates are easing at a slower pace than anticipated, with core inflation still elevated and potential new inflation risks emerging, including rising trade tariffs.

Pockets of improvement in global financial conditions contrast with political, fiscal, sovereign and currency risks, particularly in African countries.

Economic and monetary policy ambiguity remains heightened, elevated by geopolitical risk and the potential impact of US foreign policy decisions on developing markets.

High levels of uncertainty also manifested in global real estate pressure evident from low property values and customer sensitivity to home loan rate levels. For South African banks, this resulted in growing balance sheet provisions.

Although the energy crisis in South Africa eased, countries such as Zambia experienced significant hydropower supply issues as a result of droughts. Infrastructure failures, including logistical, water and power supply, negatively impact stakeholders and increase the cost of doing business.

From a sustainability perspective, significant infrastructure investment will also be required to transition to clean energy. This is opening infrastructure decentralisation opportunities for public-private partnerships, privatisation options and new technology solutions that can equally serve remote rural areas or cities.

Absa's performance has been lagging compared to competitors, prompting targeted efforts to improve returns. The uneven pace of economic recovery across our regional markets, negatively impacted returns. Strategic diversification across markets and sectors, and a dynamic approach to risk appetite setting will enable Absa to sustain more competitive returns going forward.

What it means for Absa

Opportunities

- Creating a balance in revenue mix across our portfolio
- Deepening client relationships
- Promoting financial inclusion through targeted and relevant financial advice and products
- Innovating products, services and pricing structures
- Expanding the non-traditional acquisition channels across the business
- Delivering holistic and integrated product solutions to clients
- Increasing our bancassurance presence
- Driving improved productivity.

Principal risks affected

Credit | Market | Capital and liquidity | Insurance | Strategic, sustainability and reputation | Model | Operational and resilience | Compliance

Possible business model impacts and effects on capitals

Financial capital

- ↓ Within a constrained environment, we recognise that there is an increased risk of credit defaults, inflationary pressures on our cost base and margin pressures
- ↓ Providing additional support to constrained clients affects margins.

Manufactured capital

- ↓ Physical footprint gives way to more efficient and cost-effective digital channels, possibly impacting human capital.

Social and relationship capital

- ↑ Increased financial inclusion
- ↑ Customer primacy and brand affinity.

Scorecard metrics affected

- Headline earnings
- RoE
- Capital lite revenue
- CTI
- Group customer experience index
- Absolute value of sustainable finance.

Other metrics affected ***(value over time)***

- Total shareholder return
- Total deposits
- Gross loans and advances
- CLR.

Value to others

Stakeholders impacted

Investors | Clients | Employees | Regulators | Society

SDGs impacted

SDG 8 | SDG 10 | SDG 16

Links to strategic pillars

A diversified franchise with deliberate, returns-focused growth | The primary partner for our clients | An active force for good in everything we do.

Material matters continued

Elevated levels of sovereign and country risk[LA-IA]

A range of markets continues to be subject to economic and inflationary pressure as a result of increasing debt levels and sovereign default risks. Open conflict is brewing as geopolitical instability, persistent diplomatic tensions and geo-economic confrontations escalate. Rising nationalism and protectionism could further disrupt global trade, supply chains, and multinational alliances, increasing liquidity risk and currency volatility…

Increasing geopolitical conflicts, combined with regime changes, are redirecting government agendas, alliances and investment support. Signals of change in US foreign policy heighten uncertainty as superpowers establish new global positions. Misinformation and disinformation further undermine trust.

In Africa, more than half of low-income countries are in debt distress or at a high risk of distress. Sub-Saharan Africa has seen more country credit downgrades than upgrades with Mozambique being the most recent downgrade following earlier cuts for Kenya, Uganda and Mauritius.

A lack of policy certainty and decisive fiscal reform is leading to dollar liquidity shortages driving enhanced scrutiny of directives governing cross-border payments in Ghana, Kenya, Mozambique, Tanzania and Zambia. Currency depreciation in-country heightens the risk of increases in cash reserve requirements for banks in some of our ARO markets and volatility in hard currency availability impacts on trade and foreign currency expatriation and hedging costs.

Mozambique's post-election unrest is revealing deep-seated political, economic and social tensions that may spill over to neighbouring countries. Likewise, the #RejectFinanceBill2024 protests against the Kenya Finance Bill demonstrated effective social mobilisation against sovereign policy choices. The Kenyan government had to make a historic U-turn to scrap the new law, which introduced taxes that were necessary to cut public debt and finance development programmes.

Absa's strategic investments and geographic diversification, including representative offices in trading corridors, create an effective buffer against some of these state-driven risks.

Newly introduced mechanisms such as the Sovereign Concentration Risk Framework and the ARO Countries Risk Rating system and Cross-border Exposure Policy informs a robust approach to sovereign and country risk.

Although the Group's capital and liquidity position remained strong, active capital management can support RoE recovery. Robust liquidity and balance sheet management, sophisticated risk modelling and the prospect of improved earnings will counter both sovereign and consumer distress impacts on performance.

What it means for Absa

Opportunities

- Facilitating trade among African countries
- Supporting government policies in the collective interests of societies
- Contributing to a resilient and stable financial market system by following internationally accepted standards
- Strengthen foreign investor confidence
- Higher demand for risk management products
- Balancing robust risk management with growth aspirations across our presence markets
- Ongoing enhancement of models to better understand the risk-reward trade-offs
- Proactive capital management and capital allocation to support RoE recovery
- Geographical diversification and scaling of international corridors.

Principal risks affected

Credit | Market | Capital and liquidity | Insurance | Strategic, sustainability and reputation | Model | Operational and resilience | Compliance

Possible business model impacts and effects on capitals

Financial capital

- ↓ Possible further credit downgrades impacting economic momentum
- ↓ Cost of doing business in-country escalates and possible reduced returns
- ↓ Difficulty in accessing multilateral capital
- ↓ Possible reduction in international trade and direct foreign investment
- ↓ Increased reserve requirements from banks
- ↓ Heightened hedging cost
- ↓ Risks on foreign currency cross-border payments and issuance of foreign currency legislation may impact profitability.

Social and relationship capital

- ↓ Increased monitoring by FATF and increased regulation
- ↓ Negative investor sentiment
- ↓ Damaging reputation and standing in the international community
- ↑ Improved multi- and bilateral relationships
- ↓ Enhanced scrutiny of directives governing cross-border payments on most ARO markets.

Scorecard metrics affected

- Scorecard metrics affected
- Headline earnings
- RoE
- CTI.

Other metrics affected *(value over time)*

- Total deposits
- Gross loans and advances
- CLR
- CET1.

Value to others

Stakeholders impacted

Investors | Clients | Regulators and industry bodies | Society

SDGs impacted

SDG 8 | SDG 16

Links to strategic pillars

A diversified franchise with deliberate, returns-focused growth | The primary partner for our clients.

Supporting social cohesion and stressed consumers[LA-IA]

Better social safety nets will change millions of lives in our markets. Innovative financial products and services, tailored to meet the needs of vulnerable communities, are changing customer demographics. This includes offering a more nuanced and personal response to what customers want from financial products and services...

Social injustice is a global and multi-faceted issue related to human rights and equality. A lack of social justice goes hand in hand with deteriorating trust in institutions and increasing social polarisation, which is further compounded by mis- and disinformation.

According to the Edelman Trust Barometer, trust in the global financial sector remained positive. This is supported by regulatory efforts driving banks to know their customers better, treat them fairly and protect their data.

However, formal social protection in Africa remains much weaker than in the rest of the world, with countries such as Keyna, Zambia and Zimbabwe showing an increasing trend in social protection challenges, leading to higher levels of poverty, inequality and instability. A lack of financial inclusion, evident from low financial and insurance penetration, underdeveloped pension funds and high unemployment, further undermines the potential for financial independence and economic empowerment, leaving communities exposed to food insecurity and malnutrition.

Banks and insurance providers will need to address social injustices increasingly by championing inclusivity to help build trust and generational wealth.

Consumers globally navigate high cost-of-living and climate impacts, with difficulties in South Africa and ARO markets compounded by poor service delivery. Consumer struggles are evident from high levels of non-performing loans and distressed financial health indicators in Absa's Retail SA segment. On the upside, declining interest rates, lower inflation and temporary financial relief opportunities, such as the two-pot retirement system, resulted in accelerating levels of customer activity and higher transaction volumes in South Africa.

South African banks experienced growth in loans and deposits while digital channels attracted more new customers, and cross-sell and upsell opportunities.

Financial service providers – including non-banking players – battle for primacy in the customer-facing part of the value chain. Personalised and differentiated customer experiences are key.

As the primary partner for our clients, Absa has seen an increase in active customers and improved customer experience ratings. This builds on key initiatives to address social injustice and financial literacy, by supporting distressed customers through debt review, interest holidays and forbearance offers. Proactive credit risk management through focused collections efforts and early identification of distressed accounts ensure balanced, inclusive outcomes that align with stakeholder expectations.

What it means for Absa

Opportunities

- Promoting financial inclusion
- Fostering equal opportunities and poverty eradication
- Enhancing customer primacy and extended client life journeys
- Diversifying revenue streams through initiatives aligned with positive social outcomes.

Principal risks affected

Credit | Strategic, sustainability and reputation | Operational and resilience | Compliance

Possible business model impacts and effects on capitals

Financial capital

- ↓ Increased loss from disruption and property damage
- ↑ Inclusivity creates earning potential
- ↓ Investment in communities.

Social and relationship capital

- ↑ Reputational gains from supporting communities
- ↑ Reputational gains resulting from creating a safe banking environment
- ↑ Customer primacy and customer experience.

Human capital

- = Preservation of available job opportunities.

Scorecard metrics affected

- Brand consideration
- Group customer experience index
- Client primacy – pan CIB
- Employee experience index.

Other metrics affected *(value over time)*

- Consumer education participants
- Sustainable finance: financial inclusion
- ESG bonds and aggregate loans – social portion.

Value to others

Stakeholders impacted

Investors | Clients | Employees | Society

SDGs impacted

SDG 5 | SDG 8 | SDG 10 | SDG 16

Links to strategic pillars

A diversified franchise with deliberate, returns-focused growth | The primary partner for our clients | A digitally powered business | A winning, talented and diverse team | An active force for good in everything we do.

Digital advancement and stewardship[LA-IA]

Digital innovation and investment drive new capabilities in a world that is increasingly connected. These advances, combined with changing competitive dynamics, legacy infrastructure challenges and uneven digital access, add complexity and multiply fraud and cybersecurity risk. New digital solutions create both opportunities and ethical dilemmas and will not solve humanity's challenges by themselves...

Rapid advancements in technology, particularly in cloud computing, AI, digital assets, and quantum computing, present opportunities to accelerate innovation and digital transformation to better serve customers across our markets.

Africa, with its young digitally savvy population, is making advances in the digital economy with the sub-Saharan region noting a 115%[1] increase in internet users according to a recent World Bank report. Mobile infrastructure coverage and access to digital and mobile services have improved. However, the affordability of mobile connectivity and the cost of entry-level internet-enabled devices remain a challenge for most of the bankable customer base across Africa.

Digital advancements intensified competition between banks, telcos and fintechs, particularly in Africa, which continues to face challenges in accelerating digital development. Big-tech and non-bank competitors base their value proposition on frictionless and cost-effective digitally enabled offerings. This resulted in growth being diverted from financial services to fintechs and telcos, creating alternative revenue streams. Absa has the opportunity to digitise customer offerings in partnership with fintechs and telcos to accelerate affordable access to mobile banking solutions.

Trust in digital payments is increasing, despite sophisticated cybercrime threats. Technological advancements in AI, digital identity, biometrics, digital and cryptocurrencies and the future arrival of quantum computing, continue reshaping how banks operate and engage. For example, GenAI can enhance client services but also potentially facilitate more frequent cyber attacks.

Unfortunately, low-income economies in Africa are displaying low levels of AI preparedness, despite the potential to enhance financial inclusion and data protection. This is leading to calls for an inclusive and secure digital ecosystem that demands holistic and integrated cybersecurity, including third-party access and controls.

Absa continues to build robust and secure technology solutions to protect our clients and their assets. We proactively adopt vigilant cybersecurity measures, which included accreditation by the International Organization for Standardisation (ISO)/International Electrotechnical Commission (IEC) 27001:2022, in 2024 which demonstrates that an organisation follows international best practices for information security management. We continuously enhance our defences and controls to meet third-party requirements and manage cybersecurity risks on an ongoing basis. Educating digitally enabled customers about cybersecurity remains a priority. In 2024, an extensive cybersecurity campaign was flighted on all our digital channels to educate customers and the public on the potential cybersecurity threats and how they can protect themselves and their data. This will remain a continued focus for the foreseeable future, ensuring that our customers and clients are made aware of cyber threats.

Banks that adopt new digital architecture perform better than their peers, highlighting the imperative to invest, considering that digital wallets and cashless payments are expected to grow by 78% and 64% in the next 10 years[2].

Absa is advancing our architecture capability through Banking Industry Architecture Network (BIAN) membership and building capabilities for multi-rail payments offerings, including real-time and rapid payment facilities, and cross-border solutions.

Digital transformation investment and high stability of the technology estate will enhance operational efficiency, improve client experiences, promote financial inclusion, create opportunities for fintech partnerships, and strengthen our overall role and stewardship within the pan-African digital ecosystem.

What it means for Absa

Opportunities

- Adding new digital capabilities complemented with enhanced security to the Absa mobile banking app supports increased digital adoption rates
- Capitalising on alternative channels (agency banking, USSD, mobile and internet banking and merchant acquiring)
- Enhancing primacy through client service that is safe, reliable and seamless
- Enabling greater access to convenient self-service options for clients
- Increasing agility, efficiency and cost optimisation through cloud computing and AI
- Growing revenue from digital products and services using mobile technology and fintech partnerships
- Furthering financial and digital inclusion.

Principal risks affected

Strategic, sustainability and reputation | Model | Operational and resilience | Compliance

Scorecard metrics affected

- Growth in digitally active customers – Group composite measure
- RoE
- CTI.

Other metrics affected *(value over time)*

- Total severity 1 and 2 incidents
- Retail digital channel availability
- Service availability for the Group.

Value to others

Stakeholders impacted

Investors | Clients | Employees | Society

SDGs impacted

SDG 8 | SDG 10

Links to strategic pillars

A diversified franchise with deliberate, returns-focused growth | The primary partner for our clients | A digitally powered business | A winning, talented and diverse team | An active force for good in everything we do.

Possible business model impacts and effects on capitals

Financial capital

= Increased transaction volumes and higher digital inclusivity affecting fees
↑ Increased productivity over the medium to longer term
↑ Access to new markets and products increasing revenue streams
↓ Investment in technology infrastructure, security platforms and resilience investments in critical processes and third-party management
↓ Financial loss as a result of potential fraud, cybercrime and data loss.

Human capital

↓ Scarcity of digital and technology skills increasing retention and attrition risk
= Helping to upskill and reskill the existing workforce drives retention and meets fundamental business needs, while recognising that being digitally focused could impact job creation
↑ Hybrid work improving employee value proposition.

Social and relationship capital

↓ Increased reputational risk due to misinformation, fraud, data leakage and other security breaches
↑ Closing the digital divide and financial inclusion
↑ Improved customer experience and safety.

Intellectual capital

↓ Increased risk of data loss and dependency
↑ Future-fit digital ecosystems.

1 https://www.worldbank.org/en/results/2024/01/18/digital-transformation-drives-development-in-afe-afw-africa.
2 PwC – Navigating the payment matrix, Payments 2025 and beyond.

Material matters continued

Leadership and a performance culture[LA-IA]

We strive to be the "home of Africa's talent" which means developing, rather than only procuring future-proof skills across our markets. This requires distributed leadership that empowers a culture of accountability and reward behaviours that lead to high performance and more inclusivity. We are inspired by a brand promise that puts customers at the heart of our business...

The world faces a skills and talent conundrum. On the one hand, some markets, such as Europe, are facing the highest rate of jobs unfilled ever recorded. In contrast, South Africa has the highest unemployment rate in Africa.

The available labour does not match the skill profiles the world demands. This is limiting business transformation and growth, whereas employees are increasingly uncertain about their future job prospects and security, given the rapid change in skills requirements, especially in digital, data, and technology.

The talent gap is also causing capacity constraints, which, in concert with social, economic and climate challenges, are leading to low employee morale, anxiety and exhaustion.

Despite leadership changes, our employee franchise remained strong with 86% of employees recommending our products and services and 84% expressing pride in our positive global impact. Conversely, the Absa employee experience index declined from 71.5 in 2023 to 64.6 in 2024, falling short of our target of 70 and our employee net promotor score declining significantly from +36.1% to +9.2%. We recognise the need for institutional change to shape new narratives that support a desired culture of performance.

Absa's foundation for the culture journey started with a new purpose statement, followed by a process to define and embed our values. Our current challenge is to close the gap between the desired and experienced culture, which drives performance. We are also embedding a culture of ownership through allocations and distributions made to beneficiaries in terms of the Absa eKhaya Colleague Share Scheme.

While still challenging, we made strides in overall transformation, particularly related to black representation in top and senior management. Female representation in the workforce showed a slight decline whereas female representation in the succession pool increased.

The energy and wellbeing of our employees affect performance and our ability to deliver on our brand promise with empathy, intuition and seamless service.

Shareholders are equally focused on remuneration as it affects a company's cost base and profitability, while also driving strategy implementation and performance, if well structured. There is also an increasing expectation from shareholders that companies will link executive remuneration and key performance indicators to clear, ambitious climate targets.

What it means for Absa

Opportunities

- Value creation through cultural integration creating distinctive market competitiveness
- Establish Absa as an employer of choice across Africa, reducing recruitment costs and improving talent retention
- Sustainable, enhanced performance through cultural change.

Principal risks affected

Strategic, sustainability and reputation | Operational and resilience

Scorecard metrics affected

- Employee experience index
- Women in leadership
- CTI.

Other metrics affected *(value over time)*

- Employee headcount
- Turnover rate
- Female-to-male ratio.

Value to others

Stakeholders impacted

Investors | Employees | Society

SDGs impacted

SDG 8 | SDG 10 | SDG 16

Links to strategic pillars

A winning, talented and diverse team I An active force for good in everything we do.

Possible business model impacts and effects on capitals

Financial capital

↑ Reduced talent recruitment costs.

Social and relationship capital

↑ Reputational gains from being an employer of choice.

Human capital

↑ Increased psychological safety and employee wellbeing
↑ Improved operational efficiency
↑ Increased organisational agility through stronger cross-functional collaboration
↑ Enhanced decision-making through distributed leadership
↑ Greater innovation
↑ Compelling talent proposition, particularly for critical skills areas
↑ Enhanced diversity and sense of belonging.

Intellectual capital

↑ Employees equipped for work in the digital age.

Regulatory focus on banking models and returns[LA-IA]

More complex regulatory and supervisory requirements are impacting banks' business and operating models. More capacity to deal with compliance requirements will be needed at business, industry and supervisory levels. New market entrants, the pace of technological change and AI combined with unfavourable economic conditions require new thinking around business models and risks...

Regulatory and supervisory bodies all over the world are responding to new and emerging risks in the context of political regime changes and policy uncertainty, prompting more coordinated efforts to align global and best practices. Financial service providers operating across multiple jurisdictions, therefore, face manifold and complex regulatory demands.

With increasing protectionism in some countries, regulators are favouring small and local businesses, whereas multinationals face severe scrutiny. Top areas of regulatory focus include cybersecurity, AI, fraud, consumer protection, fair competition and financial resilience, some of which result in higher barriers to entry and cost of doing business. Heightened levels of intervention by regulators are evidenced in increased regulatory reserving requirements (Ghana, Mozambique and Zambia), proposed caps on fees charges that impacts banks' profitability and ability to deliver relevant services to the consumer, as well as restrictions on intergroup transfer pricing.

In our largest market, the South African Reserve Bank and the Financial Sector Conduct Authority introduced new regulations aimed at enhancing consumer protection, promoting financial inclusion and addressing climate-related financial regulation.

Absa increased engagements with the Prudential Authority who defined their 2024 "flavour-of-the-year" topic as "Strategic business growth and resilience of regulated financial institutions' business models in the current economic environment".

The Board continually assesses the relevance of Absa's business model, considering shareholder returns, performance challenges and gaps in execution. Despite our historical strengths, we recognise the need for a more agile approach to adapt our business and systems to evolving regulatory change. Our diversified focus on retail, business, and corporate clients through a range of physical and digital products, services and channels across Africa, remains central to our business model.

What it means for Absa

Opportunities

- Increase transparency through reporting and disclosures
- Influence and advocate policy positions and lead in the industry
- Working with our regulators in developing common strategies to achieve our client goals while strengthening the financial industry
- Mitigate or prevent systemic risks across the organisation, promoting financial stability
- Continue to support and align with international and local practices supporting capital and ESG requirements
- Promote a culture of compliance while bolstering our compliance structures and systems.

Principal risks affected

Credit | Market | Capital and liquidity | Insurance | Strategic, sustainability and reputation | Model | Operational and resilience | Compliance

Possible business model impacts and effects on capitals

Social and relationship capital

- ↑ Sound, positive and healthy relationships with regulators
- = Compliance burden may affect client journeys and experiences, yet clients benefit from the protection provided by regulation
- ↓ Increase in supervision and inspections by regulators
- ↓ Reputational damage as a result of non-compliance.

Financial capital

- ↓ Increased costs to comply
- ↓ Regulatory cap on fees
- ↓ Penalties and fines due to non-compliance
- ↓ Compressed foreign exchange margins on the back of regulatory interventions.

Scorecard metrics affected

- CTI
- RoE.

Other metrics affected
(value over time)

- CET1
- Net stable funding ratio
- Total operational risk losses.

Value to others

Stakeholders impacted

Investors | Clients | Regulators and industry bodies

SDGs impacted

SDG 16

Links to strategic pillars

A diversified franchise with deliberate, returns-focused growth | A digitally powered business | The primary partner for our clients | An active force for good in everything we do.

Material matters continued

Climate change and a just transition[LA-IA]

Stakeholders expect us to mobilise funds to support the just transition to a low-carbon economy and provide support for other environmental priorities such as a circular economy and responsible consumption. Climate-related and transition opportunities can leverage interconnected factors, be it related to climate change, fintech innovation or regulatory development...

Africa generates less than 4% of global carbon emissions but countries on the continent are significantly more vulnerable to its impacts, including widespread damage caused by weather events and hazards leading to disease, hunger, displacement and human rights transgressions. Despite most governments on the continent ratifying the Paris Agreement and taking policy positions, implementation and adaptation plans show limited commitment and impact. Global climate finance promises are also not materialising as expected.

Despite disruptions and walkouts by small islands and some lesser-developed nations, COP29 reached breakthrough agreements that will triple finance to developing countries from the previous goal of USD100 billion annually, to USD300 billion annually by 2035. Global clean energy investments are now expected to exceed USD2 trillion for the first time in 2024.

Banks play an important role in supporting sustainable development. As ESG considerations are introduced into market frameworks for more African countries, this is broadening their investment appeal. These frameworks include sustainable finance, green taxonomies, and driving more targeted investments. Financial inclusion initiatives are broadening the social protection effect.

Similarly, using ESG criteria in credit analyses can uncover previously undervalued or unknown value drivers.

The climate competence of boards has to be continuously enhanced to ensure the quality of strategic and ethical guidance on just transition plans and greenwashing risk.

As a financial institution, we play an important role in funding the decarbonisation transition. Reduction targets for our fossil fuels lending portfolio, including coal, oil, and gas take Africa's development needs into account. For example, Uganda is heavily reliant in its oil pipeline and Mozambique on its natural gas pipeline. We view natural gas as a crucial transition fuel, providing stability during the shift to a lower-carbon economy.

If the transition is not managed equitably, it can exacerbate social inequalities, particularly affecting workers, communities, and regions reliant on carbon-intensive sectors. As such, Absa focuses on sector-specific glidepaths to net zero. Our capacity to plan the glidepath is impacted by dependencies on government policy, customer acceptance, technological advancements, and economic assumptions within our markets.

Absa is committed to expanding our sustainable finance offerings and achieving a net zero state for scope 1, 2 and 3 emissions by 2050 and enhancing credit and insurance risk models to account for the impact of climate change.

What it means for Absa

Opportunities

- Lead the way in sustainable finance
- Increased insight into clients' sustainability needs and roadmaps to net zero can lead to new financing opportunities, including nature-positive financing
- Capital allocation to environmentally responsible businesses
- Access to sustainable green loans and bonds
- Contribute to a just transition and responsible consumption
- Opportunity to drive business continuity for clients.

Principal risks affected

Credit | Capital and liquidity | Insurance | Strategic, sustainability and reputation | Model | Operational and resilience | Compliance

Scorecard metrics affected

- Own carbon emissions reduction
- Absolute value of sustainable financing
- Scope 3 financed emissions for coal, oil and gas target.

Other metrics affected *(value over time)*

- ESG bonds and aggregate loans – climate portion
- Total electricity use.

Value to others

Stakeholders impacted

Investors | Clients | Regulators | Society | Employees | Planet

SDGs impacted

SDG 7 | SDG 8 | SDG 10 | SDG 13 | SDG 16

Links to strategic pillars

A diversified franchise with deliberate, returns-focused growth | The primary partner for our clients | An active force for good in everything we do.

Possible business model impacts and effects on capitals

Social and relationship capital

= Supporting clients' transition paths
↑ Appreciate the social context to ensure a just transition, especially in Africa
↓ Reputational damage if Absa fails to deliver on sustainability commitments or regulations.

Financial capital

↑ Investors are seeking climate and environmentally friendly opportunities, which will diversify our funding base and reduce funding costs
↑ Increased and diversified revenue from sustainability-related products and services
↓ Increased impairments risk due to physical and transition events.

Human capital

↑ Increased ESG skills and talent.

Natural capital

↑ Low-carbon societies and businesses
↑ Food and water security
↓ Increased consumption of water and electricity as we embed a pan-African footprint.

Our strategy

During our strategic planning process, we reassess our business model and primary macrodynamics. We identify opportunities and adjust strategic objectives through cross-functional risk management and integrated planning. Rigorous evaluation is applied to both strategic opportunities and risks.

Our strategic journey[LA-IA]

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

Our refined strategy delivers sustainable growth by improving returns, embedding a performance-driven culture, and enhancing resilience through robust compliance frameworks. We are focused on executing deliberate strategic priorities to deliver measurable outcomes in the short, medium, and long term. This clarity drives our efforts to become a leading pan-African bank while enhancing value for all stakeholders.

We are cognisant of the persistent volatility and complexity of our macroenvironment that continues to test and transform how we operate as an organisation. Despite this volatility, we continue to demonstrate resilience as a Group while laying a solid foundation for growth and the realisation of our long-term strategic ambitions.

We continue to invest in our organisational agility and have reflected on our performance, making deliberate strategic priority shifts to enhance the focus and precision in our strategic execution. Across the organisation, we are committed to sustainable value creation and continue to anchor all our efforts in our brand promise, driving human centred empathy that delivers intuitive, seamless client and employee experience. We are focused on five strategic themes set within a medium-term horizon to reach our long-term ambition to be a leading pan-African bank. In the short term (<12 months), we will be driving performance recovery and financial improvement in response to the changes in our operating environment, while our medium term (three years) will focus on the execution of our foundational enablers to support our long-term ambition.

While our ways of working evolve in response to our clients' needs and the shifting market landscape, our ambition remains to **be a leading pan-African bank.**

…guided by a strategic framework…

Grow better
A diversified franchise with returns-focused growth

Grow deeper
The primary partner for our clients

Grow together
An active force for good in everything we do

Grow stronger
A winning, talented and diverse team

Grow faster
A digitally powered business

…anchored in our brand promise…

We see an opportunity in every story

With human-centred empathy that builds partnerships…

…delivering intuitive and seamless customer and colleague experience, prioritising long-term value creation for all stakeholders.

…and rooted in our timeless purpose

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

We will grow sustainably

Understanding our present…

Today, we are a stronger organisation, with a growing customer base, and sustained customer experience supported by top talent. As we navigate our dynamic and complex environments, we are well positioned to ***accelerate our execution efforts and organisational performance.***

…to build a sustainable future

We are clear on our long-term ambition to be a leading pan-African bank, through our aspiration to diversify our ***growth***, improve our ***operational excellence*** and provide enhanced returns and value to our stakeholders.

Our strategy continued

Strategic direction[LA-IA]

We are committed to creating value, managing and growing our business, partnering with our clients to help them achieve their aspirations, and making an impact on the communities and environments in which we operate. Having recently gone through a period of Group strategic reflection, **we validated and refined our Group strategy to provide precision and focus on our execution**.

We have refined the articulation of our diversified franchise strategic theme to emphasise our focus on both growth and returns.

Grounded in our purpose, our ambition remains...

To be a leading pan-African bank

... Delivering on refined medium-term targets...

Serving our clients and employees...

Improving **Group Customer Experience Index and Employee Engagement scores**

...driving productivity...

Translating customer franchise growth into stronger NIR **and CTI ratio** in the low 50s

...delivering shareholder value

Achieving a mid-point RoE of 16% for **sustainable growth**

... With clarity on where to play and how to win...

Our strategy continued

Our pan-African ambition requires a *business model* that can effectively serve diverse customer segments across regions ensuring that we remain competitive while driving sustainable growth.

This requires a pivot towards greater customer-centricity, a franchise-led approach, and a focus on alternative revenue streams and value-added services.

Our ambition	**To be a leading pan-African bank**
Our purpose	**Empowering Africa's tomorrow, together ... one story at a time**
Reaching our ambition	• We remain an integrated franchise, leveraging synergies in operations across products, services and geographies • Operating across multiple presence countries we are enhancing our operating model to provide clarity on our central support structures that will drive franchise value, supported by complementary in-country capabilities, as per the scale and strengths of each country • This will be a journey executed responsibly to manage and mitigate potential risks and stakeholder expectations.
Where to play	We serve corporates, businesses and retail customers across Africa, focusing on the countries, segments and sectors that will provides both shareholder returns and continental growth.
How to win	We are differentiated by our human-centred empathy that delivers intuitive and seamless client and employee experiences.

We have consolidated and refined the foundational initiatives that will enable delivery of our medium-term targets

- Brand promise and delivery
- Culture for performance and transformation
- Digital transformation
- Risk and compliance
- Business model alignment
- Productivity and returns

Our strategy continued

Strategic pillars[LA-IA]

A diversified franchise with deliberate, returns-focused growth

Being a truly pan-African bank is vital to achieving our growth ambitions, while ensuring sustainable returns for our stakeholders. We continue to view our African footprint as an opportunity for us to grow our franchise and as a key driver for future growth. This will reinforce our returns-focused growth prospects and diversify our revenue streams, while reducing market-concentration risk. We continue to invest in diversifying our offering and unlocking value in our franchise model, aimed at increasing the contribution of capital lite revenue streams.

We are realigning our franchise across the markets, segments and sectors we operate in to provide both franchise growth and enhanced shareholder returns. With our presence in 16 countries, our geographic diversification strategy continues to position us well to support Africa's growth and lead the continent towards a sustainable future.

We have refined our diversified franchise strategic theme to emphasise our focus on both growth and returns. We have further renewed our focus on key priorities and enablers for the execution of this strategic pillar. ***Read more later...***

Our strategy in action

We are creating a more diversified business across geographies, segments, and products. In 2024, we strengthened our domestic and international payment capabilities across all markets with the launch of Absa Pay – a first-to-market offering across most ARO markets. We diversified payment acceptance beyond the traditional card offering through enablement of Mobile Money acceptance. ***Read more later...***

Material matters

- Delivering returns-focused growth
- Elevated levels of sovereign and country risk
- Supporting social cohesion and stressed consumers
- Regulatory focus on banking models and returns
- Digital advancement and stewardship
- Climate change and a just transition.

Capitals

Contributing to SDGs

SDG 8

The primary partner for our clients

As a universal bank, we serve our clients across all segments from entry-level to wealth, and small businesses to large corporates. We support our diverse client base by leveraging the full power of the Group's ecosystem with both a local presence and international representation.

To promote primacy, we continue to build brand affinity with clients and our employees. This is enabled through continued brand investment, strategic sponsorships, our bold value propositions and leveraging the power of our human-centred business approach. Our emphasis on customer-centricity provides us with a good foundation to enhance client satisfaction.

With the launch of our brand strategy, "Your story matters", we have deepened client relationships across our pan-African markets. This initiative enhanced customer engagement, increasing retention and driving NIR through value-added services.

We are refining our business model to further elevate our focus on customer segments, supported by product excellence, digital engagement and a seamless pan-African experience. ***Read more later...***

Our strategy in action

In 2024, we launched our Ultimate Banking offering, a comprehensive benefits solution that includes over 34 benefits across banking, insurance, and lifestyle categories. We also refreshed our banking app experience and rewards platform to expand our membership base and provide real-time usage-based offers to incentivise activity in key categories (groceries, fuel, travel), as well as enhanced rewards tracking and redemption. ***Read more later...***

Material matters

- Delivering returns-focused growth
- Elevated levels of sovereign and country risk
- Supporting social cohesion and stressed consumers
- Regulatory focus on banking models and returns
- Digital advancement and stewardship
- Climate change and a just transition.

Capitals

Contributing to SDGs

SDG 5 SDG 7 SDG 8 SDG 10 SDG 13

Our strategy continued

A digitally powered business

Being a digitally powered business, we understand the importance of enhancing client experiences with the changing requirements for more digitally enabled interactions.

We continue to upgrade technology infrastructure to advance digital transformation and modernisation and support long-term growth. Our digital transformation journey will also support the launching of new products and services and drive operational efficiency and cost-competitiveness.

We extract value from data using data insights and AI to drive growth, improve efficiencies, deepen client understanding, increase client-centricity and develop relevant client value propositions. While we drive digital transformation across the organisation, we continue to offer a physical presence network to ensure we remain accessible to our clients.

We will balance the imperative for long-term competitiveness and meeting the rapidly changing needs of our clients, with the need for stability and uninterrupted availability of our core systems. ***Read more later…***

Our strategy in action

We use advanced technology in launching digital products such as "Absa Credit Coach", a feature within our banking app designed to help clients with general advice for improving their credit behaviour, maintain their credit scores, identify early warning signs of financial distress and assisting clients that have been declined for credit on their "journey to yes".

We also launched Savings Coach to drive goal-based savings, allowing clients to set personal goals and savings triggers.

In 2024, we launched Multi Product Onboarding, enabling small, medium and micro enterprises (SMME) to apply for multiple merchant solutions through a single digital journey. This innovation streamlines customer access to essential payment services, improving efficiency, enabling seamless onboarding, and fostering SMME growth, competitiveness, and success in the digital economy. ***Read more later…***

Material matters

- Supporting social cohesion and stressed consumers
- Digital advancement and stewardship
- Regulatory focus on banking models and returns.

Capitals

Contributing to SDGs

SDG 8 SDG 10

A winning, talented and diverse team

As a human-centric business, we recognise that our ability to address stakeholder needs is intrinsically tied to fostering the right culture and maintaining strong organisational health.

Our ability to attract and retain scarce and critical skills depends on our reputation.

Our purpose is the foundation of our culture and ways of working, and we have made significant progress in embedding this within our strategy, brand, values and supporting behaviours. We continue to invest in long-term cultural transformation to build and sustain a purpose-led culture, focusing on talent attraction and retention, succession and leadership resilience.

Our culture fosters diversity, equity, inclusion and belonging, creating an empathetic and enabling working environment for all. The review of our operating model and Culture Transformation Programme will further improve the way we work, enhance effective decision-making and foster collaboration. ***Read more later…***

Our strategy in action

Our Absa eKhaya Colleague Share Scheme continues to deliver value for all our employees, with a first annual dividend declared and paid to colleagues in May 2024.

Our employee turnover decreased, reflecting the attractiveness of our employee value proposition.
Read more later…

Material matters

- Supporting social cohesion and stressed consumers
- Digital advancement and stewardship
- Leadership and a performance culture.

Capitals

Contributing to SDGs

SDG 5 SDG 8 SDG 10

Our strategy continued

An active force for good in everything we do

Our sustainability priorities are aligned with our business strategy.

Our purpose drives our actions, and we have set clear goals for the short, medium and long term to achieve measurable, material change in our communities and the environment.

The integration of our sustainability strategy into our business operations is vital for long-term success and operational resilience. This approach builds trust with our stakeholders, addresses increasing regulatory demands, and aligns with changing customer expectations.

We have selected three ESG areas to invest in, believing that these are where we can have the most impact. These include climate change, financial inclusion, as well as inclusivity and diversity across the continent. ***Read more later...***

Our strategy in action

In our support for Africa's transition to a sustainable future, we continue to operate as an active member of the communities in which we operate. By embedding these into our operations since 2021, we achieved a milestone of R100 billion in sustainable financing in 2024, one year ahead of schedule.

We issued the Group's first Tier 2 social bond of R1 billion, and the first Tier 2 sustainable loan of R1.7 billion for the Group. ***Read more later...***

Material matters

- Delivering returns-focused growth
- Supporting social cohesion and stressed consumers
- Digital advancement and stewardship
- Leadership and a performance culture
- Regulatory focus on banking models and returns
- Climate change and a just transition.

Capitals

Contributing to SDGs

SDG 5 | SDG 7 | SDG 8 | SDG 10 | SDG 13 | SDG 16

Strategic Prioritisation Framework

Our decision-making is grounded in three core principles:

Stakeholder value

We prioritise actions that deliver measurable value to our customers, shareholders, employees, communities and regulators. By focusing on inclusive growth, we ensure our purpose translates into tangible benefits across all stakeholder groups.

Priority initiatives focused on delivering stakeholder value include accelerating productivity, delivering on our brand promise to customers, employees and other stakeholders, and continuously instilling a risk and compliance mindset within the Group.

Resilience

We build resilience by preparing for volatility and ensuring adaptability to market disruptions. This involves diversified revenue streams, and operational excellence, monitored through robust governance mechanisms to sustain long-term stability.

Priority initiatives to enhance the resilience of our operations include driving digital transformation and modernisation, proactively managing capital utilisation and measurement, growing capital lite revenue streams and carefully safeguarding our reputation across a broad spectrum of stakeholders.

We are transitioning to a franchise-led, customer-focused business model, beginning with targeted initiatives to realign our retail customer strategy.

Sustainability

Aligning with long-term environmental, social, and governance goals ensures we remain future-ready. Our sustainability initiatives address regulatory demands, while meeting stakeholder expectations for meaningful impact.

This framework underpins all strategic decisions, ensuring we balance immediate needs with long-term ambitions.

Our strategy continued

Balancing strategic trade-offs[LA-IA]

Balancing competing priorities is essential for creating and safeguarding long-term value for all stakeholders. As a purpose-led organisation, our decision-making is guided by a structured framework that ensures every action aligns with our strategic objectives. This approach enables us to navigate the complexities of competing priorities with clarity and focus, advancing resilience and adaptability across the Group.

Market growth versus returns-focused growth

As we pursue our ambition of becoming a leading pan-African bank, scale remains a critical driver of long-term success. However, we have recalibrated our strategy to emphasise returns-focused growth, ensuring that capital allocation maximises shareholder value while maintaining sustainable expansion. Scenario planning and analysis is used to test our strategy for resilience.

Strategic actions:

- Prioritising high-return markets and segments
- Diversifying revenue streams across geographies to mitigate market risks.

Product versus customer-centric business model

Our hybrid model of strong product offerings and fragmented customer experiences is evolving into a fully customer-centric approach. This pivot enables deeper personalisation, loyalty, and engagement while leveraging digital innovations to enhance value.

Strategic actions:

- Personalisation through data insights and AI
- Enhancing digital touchpoints to create seamless experiences.

Maintain the core versus modernisation

Maintaining the stability of our core operations is vital for business continuity, yet long-term competitiveness requires ongoing modernisation. We are investing in advanced technologies, while safeguarding operational resilience.

Strategic actions:

- Allocating 54% of our investment portfolio to digital innovation
- Balancing core upkeep with transformative initiatives like process automation and infrastructure upgrades.

Driving our sustainability agenda versus immediate economic benefits

Driving our sustainability agenda involves upfront investments that can impact short-term profitability. However, these investments strengthen our position in sustainable finance and enable long-term growth.

Strategic actions:

- Expanding green financing products
- Supporting clients in transitioning to sustainable practices.

Talent acquisition versus talent development

Investing in people is critical for long-term success. However, it requires balancing resource constraints and operational efficiencies. We are embedding a culture of continuous learning and optimising workforce structures to ensure alignment with strategic goals. Our focus is on developing internal capabilities and future skills, while maintaining a strong talent acquisition pipeline.

Strategic actions:

- Leadership development programmes to enhance resilience
- Workforce transformation initiatives focused on skill alignment.

Resource allocation to strategic pillars[LA-IA]

As a Group, we have defined our Strategic Prioritisation Framework to guide resource allocation to strategic initiatives to ensure we meet regulatory requirements, drive business growth, minimise and mitigate risks, and deliver tangible value.

We consider our contribution to financial stability and the resilience of our liquidity and solvency through the following key lenses: product, client, business unit, and legal entity.

Order of capital priorities

1. Systemic bank resilience
2. Shareholder minimum return
3. Organic growth
4. Inorganic growth
5. Shareholder excess return

Our Strategic Prioritisation Framework accounts for a variety of different capitals, inherently tied to our strategic priorities. The investment of our resources is aligned with our medium-term strategy, and we carefully consider whether we are making sufficient resources available to ensure the successful execution of our strategy.

We are investing in skills and talent as well as creating a diverse employee base. We allocate resources to technology advancements, security enhancements, commercialisation of data, strategic stakeholder relationships, and critical scarce skills.

Our strategy continued

In 2024, we allocated R5.1 billion to strategic initiatives, with a focus on, among others:

- **Digital innovation:** R0.8 billion for superior digital experiences
- **Technology architecture:** R0.7 billion to the continuous evolution of our technology
- **Data transformation:** R0.5 billion to unlock data as a strategic asset
- **Operational security:** R0.2 billion dedicated to safeguarding client information
- **Operational agility:** R0.2 billion allocated to support initiatives aimed at improving our nimbleness.

For 2025, R4.5 billion has been earmarked to support long-term initiatives, emphasising digital innovation and transformation (54% of total allocation). This balance ensures immediate performance delivery and sustained value creation. To execute our strategy effectively, we recognise the criticality of the strategic funding of financial capital, human capital, and intellectual capital. Find out more... ***Our business model***.

Financial resources are managed prudently to generate appropriate returns and maintain a healthy solvency and liquidity position by holding appropriate buffers of capital and high-quality liquid assets above minimum regulatory requirements, ensuring the sustainability of the Group's funding structure under business-as-usual and stressed conditions.

Active capital management entails initiatives focused on optimising capital utilisation and measurement, reallocation of capital to lines of business that maximise franchise value, and the continuous monitoring of risks and returns to ensure alignment with established targets. Find out more... ***Group Financial Director's message***.

We have introduced the Productivity Programme across the Group with the following objectives:

- Embed a culture of productivity with systemic change and a mindset shift
- Achieve a competitively advantaged cost position
- Unlock capacity to invest in value creation and growth
- Drive a long-term sustainable business model, utilising our skills and resources most effectively.

The programme will also ensure we evolve to be a modern, lean organisation that operates sustainably for long-term business benefits.

Strategic scorecard

To achieve our ambition, we continuously measure performance against defined strategic targets. The measures in the table that follows have been established to monitor strategy execution from a Group-wide perspective. These strategic measures are also reported externally to demonstrate progress and transparency in achieving our strategic objectives.

Internally, medium-term metrics derived from these strategic measures are cascaded across the bank to ensure alignment between Group and business unit strategies. Additionally, more specific and operational metrics tailored to individual business units are implemented and monitored more frequently, enabling focused execution and accountability at all levels of the bank.

The metrics and associated outcomes of our 2024 short-term incentive and 2022 long-term incentive are on pages 19 and 20 respectively of the ***Remuneration Report***. The scorecard for our 2025 long-term incentive is on page 22 of the Remuneration Report.

Group balanced scorecard FY24 – Metrics

		Actual performance		Targeted performance	
		2023	2024	2024	
A diversified franchise with deliberate, returns-focused growth	Revenue (Rbn) (YoY growth % ex FX)[1]	104.6 (8%)	109.9[LA-IA] (7%)	113.3 (9%)	Materially on target
	Headline earnings (Rbn) (YoY growth % ex FX)	20.1 (1%)	22.1[LA-IA] (12%)	23.7 (18%)	Not on target/Deteriorated
	RoE (%)	14.4	14.8[LA-IA]	16.1	Not on target/Deteriorated
	Capital lite revenue (Rbn) (YoY growth % ex FX)	61.6 (8%)	65.1[LA-IA] (8%)	67.9 (11%)	Materially on target
	Cost-to-income ratio (%)	53.2	53.2	52.7	Materially on target
A primary partner for our clients	Group customer experience index (Revenue weighted)	96	101[LA-EA]	Value competitor	On target/Improved
	Brand consideration (%)	41.8	43.4[LA-EA]	45	Materially on target
	Active customer numbers (pan-RBB) (m)	10.8	11.4[LA-EA]	11.4	On target/Improved
	Client primacy (pan-CIB) (%)	40	42.3[LA-EA]	41.8	On target/Improved
A digitally powered business	Growth in digitally active customers – Group-wide (%)	9.3	14.2[LA-EA]	8.5	On target/Improved
A winning, talented and diverse team	Employee experience index	71.5	64.6[LA-EA]	Maintain > 70	Not on target/Deteriorated
	Women in leadership (%) (P/MP)	38.8	39.7[LA-EA]	40.1	Materially on target
An active force for good in everything we do	Own carbon emissions reduction (%)	New	0.52[LA_EA]	Note[2]	Materially on target
	Absolute value of sustainable financing (Rbn)	41.9	49.2[LA-EA]	35.1	On target/Improved
	Scope 3 financed emissions for coal, oil and gas	New	Target aligned with the defined pathway within a 20% deviation	Target in progress	Materially on target

Not on target/Deteriorated | Materially on target | On target/Improved

[1] YoY – Meaning year-on-year growth percentage excluding foreign currency effect.

[2] Note – Despite missing the in-year target, we remain on track to achieve our 2030 goal of a 51% carbon emissions reduction from the 2018 baseline, with a 33.2% reduction achieved to date, ahead of our cumulative target–demonstrating strong progress toward our long-term sustainability commitments.

Our business model

Our purpose

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

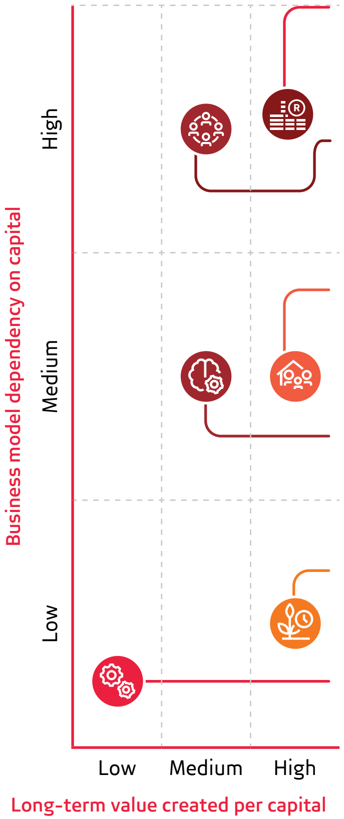
Our purpose inspires the type of value we create. The right business model enables strategy execution.
While we use all six capitals in our value creation process, our business model is most reliant on financial and human capital, followed by intellectual and social and relationship capital, and, to a lesser extent, manufactured and natural capital. Despite not being a major consumer of natural capital, our leadership in sustainable finance allows us to generate significant natural capital value.

Strategy

- A diversified franchise with deliberate, returns-focused growth.
- The primary partner for our clients.
- A digitally powered business.
- A winning, talented and diverse team.
- An active force for good in everything we do.

Capital inputs

Value is created over time as stocks of capitals increase



Financial capital: As a financial services provider, our primary capital created and transformed is financial capital.

- Total deposits of R1 507bn
- Gross loans of R1 403bn
- CET1 of 12.6%
- NIR to total income of 35%.

Human capital: Our people are our strength. Our business model is, therefore, dependent on our human capital.

- 160 combined years of ExCo experience
- 39.67% women in senior leadership
- eKhaya Colleague Share Scheme
- 36 779 employee headcount.

Social and relationship capital: Our relationships with key stakeholders are crucial for our licence to operate.

- Corporate Social Investment (CSI) Trust
- Shared values and behaviours
- Understanding stakeholders' needs and expectations.

Intellectual capital: As a bank, we play a crucial role in the financial system. Systems, processes, protocols and technological architecture provide effective security and protection to our clients' data and wealth.

- R4.8bn digital spend in 2024 (R4.5bn planned for 2025).

Natural capital: We are not a large consumer of natural capital. However, our lending decisions can affect natural capital under the stewardship of others.

- 193.4 GWh total electricity use.

Manufactured capital: We maintain a physical footprint, although manufactured capital only makes up 0.9% of our total assets.

- Global trend towards digital banking
- 1 016 outlets
- 136 436 PoS devices.

Our core business activities, products and services

1 Providing payment services and a safe place to save and invest
Accepting customers' deposits, issuing debt, facilitating payments and cash management, providing transactional banking, savings and investment management products and international trade services.

2 Providing funds for purchases and growth
Extending secured and unsecured credit based on customers' credit standing, affordability and risk appetite. Trade and supplier finance, working capital solutions, access to international capital markets and interbank lending.

3 Managing business and financial risks
Providing solutions, including fixed rate loans, pricing and research, as well as hedging, which includes interest rate and foreign exchange.

4 Providing financial and business support
Providing individual and business advice, advisory on large corporate deals and investment research.

5 Protecting against risks (insurance)
Providing savings and investment policies and insurance against a specified loss, such as damage, illness or death, in return for premium payments.

Find out more...
Our structure, products and services

- Corporate and Investment Bank (CIB)
- Absa Regional Operations RBB (ARO RBB)
- Everyday Banking (EB)
- Product Solutions Cluster (PSC)
- Relationship Banking (RB)

Our operating context is impacted by several ***material matters*** namely:

- Delivering returns-focused growth
- Elevated levels of sovereign and country risk
- Supporting social cohesion and stressed consumers
- Digital advancement and stewardship
- Leadership and a performance culture
- Regulatory focus on banking models and returns
- Climate change and a just transition.

Retail SA business review

Proposed business unit restructure in 1H25 to accelerate delivery.

Find out more...

Our business model continued

Key outcomes

Across 16 markets...

Diversified and growing return

SDG 8

- R22.1bn headline earnings
- 53.2% CTI
- 14.8% RoE
- R12.9bn economic value to investors.

Customer primacy and brand affinity

SDG 8 SDG 10

- 12.7m total customers
- 101 Group customer experience index.

A digitally powered business

SDG 8

- 14.2% growth in Group composite digitally active customer numbers
- One severity 2 incident
- 99.98% retail digital channel availability.

A steward for climate

SDG 7 SDG 13

- B CDP rating
- Emission reduction pathways for coal, oil and gas
- Net zero by 2050
- R37.1bn sustainable finance towards climate.

We have identified our strategic objectives and gauged how their achievement will enable us to deliver on our purpose and contribute to the SDGs.

The home of Africa's leading talent

SDG 5 SDG 8 SDG 10

- R33.7bn paid to employees in salaries, incentives and benefits
- 64.6 employee experience index score
- 95.6% retention of high-performers
- 6.8% turnover rate.

Intergenerational wealth for all

SDG 1 SDG 8 SDG 10

- R12.1bn sustainable finance: financial inclusion
- S&P Global ESG rating 90th percentile
- 183 945 consumers participating in financial education
- R319m in community support.

A beacon of inclusion across the continent

SDG 10 SDG 16

- Level 1 B-BBEE rating
- 81.6% AIC employees
- 9.99 employment equity points
- R19.6bn economic value to suppliers to a diverse supplier base
- R10.9bn economic value to government.

Governance as a non-negotiable priority

SDG 16

- 93% Absa Way Code of Ethics training completion rate.

Market presence

A pan-African footprint in 16 countries servicing individuals, SMEs, corporates, multinationals, financial institution, banks, governments and development finance institutions.

How it works

We generate revenue through interest, fees, premiums and commission

Potential for revenue differentiation

- Diverse revenue streams across our portfolio and geographies
- Large customer base in retail, business and corporate banking
- Regaining market leadership, increasing market share and cross-sell ratio, within an appropriate risk appetite
- Scope to grow product lines where we are underweight in terms of market share
- Emphasis on transactional customer relationships as opposed to debt-led relationships, winning customer primacy
- Strengthening services to multinational corporations, global development and non-governmental organisations
- Potential for reaching the unbanked
- Opportunities to support a just transition to a low-carbon economy
- Leveraging strategic partnerships.

Potential for cost differentiation

- Leveraging our scale in multiple geographies
- Ability to deliver cost reduction through digitisation
- Enhanced operational efficiencies using automation that contributes to enhanced service levels
- AI in fraud analytics and safe customer service.

... and what the flow of capitals look like over time...

Our business model continued

Value over time

Our Integrated Report communicates the short-, medium- and long-term value we have created, preserved or eroded for our providers of financial capital and other key stakeholders. Our key performance indicators and management information measure how well we deliver against our strategic objectives. They also measure the value we are creating, preserving or eroding across the capitals that are material to our business model. We recognise that value creation for one type of capital may create, preserve or erode value across another.

Financial capital

Primary interest group: Shareholders **Net outcome:** Positive **Strategic theme:**

Constraint to value creation

- Absa's geographic and sectoral diversification has been a source of resilience despite increasing competition
- Recent market volatility and an elevated credit loss ratio underscored the need for a sharper focus on risk management, particularly in our Retail SA segment and ARO markets
- We are committed to addressing the complexities of the ARO operating model and will reorganise the Retail SA operating model to enable a more agile response to market dynamics.

	Unit	Five-year trend	Long term 2020	Long term 2021	Medium term 2022	Medium term 2023	Short term 2024	Assurance type
Revenue	Rbn	↑	81.6	85.9	96.8	104.6	109.9	AFS
Capital lite revenue	Rbn	↑	N/A[1]	N/A[1]	57.4	61.6	65.1	LA-IA
Non-interest revenue growth	%	↑	-3	2	18	1	6	AFS
Headline earnings	Rbn	↑	6	17.8	19.9	20.1	22.1	AFS
Total operational risk losses	Rm	↑	292	893	-18	524	417	LA-IA
Gross loans and advances	Rbn	↑	1 058	1 134	1 258	1 321	1 403	AFS
Total deposits	Rbn	↑	1 048	1 174	1 242	1 340	1 507	AFS
Net interest margin	%	↑	4.17	4.46	4.56	4.68	4.63	LA-IA
CTI ratio	%	↓	59	56.5	52.1	53.2	53.2	LA-IA
Credit loss ratio (CLR)	%	↓	1.92	0.77	0.96	1.18	1.03	LA-IA
Stage 3 ratio	%	↓	6.3	5.4	5.29	6.05	6.12	LA-IA
RoE	%	↑	5.2	14.6	15.3	14.4	14.8	LA-IA
Return on average assets	%	↑	0.4	1.13	1.16	1.07	1.11	LA-IA
CET1	%	↑	11.2	12.8	12.8	12.5	12.6	MO, BO
Total capital adequacy ratio	%	↑	15.6	17.9	16.6	15.8	15.8	AFS
Net stable funding ratio	%	↑	115.8	116.1	113.4	118.1	121.6	MO, BO
Liquidity coverage ratio	%	↑	120.6	116.8	124.6	123.9	126.7	MO, BO
Total shareholder return	%	↑	-16	30	35	-9	24.3	LA-IA

Legend

EXT: External source/rating agency.
LA-IA : Limited assurance by Group Internal Audit.
AFS: Extracted from the Annual Financial Statements which carries reasonable assurance.
LA-EA: Limited assurance by Deloitte.
MO, BO: Management oversight and Board oversight.

[1] Metric not tracked at the time.

Our business model continued

Human capital

Primary interest group: Employees

Net outcome: Sustained

Strategic theme:

	Unit	Five-year trend	Long term 2020	Long term 2021	Medium term 2022	Medium term 2023	Short term 2024	Assurance type
Employee experience index	Points/100	↑	64.1	64.7	68	71.5	64.6	LA-EA
Management control – Employment equity	Points/12	↑	8.88	9.18	9.81	10.14	9.99	Ext
Women in senior leadership	%	↑	35.3	35.0	37.0	38.78	39.67	LA-EA
Employee headcount	Nr	=	36 737	35 267	35 451	37 107	36 779	LA-EA
Turnover rate	%	↓	7.0	8.7	9.2	7.3	6.8	LA-EA
Employee training and development spend – Employees	Rm	↑	379[1]	407[1]	499[1]	479	466	LA-EA
Female-to-male ratio (gender equality)	%	↓	61:39	61:39	61:39	61:39	60:40	LA-EA
Employee headcount below the age of 40 (age neutrality)	%	↓	57.7	54.8	52.2	50.5	52.4	LA-EA
AIC employees (South Africa only) (race equality)	%	↑	76.4	77.3	79.3	80.9	81.6	LA-EA
Absa Way Code of Ethics training completion	%	↑	92	N/A[2]	98.5	95.5	93.0[2]	LA-EA

Constraint to value creation

- We are fostering a stronger performance culture by embedding improved performance management and accountability
- A lack of leadership cohesion and gaps in succession pipelines contributed to execution challenges.

Manufactured capital

Primary interest group: Clients

Net outcome: Sustained

Strategic themes:

	Unit	Five-year trend	Long term 2020	Long term 2021	Medium term 2022	Medium term 2023	Short term 2024	Assurance type
ATMs	Nr	↓	9 734	8 666	6 475[1]	6 410[1]	6 347	LA-EA
Outlets	Nr	↑	1 005	988	998	1 010	1 016	LA-EA
PoS devices[1]	Nr	↑	121 788	124 898	114 895	129 270	136 436	LA-EA
Property and equipment	Rbn	↓	17.1	16	15	16	16.3	AFS

Constraint to value creation

Absa's blend of a strong branch network and digital transformation efforts remains a competitive advantage.

1 Restated. Not material.
2 Training cycle 2021 had a 2022 due date. The 2024 training cycle had a due date post 31 December 2024.

Our business model continued

Intellectual capital

Primary interest group: Clients and employees **Net outcome:** Positive **Strategic themes:**

	Unit	Five-year trend	Long term 2020	Long term 2021	Medium term 2022	Medium term 2023	Short term 2024	Assurance type
Digitally active customers – Total	Rm	↑	2.4	2.9	3.2	4	4.6[1]	LA-EA
Growth in digitally active customers – Group-wide composite measure	%	↑	N/A[2]	N/A[2]	19	9.3[1]	14.2	LA-EA
Total severity 1 and 2 incidents	Nr	↓	4	3	0	0	1	LA-EA
Retail digital channel availability	%	↑	98.5	99.4	99.5	99.7	99.8	LA-EA
Service availability for the Group	%	↑	99.95	99.97	99.96	99.98	99.98	LA-EA
Brand value ranking	Rank	↓	3rd	5th	5th	5th	6th	Ext
Brand value	Rm	↑	22 715	20 538	21 254	25 334	26 285	Ext
Brand consideration	%	↑	N/A[2]	N/A[2]	38.7	41.8	43.4	LA-EA

Constraint to value creation

- Balancing operational stability while accelerating digital transformation to modernise legacy systems
- Requires significant capital investment
- Competition from fintech's and non-traditional players
- Constant evolving nature of cyber attacks and breaches.

Natural capital

Primary interest group: Planet **Net outcome:** Positive **Strategic theme:**

	Unit	Five-year trend	Long term 2020	Long term 2021	Medium term 2022	Medium term 2023	Short term 2024	Assurance type
Sustainable finance – Group (portion related to climate)	Rbn	↑	N/A[2]	19.7	31.8	32.5	37.1	
CDP rating	Rating	↑	C	B	B	B	B	Ext
S&P SAM Index	Percentile	↓	92	93	89	92	90	Ext
Aggregated ESG loans	Rbn	↑	N/A[2]	N/A[2]	11.7	17	13.6	LA-EA
ESG bonds	Rbn	↑	N/A[2]	N/A[2]	4.5	6.6	10.9	LA-EA
Total electricity use	GWh	↓	224.6	225.7	216	222.6	193.4	LA-EA
Own carbon emissions reduction	%	↓	N/A[2]	N/A[2]	N/A[2]	N/A[2]	0.52	LA-EA

Constraint to value creation

- We are committed to expanding our sustainable finance offerings, refining scenario analyses around the impacts of transition and physical risks to our portfolio
- We recognise the interconnectedness between climate change and socio-economic issues when setting limits to financed emissions while ensuring transition to net zero.

[1] *Basis of preparation and presentation* provide more detail about the reporting methodology used for this metric.
[2] Metric not tracked at the time.

Our business model continued

Social and relationship capital

Primary interest group: Primary interest group: Society, regulators and industry bodies, clients, investors and suppliers

Net outcome: Positive

Strategic theme:

	Unit	Five-year trend	Long term 2020	Long term 2021	Medium term 2022	Medium term 2023	Short term 2024	Assurance type
Training and development spend – learners	Rm	↑	73	73	139	129	114	LA-EA
Group total customers	Number	↑	11.2	11.4	11.7	12.2	12.7	N/A
Of which pan-RBB customers							11.4	LA-EA
Client primacy – pan-CIB	%	↑	N/A[1]	N/A[1]	N/A[1]	41.2[2]	42.3	LA-EA
Group Customer Experience Index (revenue weighted)	%	↑	N/A[1]	N/A[1]	81	96	101	LA-EA
Sustainable financing – Group (portion related to financial inclusion)	Rbn	↑	N/A[1]	8.3	9.9	10.1	12.1	
B-BBEE status	Level	↑	2	1	1	1	1	Ext
Consumer education participants	Number	↑	52 246	32 639	79 173	105 337	183 945	LA-EA
ReadyToWork participants	Number	↑	20 914	20 620	29 881	26 859	23 437	Modified

Constraint to value creation

- We are transitioning from a product-centred to a franchise-led, customer-focused model, ensuring that product excellence remains a core strength
- Broader socio-economic issues, including inequality and regulatory posture, affect our social and relational capital
- We are committed to quality relationships with stakeholders, focusing on increasing levels of trust.

IR 2024 Assurance Booklet
Scan here to view

Our value-over-time analysis presents the stocks and flow of capitals from one year to the next in a continuous value creation process in the short, medium and long term.

In ***Outlook*** we assess how changes in the external environment may impact the continued availability and affordability of the capitals our business model relies on.

1 Metric not previously disclosed.
2 Restated. ***Basis of preparation and presentation*** provide more detail about the reporting methodology used for this metric.

Performance against strategy… an executive overview

Interim Group Chief Executive Officer's message

"We continue to make investments and adjustments across the Group to best serve our customers and deliver against our strategy."

Charles Russon

Geopolitical developments, slow economic growth and sovereign debt challenges in parts of Africa painted a cloudy canvas at the outset of the year. In this context, stability was prised, particularly in the financial services sector. I am pleased by how Absa continued to demonstrate resilience and stability, as we responded to the uncertainty.

In our largest market, the swift formation of a GNU presented significant cause for optimism in South Africa.

While a multi-party government is not without its challenges, the GNU started yielding tangible results in many respects, as was evidenced by gradually increasing local and foreign investment. Investors continue to monitor signs of a sustained united government and consistency in efforts such as infrastructure development and crime-fighting over a significant period of time, prior to committing more substantial investment. While the formation of a GNU faced criticism from some quarters, increased investment can benefit the entire economy, as investment creates jobs which, in turn, improves livelihoods.

In other markets, notably Kenya, Ghana and Zambia, it was encouraging to see progress in implementing difficult and much-needed reforms to restore macroeconomic stability, with overall imbalances starting to narrow, while Mozambique faced a challenging year following post-election civil unrest.

Our performance

We remained committed to delivering on our strategy, which remains valid, and we continued our corporate journey towards driving sustainable value.

Financial performance fell short of our initial expectations as we dealt with both external and internal challenges during the year. However, I am proud of the resilience demonstrated by the Group as we confronted the challenges and delivered an improving performance trend in the second half of the year.

While we expected the first half of the year to be tough, given the challenging operating environment and the continued negative impact of some significant items, we were very disappointed with our financial performance in the first six months.

The economic strain on our customers was evident in our CLR being outside the through-the-cycle range. CLRs at CIB and ARO businesses increased, albeit from a low base, and our retail portfolio credit losses remained elevated, although we started to see signs of improvements off the back of the actions taken.

Our focused efforts across the franchise came to bear fruit in the second half of the year and provided an indication of what we know Absa can achieve. Revenue growth accelerated, particularly our NIR, and while some of this is due to a low base from the second half of 2023, I am encouraged by the early signs. This was supported by focused cost containment across the Group and a strong improvement in our CLR, which was well within our through-the-cycle range in the second half. Risk management actions, specifically in the South African Retail portfolios, along with the reduction in South African interest rates, helped ease consumer pressure.

Our diversification across geographies, products and segments continues to stand us in good stead, as the stronger performance in our South African business, driven largely by the recovery in the Retail SA portfolio, helped offset slower growth in our Africa regions, largely due to currency depreciation as well as a challenging operating environment and more stringent monetary policy measures, including higher cash reserving requirements.

The Group's capital and liquidity position remains healthy, with key metrics above our Board target ranges. The Group remains well positioned going into a period of increased uncertainty, with a Common Equity Tier 1 ratio of 12.6%. The continued strength of our capital base is testimony to the resilience and stability of the Group, even as global conflicts and trade tensions ebbed and flowed throughout the year.

Supporting our customers

We were pleased to report positive customer primacy trends (pan-RBB customer numbers were up by 6%) on the back of improved Group customer experience scores of 101 and an improved brand consideration score of 43.4%.

Absa continued to extend support to customers in distress amid the challenging macroeconomic climate in 2024. In our Home Loans and Vehicle Financing businesses, we adopted proactive strategies to support customers with solutions to better manage their finances when their circumstances change.

Interim Group Chief Executive Officer's message continued

In 2024, amid tough economic times, Absa South Africa helped over 43 000 families in financial difficulty rehabilitate through repayment plans, to save their homes or sell their properties ahead of distress.

The improvement in customer experience also reflected the effect of new propositions, including the launch of Ultimate Banking which, we believe, offers market-leading value for money, driven by a comprehensive benefits structure.

Credit Coach, an innovative financial inclusion solution, available free in the Absa banking app, helped customers monitor and improve their credit scores, obtain tailored advice, dispute records, make missed payments and access educational credit content.

We strengthened our proposition that integrates solutions from across the bank to offer youth and women in business a holistic solution that meets their transactional banking, business funding and non-financial support needs.

In ARO markets, we strengthened our domestic and international payment capabilities with the launch of Absa Pay – a first-to-market online payments offering across most of our presence markets. We diversified payment acceptance beyond the traditional card offering through the enablement of Mobile Money acceptance.

Progress in our corporate journey

The year under review marked another milestone in our corporate journey as we brought a fresh purpose-aligned brand to the market in February, signalling our intention to be a brand that has human empathy and intuitive and seamless customer experiences at its core. Our new brand positioning "Your story matters", was born from our corporate purpose that was redefined in a collaborative initiative across the continent in 2022 and followed by the launch of our refreshed values in 2023.

We were pleased to celebrate the first dividend distribution to employees in the Absa eKhaya Colleague Share Scheme in May. The scheme was implemented late in 2023 and was one of South Africa's largest broad-based black economic empowerment transactions. The scheme benefits not only employees but broader communities in South Africa.

We celebrated another milestone as we opened an office in Beijing, permitting us to provide general advisory services to clients based in China doing business in South Africa and across the African continent. The establishment of our office in China's capital is testament to our commitment to growing and fostering growth and opportunities between Africa and China, as well as our concerted efforts to grow and diversify our international footprint.

The expansion of our global corridors, along with strengthened regional capabilities, particularly in West and East Africa, is the result of our CIB strategy which has remained consistent since 2018 and continued to yield improved performance year-on-year.

Absa's commitment to partnerships was a strong theme across the Group in 2024. We partnered with international development and finance institutions to expand our pool of funding, particularly funding available for sustainability-related projects. An example is our agreement with the African Development Bank for a >R3 billion financial package intended to drive increased funding for underserved segments across South Africa and the continent. The target audience includes women-owned businesses, youth entrepreneurs, and SMEs.

We partnered with Brand South Africa and the South African High Commission in London, on London Investment Week to showcase opportunities in key growth sectors, including SMEs.

We also built stronger partnerships in the commercial space as we sought to drive customer acquisition, improve product performance and increase cross-sell opportunities. Our partnership agreement with Omoda and Jaecoo, for example, is a collaboration that aims to provide new car buyers with innovative vehicle finance solutions.

While we maintained a stable base, we were alive to growth opportunities. In the third quarter of 2024, we completed the acquisition of HSBC Mauritius' Wealth, Personal and Business Banking businesses adding over 38 000 retail customers and about 400 SME customers to our Mauritius business.

In South Africa, Absa agreed to provide HSBC's global equities and securities finance clients with access to the South African market.

Building an organisation for the future

Our human capital strategy remains sound and firmly anchored in our ambition to become a leading, high-performing pan-African financial institution. We acknowledge that achieving sustainable performance and growth in a challenging, complex and competitive market requires a winning, talented and diverse team. Building on the strong foundation of our purpose and values, we have deepened our commitment to fostering a culture for performance that enables sustainable growth.

We have some work ahead as we actively seek to enhance employee engagement through deliberate and specific strategies to ensure that we create an environment where our diverse workforce can thrive. Our employees have rightly let us know of their dissatisfaction with our performance in our annual employee survey that was conducted in October. The challenging internal environment of the past year has undoubtedly influenced these outcomes, underscoring the need for us to focus our efforts for positive change through our culture transformation journey into 2025. The index declined for the first time since we started measuring employee experiences. However, it was pleasing to note that participation in our survey increased to 91%, a clear indication that our employees remain invested in our organisation, providing us with a truly representative survey which we can use to drive actions and enhance our employee value proposition.

We continue to invest in technology to strengthen our digital offerings across all segments and use advanced analytics to enhance our clients' digital experience, aligned with our ambition to be a digitally powered bank. We pursued constant innovation and adopted sustainable technology practices through collaborative partnerships while always ensuring focus on security and stability.

We were proud to remain one of the most stable banks, with a Group service availability of 99.9% and zero severity 1 incidents for more than 1 000 consecutive days.

Interim Group Chief Executive Officer's message continued

We have made significant progress in the promotion of digital adoption to drive digital transformation, achieving 14.2% Group composite growth in digitally active customers, supported by adoption initiatives, simplified digital onboarding processes, SSO migration and improved digital activity in ARO markets. Growth was most evident in Mauritius, Tanzania and Kenya, while growth in South Africa's digitally active customers was predominantly in the Inclusive Banking and Student segments.

Being an active force for good in everything we do is a non-negotiable imperative for the Group, and I am pleased that we continue to exceed expectations, specifically in our sustainability initiatives. Notably, sustainable finance towards climate reached R37.1 billion in 2024, achieving our accumulated target of R100 billion one year ahead of schedule.

We continue to make investments and adjustments across the Group to best serve our customers and deliver against our strategy. We are proactively identifying opportunities to optimise our operating model as part of an initiative that will play a key role in ensuring a consistent enterprise architecture, a well-aligned structure for the future, and the ability to respond nimbly to evolving market demands. Aligned to this, we have kicked off a review of our Retail businesses, with a view to accelerate the delivery of our commercial ambitions across EB, the PSC and Private Wealth Banking. The Retail segment in South Africa is a key ecosystem that will be a vital step as we build on our existing franchise, deepen our product offering and ensure we are precise in our focus on customers and segment profitability and returns.

Looking ahead

Reflecting on 2024, it is evident that, while we have made gains in delivering against our strategic priorities, we disappointed the market, particularly in the first half. Our performance in the second half is more indicative of the potential that Absa has to deliver returns for our investors. It is our firm intention to awaken the significant potential within the Group in the pursuit of improved performance and value for investors.

The operating environment is expected to remain extremely uncertain in 2025, particularly given the sweeping and volatile changes being announced by the new US administration. As an organisation, we remain cautious in our response but clear on delivering our strategic priorities.

In conclusion, I extend my sincere thanks to the Board, the Executive Committee and to the broader Absa colleague community for their support as I stepped into the role in an interim position in the last quarter of the year.

The Executive Committee and I are united in our commitment to driving continued performance improvement and delivering on our commercial objectives, while embedding sustainability in our decisions and behaviours as we seek to be an active force for good in everything we do.

We are aware of our opportunity and the duty we have in using our resources and expertise to drive better outcomes for Absa and for the people of Africa. We remain committed to our purpose which is expressed as *"Empowering Africa's tomorrow, together ... one story at a time."*

Group Financial Director's message

"Key structural improvements, including disciplined risk management, cost efficiencies, and optimised capital allocation, are starting to translate into improved results. Our stronger second half performance gives us confidence that we are taking the right action to support delivery of a 16% RoE by 2026."

Deon Raju

Overview

South Africa continued to experience low GDP growth despite the positive developments around the formation of the GNU and the end of intensive loadshedding. Growth in our ARO markets was substantially stronger than in South Africa, although drought weighed on Zambia's performance and election-related violence impacted Mozambique. As inflation reduced, interest rates started to ease in most of our markets, including South Africa.

Against this backdrop, the Group delivered improved results in 2024, with the following salient features:

- Headline earnings grew by 10% to R22.1 billion. This growth was driven by the South African businesses, which increased 14%, mainly from an improvement in the retail clusters (PSC and EB), with Africa regions flat on the prior year weighed down by increased cash reserving requirements and weaker average exchange rates.
- The net asset value increased 11% to R160 billion, resulting in an RoE, which improved to 14.8% from 14.4%.
- Pre-provision profits grew 5%, reflecting solid revenue growth of 5% in both NII and NIR while operating costs also rose by 5%. This resulted in a flat CTI at 53.2%.
- Impairments decreased 8% to R14.3 billion, mainly due to lower impairments in PSC and EB driven by lower interest rates and management actions on origination and collections. This resulted in a CLR of 103bps from 118bps. Notably the second-half CLR of 85bps is well within the Group's target range of 75–100bps.
- Group capital levels remained strong and above the Board target range with a CET1 of 12.6%. Dividends per share increased by 7% to R14.60, based on a 55% payout ratio.

Scan to view the **Results webcast**

Our FY24 results were pleasing, after a disappointing first half performance...

Headline earnings increased by 10% to R22.1 billion, a much stronger outcome than the half-year position where we reported a 5% reduction on the prior year. Second half earnings increased by 27%, reflecting (1) lower credit losses and (2) cost growth and (3) strong recovery in NIR. This growth partially reflected prior year base items, notably Naira losses, however, underlying growth was also strong in the second half.

	1H24		2H24	
Income statement (Rbn)		YoY[1]		YoY
NII	35.3	7	35.8	2
NIR	18.4	(2)	20.4	15
Total income	53.7	3	56.2	7
Impairments	8.3	0	6.0	(17)
Operating costs	28.3	8	30.2	2
Pre-provision profit	25.4	(1)	26.1	12
Headline earnings	10.2	(5)	11.9	27
RoE (%)	14.0		15.5	
CTI (%)	52.7		53.7	
CLR (%)	1.23		0.85	

[1] YoY meaning year-on-year.

Group Financial Director's message continued

Credit losses reduced... mainly in the SA retail portfolios

Our CLR improved noticeably to 1.03% from 1.18% in 2023, although the charge remains slightly above our through-the-cycle target range of 75–100bps. Our elevated first-half CLR of 1.23% improved materially to 0.85% in the second half due to the credit actions that was taken and an improving macro backdrop which included lower interest rates.

Unpacking the portfolios, we saw lower retail credit losses in South Africa, reflecting our collections efforts and selective risk reduction, as well as the benefit of rate cuts.

CLR (%)	2024	30-Jun-24	2023
PSC	0.73	1.00	0.99
- Home Loans	0.39	0.49	0.58
- VAF	1.62	2.32	2.08
EB	7.20	8.47	8.35
- Card	7.40	8.34	7.82
- Personal Loans	7.48	9.41	10.58
RB	0.48	0.57	0.56
ARO RBB	1.81	1.61	1.84
CIB	0.29	0.33	0.17
- CIB SA	0.28	0.37	0.22
- CIB ARO	0.33	0.14	(0.06)
Group	1.03	1.23	1.18
- SA	1.04	1.31	1.25
- ARO	0.97	0.77	0.80

PSC improved noticeably with Home Loans and Vehicle and Asset Finance, in particularly, reducing materially. Early arrears improved across both books and their impairments were driven by maturation of their NPL portfolios with inflows into debt review and legal. EB charges also reduced materially, due to deliberate risk cutbacks and enhanced collection strategies, supported by better forward-looking macroeconomic assumptions. Early stage delinquencies improved, while late stage remained elevated with increased flows into debt counselling. Personal Loans reduced noticeably. Finally, CIB increased to the top end of its target range, from a low base.

Non-performing loans (NPLs) increased to 6.12% of gross loans and advances from 6.05%, due to inflows into later stage delinquencies in the South African retail portfolios. NPLs grew by 7% to R86 billion. The balance sheet remains appropriately provided with total Group coverage which increased slightly to 4.13% from 4.10% and substantially higher than the pre-COVID position of 3.3%.

Our Productivity Programme supported our 2024 cost trajectory...

Operating expenses grew 5%, with staff costs up 7% from salary increases and investments in the frontline in the previous year. Non-staff costs grew by 3% as IT costs increased by 13%, given continued investments in new digital capabilities and increased cybersecurity spend. This was offset by low growth on property costs and depreciation from reduced utilisation of physical infrastructure spend and optimisation of the property portfolio.

Pleasingly, operating costs growth slowed into the second half (up 2%) after rising 8% in the first half. This was in part due to our Productivity Programme which delivered R1.4 billion in benefits in 2024.

Operating expenses	2024 Rm	2023 Rm	Change %
Staff	33 654	31 493	7
Property	1 969	1 910	3
Depreciation	3 124	3 136	(0)
Equipment costs	510	581	(12)
Technology	6 848	6 050	13
Amortisation	2 729	2 796	(2)
Professional fees	3 127	2 809	11
Marketing	2 125	2 032	5
Communication	1 185	1 206	(2)
Cash transportation	1 242	1 159	7
Other	1 995	2 532	(21)
Total	58 508	55 704	5

Group Financial Director's message continued

...Our Productivity Programme is a key medium-term strategic driver of value

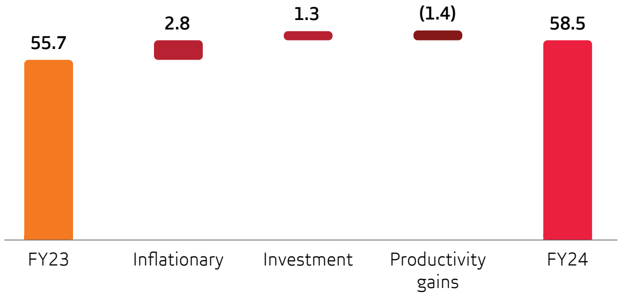
We launched a Group-wide Productivity Programme during 2024 that aims to achieve cumulative gross savings of R5 billion by the end of 2027 with the intention that savings fund further investment in growth.

Key productivity themes include:

- Process optimisation, leveraging data analytics and automation to increase straight-through processing.
- Optimising third parties by rationalising the vendor landscape and commercial agreements to identify cost-saving opportunities.
- Channel optimisation, ensuring the right balance between our physical and digital channels.
- Head Office property portfolio consolidation, as we further optimise hybrid work environments.

Productivity is a key driver of containing cost growth to inflationary levels while creating savings for ongoing investment into the franchise. Productivity savings were used to fund continued digital transformation across front-end customer platforms, data engineering, cloud, and cybersecurity.

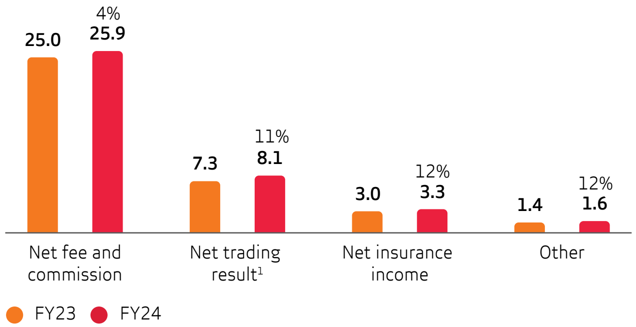
Operating expenses growth (Rbn)



Broad-based NIR growth... led by a recovery in trading performance

NIR grew 6% to R38.8 billion, accounting for 35% of Group revenue. It improved materially from down 2% year-on-year in the first half to up 15% year-on-year in the second. The underlying second-half growth, excluding large Naira losses in the base, was also strong at 11%. The key drivers of this outcome are:

Non-interest income (Rbn)



[1] Excludes the impact of hedging.

Net fee and commission income	2024 Rm	2023 Rm	Change %	Mix %
PSC	2 317	2 175	7%	9%
EB	12 266	11 841	4%	45%
RB	4 676	4 750	(2%)	17%
ARO RBB	3 453	3 204	8%	13%
CIB	4 456	3 900	14%	16%

Net fee and commission income grew 4% and accounted for two-thirds of the total as EB and RB had a better second half. Within this transactional fees and commissions increased 6%, with service charges up 15%, while electronic banking was flat, and cheque accounts and credit cards grew 3% and 6%, respectively. Merchant income grew 17% on 8% turnover growth. Net trading income increased 11% with strong performance from Global Markets. In aggregate, net insurance income rose 12%, with muted growth in Life SA while Non-Life SA grew strongly.

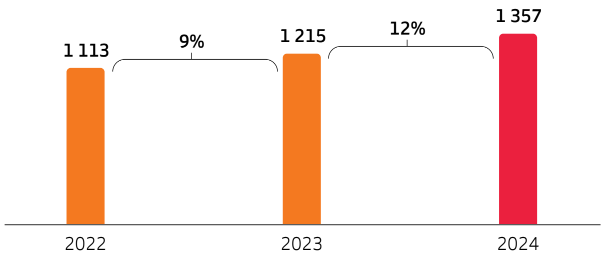
Group Financial Director's message continued

Net interest income growth was subdued from slower lending and lower deposit margins...

Net interest income rose 4%, although growth slowed to 2% year-on-year in the second half from 7% in the first half. This mainly reflects the slowdown in retail lending and higher cash reserving in ARO.

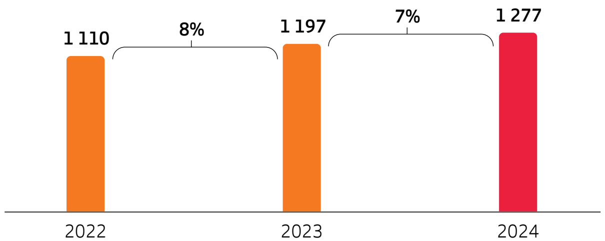
Deposit growth of 12% was broad-based, with strong growth in CIB (up 19%) and ARO RBB (up 22%). EB grew 8% and RB increased 10%, as both included significantly faster growth in low-margin deposits than high margin deposits. We remain the second largest SA retail deposit gatherer, with 21% market share.

Customer deposits (Rbn)



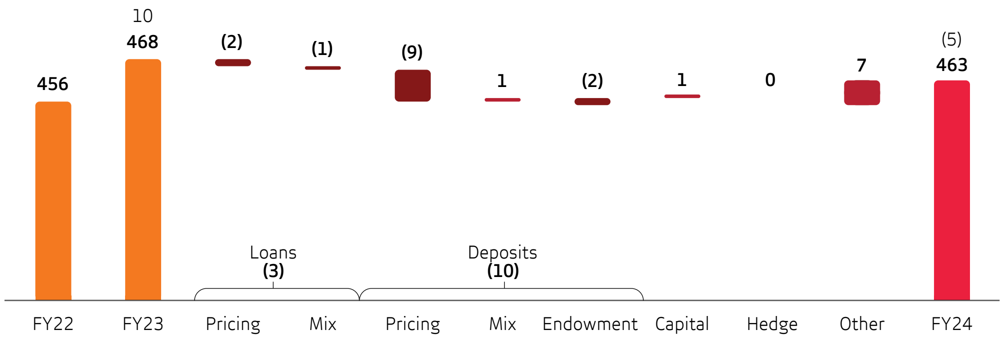
Loan growth slowed across all our divisions besides ARO RBB. Retail lending in South Africa slowed to 3% across secured and unsecured lending products. In unsecured, Personal Loans balances reduced by 4% due to 20% lower loan production, as we reduced our risk appetite given the pressure on consumers. Despite the slowdown in retail lending, our market share in South Africa remained broadly flat at 22%.

Net customer loans (Rbn)



The net interest margin decreased slightly to 4.63%, mainly from lower deposit margins in part due to higher cash reserving requirements in Zambia, Mozambique and Ghana, plus the lower deposit endowment impact and slow growth in high margin deposits in EB and RB. These outweighed a decline in wholesale funding.

Change in net interest margin (basis points)



Graph not to scale.

RoE has improved on the prior year...

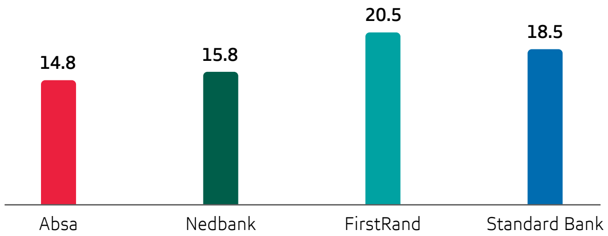
Our RoE improved from 14.4% to 14.8% as 10% in line with our cost of equity for the period. The improvement was driven by higher EB and PSC returns on the back of lower credit impairments:

RORC (%)	2024	2023	2022
PSC	14.0	10.4	14.2
EB	27.8	24.7	31.6
RB	24.9	25.9	28.4
ARO RBB	12.4	11.7	12.3
CIB	22.5	23.9	21.5
Group RoE	14.8	14.4	15.3

Group Financial Director's message continued

Our RoE remains lower than SA peers and is a focus area for medium-term improvement.

2024 RoE (%)



We aim to improve our RoE to 16% in 2026

Improving our RoE to 16% in 2026 is a key priority, driven by:

Further improvement in the CLR – We expect NPLs and our CLR to normalise, particularly in Retail SA. This will benefit from lower rates environment and the actions we took in these businesses last year in credit granting and collections.

Since we prioritised credit performance in 2024, retail loan growth in South Africa will be subdued in the first half of 2025. However, we expect it to pick up in the second half of 2025 as the macroenvironment improves, supporting some balance sheet momentum into 2026. This will support some NII growth from the latter part of 2025.

Improving non-interest growth – Given a franchise of our scale, diversification and geographical presence, we expect better non-interest income growth. We also expect better franchise delivery of NIR from combining our retail businesses in South Africa and in RB following frontline hires.

Productivity – We expect medium-term benefits from this programme to keep cost growth at inflationary levels, which will enable us to generate positive JAWS medium-term.

Africa regions growth – Our markets outside South Africa provide opportunities for faster growth and improving returns, despite macro headwinds in some countries.

In addition to these Group-wide initiatives, we are also reducing the size of our head office loss (2024 circa R3.0 billion). The cessation of hyperinflation accounting to our Ghana operations (circa R0.6 billion earnings loss), together with allocating out central items to business units will contribute to a right-sized head office position.

Our 2025 guidance...

The global economic environment is likely to remain very uncertain during 2025, largely due to the sweeping and volatile changes being announced by the new US administration and ongoing geopolitical tensions. For South Africa, we expect real GDP growth of about 2% in 2025 and 2026. Early reaction to the broad GNU has been positive, reflected both in market sentiment and in surveys of business and consumer confidence. The much-needed improvement in Eskom's operational performance since late March 2024 is expected to be resilient, with systemic and lasting periods of loadshedding not expected, while the early improvement in Transnet's performance is expected to slowly gain momentum. Lower interest rates, at least compared to 2023 and 2024, will result in a lower debt service burden, which should see a modest acceleration in household consumption.

We currently forecast that the GDP-weighted growth for our Africa region countries will rise to 5.3% in 2025. Disinflation, lower policy rates, improving weather conditions, strong infrastructure investment, and ample multilateral support underpin the region's growth outlook in our base case, even as US announcements on the region, in particular around development aid, raise a new downside risk.

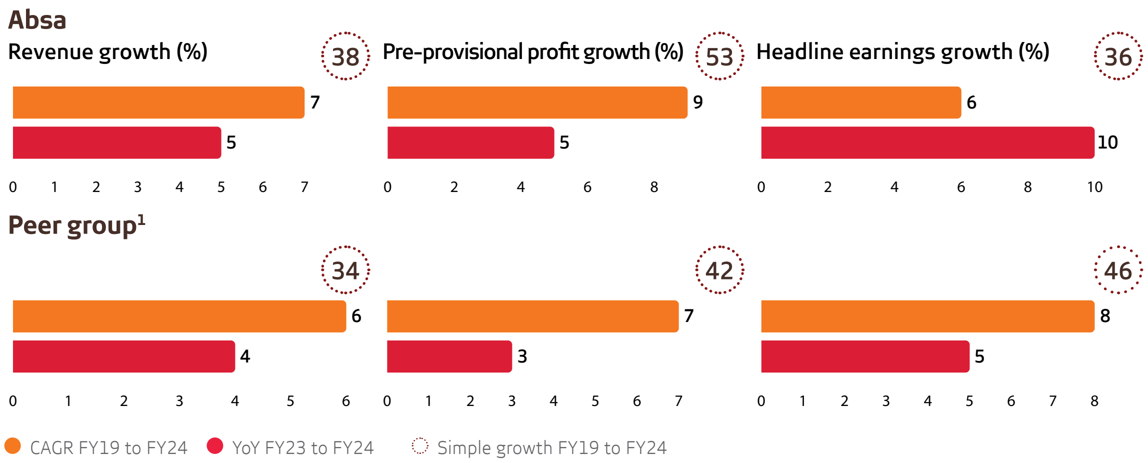
Outlook contains medium-term economic forecasts for key Absa markets and our medium-term targets.

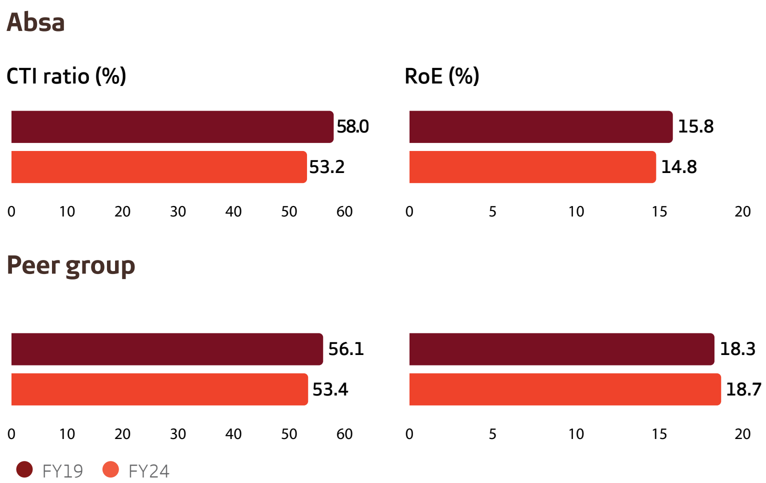
Our guidance for 2025 incorporates these assumptions and shows progress towards our 2026 RoE target:

- We expect mid-single-digit revenue growth, with broadly similar growth in NII and NIR.
- We expect mid- to high-single-digit customer loan growth and low- to mid-single-digit customer deposit growth.
- The Group's CLR is expected to improve to the top end of our through-the-cycle target range of 75 to 100bps. The first half of 2025 CLR should improve noticeably year-on-year from 123bps in the first half of 2024.
- We expect mid-single-digit growth in operating expenses, producing a slightly higher CTI ratio from the 53.2% in 2024 and low- to mid-single-digit growth in pre-provision profit.
- We expect an RoE of slightly above 15%, from 14.8% in 2024.
- We expect the Group CET1 ratio to finish 2025 at the top end of our Board target range of 11.0% to 12.5%. We expect to maintain a dividend payout ratio of around 55% for 2025.
- We expect a stronger rand to be a slight drag on earnings in 2025, although Africa regions' earnings growth should be stronger than South Africa.

Group Financial Director's message continued

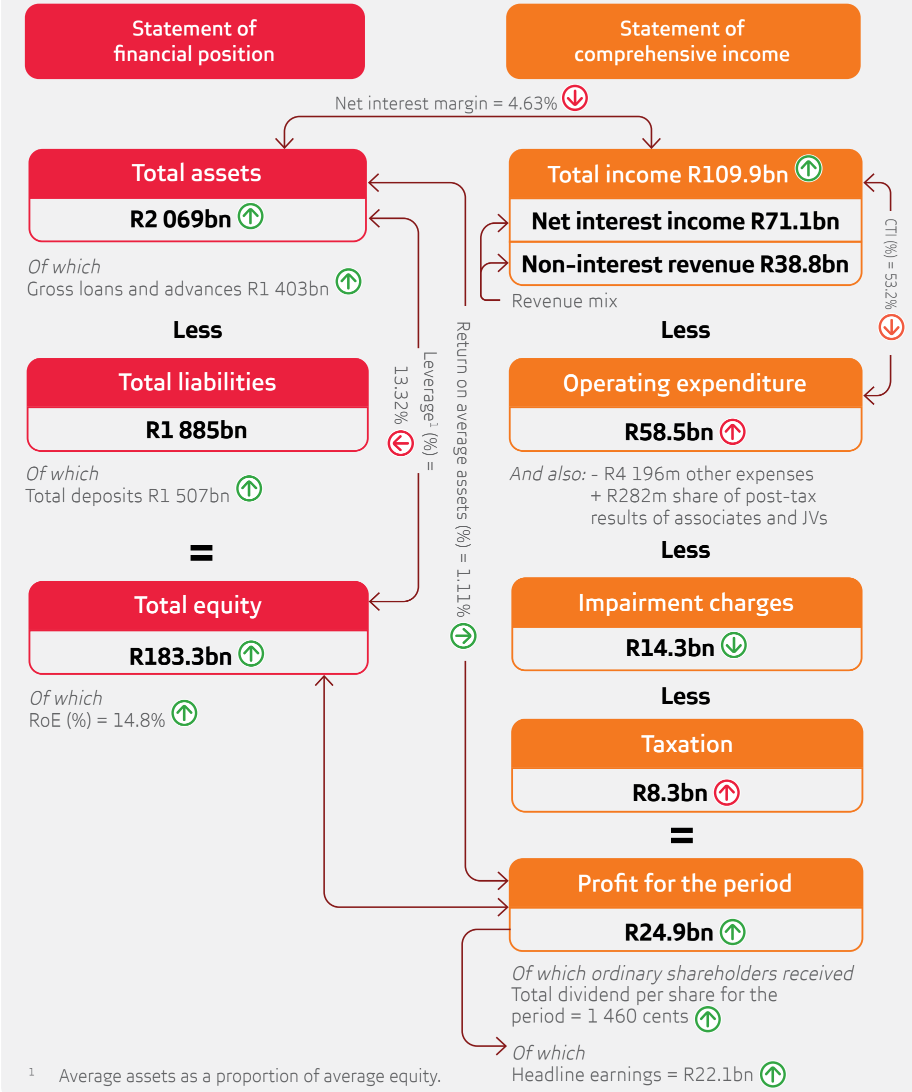
Peer comparison





[1] Peer group = FirstRand, Nedbank and Standard Bank. Peer data is the average for the peer group. Absa, Standard Bank and Nedbank results are for the year ended 31 December 2019, 2023 and 2024. FirstRand results are inferred 12 months results for the period January to December 2019, 2023 and 2024.

Finances at a glance



[1] Average assets as a proportion of average equity.

Group Financial Director's message continued

Consolidated statement of financial position

	2024 Rm	2023 Rm	Change %
Assets			
Cash, cash balances and balances with central banks	124 557	77 815	60
Investment securities	270 444	236 498	14
Trading portfolio assets	226 182	191 097	18
Hedging portfolio assets	4 055	5 441	(25)
Other assets	23 195	27 805	(17)
Current tax assets	689	627	10
Non-current assets held for sale	2 111	197	>100
Loans and advances	1 349 588	1 271 357	6
Insurance contract assets	793	693	14
Reinsurance contract assets	1 003	972	3
Investments linked to investment contracts	23 370	21 045	11
Investments in associates and joint ventures	2 990	2 644	13
Investment property	225	378	(40)
Property and equipment	16 250	16 016	1
Goodwill and intangible assets	16 010	14 442	11
Deferred tax assets	7 233	7 849	(8)
Total assets	2 068 695	1 874 876	10
Liabilities			
Trading portfolio liabilities	66 020	62 548	6
Hedging portfolio liabilities	1 258	1 688	(25)
Other liabilities	40 291	42 093	(4)
Provisions	5 807	6 045	(4)
Current tax liabilities	706	833	(15)
Non-current liabilities held for sale	1 064	–	100
Deposits	1 506 927	1 339 536	12
Debt securities in issue	211 291	211 128	–
Liabilities under investment contracts	23 547	21 247	11
Insurance contract liabilities	6 630	6 426	3
Reinsurance contract liabilities	312	252	24
Borrowed funds	21 188	18 502	15
Deferred tax liabilities	378	181	>100
Total liabilities	1 885 419	1 710 479	10

	2024 Rm	2023 Rm	Change %
Equity			
Capital and reserves			
Attributable to ordinary equity holders:			
Share capital	1 658	1 657	–
Share premium	10 562	10 464	1
Retained earnings	139 199	130 308	7
Other reserves	8 755	2 157	>100
	160 174	144 586	11
Non-controlling interest – ordinary shares	8 784	6 905	27
Non-controlling interest – preference shares	4 644	4 644	0
Other equity: Additional Tier 1 capital	9 674	8 262	17
Total equity	183 276	164 397	11
Total liabilities and equity	2 068 695	1 874 876	10

Summarised income statement

	2024 Rm	2023 Rm	Change %
Net interest income	71 105	68 055	4
Non-interest revenue	38 844	36 587	6
Total income	109 949	104 642	5
Operating expenses	(58 508)	(55 704)	5
Pre-provision profit	51 441	48 938	5
Credit impairment charges	(14 304)	(15 535)	(8)
Other expenses	(4 196)	(3 353)	25
Share of post-tax results of associates and joint ventures	282	200	41
Profit before taxation	33 223	30 250	10
Taxation	(8 320)	(7 687)	8
Profit for the reporting period	24 903	22 563	10
Headline earnings	22 059	20 074	10

Performance against strategy… detailed stories

A diversified franchise with deliberate, returns-focused growth

We will be purposeful in selecting where we compete, identifying attractive growth pockets by geography, segment and product. We will allocate our capital sustainably and manage risk appropriately.

We aim to truly understand customers' needs to actively manage and mitigate potential credit losses, diversify revenue and grow NIR. As a universal bank, we look to serve our clients using the full power of the Group's ecosystem.

High-growth markets in Africa are an opportunity to grow and diversify revenue streams. Broadening our geographic franchise also aligns directly with our purpose, by supporting socio-economic development and climate action in the region.

A diversified franchise with deliberate, returns-focused growth continued

Deepening our roots while driving returns...

Absa has a long-standing presence on the continent as one of Africa's largest diversified financial services groups. Our deep understanding of local markets equips us well to foster economic development, support growth and create opportunities in current and potential new markets.

Our geographic and sectoral diversification has been a source of resilience, with a business mix that has delivered strong growth. However, we recognise the need for more focus on returns. ARO markets, in particular, showed positive underlying growth in revenue, customer numbers and cost containment despite higher inflation.

CIB earnings increased by 6%, driven by revenue growth of 12% underpinned by growth in client franchise revenue, higher trading revenues and net fee and commission income, partly offset by increased impairments. It strengthened its regional capabilities particularly in West and East Africa with additional dedicated resources tasked with integrating, product offerings and sector expertise.

ARO RBB earnings increased by 12% due to strong revenue growth reflecting growth in active transactional customers and cost containment despite higher inflation challenges.

During the year, market volatility and an elevated CLR underscored the need for a sharper focus on risk management, particularly in our South African Retail segment and ARO markets.

RB earnings were up 4% due to strong NII growth reflecting solid balance sheet growth and lower impairment charges, partly offset by lower NIR (due to lower cash revenues in line with industry trends).

PSC earnings were up 38% and EB earnings were up 18%, benefiting from growth in NIR (from both fees and bancassurance revenues) and moderating impairment charges.

Based on feedback from our clients, customers and investors, we commenced a review of our South African Retail businesses encompassing EB, PSC and RB, and Private Wealth. This review is intended to allow us to better align with our strategic goals of creating a successful retail ecosystem that places us on solid footing in our key markets. The outcome of the review will be completed in the first half of 2025.

	PSC		EB		RB		ARO RBB		CIB	
Rm	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
NII	9 281	9 016	16 352	15 947	11 016	10 081	12 604	11 758	21 156	19 549
NIR	5 094	4 636	12 697	12 186	5 042	5 125	4 983	4 525	12 085	10 236
Total income	14 375	13 652	29 049	28 133	16 058	15 206	17 587	16 283	33 241	29 785
Headline earnings	3 276	2 368	4 004	3 394	4 292	4 145	1 780	1 584	11 740	11 025
Loans and advances	430 675	417 375	78 340	78 288	155 806	146 767	91 734	79 360	573 675	536 417
Deposits	1 453	1 610	333 381	308 936	254 588	230 720	147 831	120 980	606 625	512 081
%										
CLR	0.73	0.99	7.20	8.35	0.48	0.56	1.81	1.84	0.29	0.17
CTI	44.9	42.5	53.7	52.5	55.8	55.0	64.4	66.6	44.8	45.9
RoRC	14.0	10.4	27.8	24.7	24.9	25.9	12.4	11.7	22.5	23.9

...And further broadening our horizons

We continued scaling our international corridors with the opening of a new non-banking subsidiary in Beijing, China in May 2024. This move will unlock more trade and investment opportunities between China and Africa. Our presence in the US, UK, Middle East and Asia corridors further supported our commitment to build connectivity for global clients and capturing flows to and from the continent.

We expanded our roots in an attractive growth pocket by acquiring the Mauritius branch of the HSBC Wealth, Personal and Business Banking businesses. The transaction brought about 38 000 retail customers and 400 SMEs into the Absa franchise.

We are spreading our offerings...

We introduced differentiated banking packages to drive primacy and offer cross-selling opportunities:

- Our new Infinite and Signature cards are now live in most of our ARO markets, offering exclusive luxury benefits that build on our flagship Premier and Prestige propositions
- Our focus on affluent segments has seen the launch of our Absa Wealth proposition in Mauritius and product offers for the Wealth segment in Kenya and Zambia
- We opened our first wealth centre outside South Africa in Mauritius
- By the end of 2024, Business Banking credit cards were available in eight of our ARO markets
- We launched Absa Pay as a new payment solution, a first-to-market offering across most ARO markets
- The launch of WorldRemit in Ghana and Kenya strengthened our remittance proposition
- A digital debit card was launched in addition to contactless functionality on PoS, which now also includes mobile money acceptance and Direct Currency Conversion (DCC) capabilities
- RB launched a new Merchant Cash Advance loan product providing essential capital for small and medium business expansion through a quick and flexible short-term capital injection
- RB launched a new tiered pricing model for SMEs in which rates reduce as your business/turnover grows, as well as offering qualifying merchants rebates on device rentals
- The CIB green deposit offering, launched in 2022, saw a further uptake of R995 million in 2024
- We increased take-up of our funeral offerings and growth in the entry-level market and will be launching a funeral-enabled banking proposition early in 2025
- New-to-bank home loan clients increased on the back of integrated propositions which facilitated clients changing their primary banking relationship to Absa. This was supported by an embedded life insurance offering and the use of applied analytics, which enabled us to meet new client needs.

A diversified franchise with deliberate, returns-focused growth continued

The Ultimate Banking story

The Ultimate Banking proposition was launched with great success, with over 104 000 accounts sold within its first six months in the market. This is an integrated solution that combines a transactional account with a range of financial products and services that evolves around the customer.

With more than 34 features spread across banking, insurance, and lifestyle categories, it provides value for money. Ultimate Banking was designed to meet customers' day-to-day banking needs and priorities, with unlimited free digital transactions and family banking. It also incorporated free Absa Rewards.

Find out more... ***The primary partner for our clients***.

Unlocking value in our franchise model...

We are driving a deliberate shift in our franchise model to enable more cross-selling to ultimately achieve higher levels of customer primacy. We deepen cross-selling at existing locations by matching sales capacity to area potential and redirecting free capacity to support sales and improve service.

The success of our franchise model depends on clients having the same Absa experience, no matter what touchpoint they use or where they are, while ensuring that we actively manage our cost-to-serve by directing customers to the most appropriate channels for the services they require, as well as expanding our digital and self-service capabilities to customer needs. Our partners are key to creating these experiences and meeting client needs.

Partnerships enable collaborative and supportive relationships that help clients leverage financial services effectively, achieve their strategic goals and navigate complexities in the financial landscape. These partnerships are beneficial for both parties, fostering growth and innovation.

...By expanding our reach and support

We enhanced distribution capabilities through investments in partnerships and bancassurance strategies, unlocking market, client value and integration opportunities.

In our ARO markets, we have a growing agency banking network supported by digital servicing capability. The agency banking proposition enabled us to serve and acquire clients through new client touchpoints, increasing our reach beyond physical and digital channels. Overall, ARO RBB has expanded its agency network to 23 538 agencies across the 10 geographies.

Absa Bank Kenya rolled out the first phase of its agency network expansion, with a plan to increase this to 17 000 agency service outlets in two years. This will enhance access to essential financial services for both existing and non-customers. The expansion aims to bridge the gap for underserved communities, offering them the convenience of conducting cash deposits, withdrawals, and other transactions through third-party outlets.

For inclusive banking, we improved our distribution reach through third-party agents. By using external sales teams, we expanded the reach of our own distribution teams to create additional points of presence in branches. This enabled us to further enhance our value-added offerings, for example through our funeral insurance integration solution.

We have a Group-wide programme to coordinate efforts to improve our retail distribution network. This includes a network of active advisors to accelerate and enhance retail distribution capabilities. They use our banking distribution channels to drive non-life insurance solutions including motor, medical and workmen's compensation in ARO markets.

Efforts to increase our distribution footprint and segment presence include growing our offerings in terms of application programme interface (API) marketplaces. APIs give clients standardised, simplified and secure access to the bank's services through direct integration. Find out more... ***A digitally powered business***.

Automation of service activities and improved seamless sales processes led to productivity increases. We implemented Advice Tools that contributed to reduced turnaround times to execute a sale. This helped to streamline customer and advisor experiences.

...And growing our circle of partners

New partnerships and growth in existing partnerships create new pathways to reach clients and expand our offering. Innovative offerings drive primacy, client acquisition and are integral to developing a diversified franchise with returns-focused growth.

This year, PSC used partnerships to offer customers more options:

- We broadened our collaboration with Woolworths Financial Services on our mutually beneficial credit life offering and we are in the process of expanding the product set offered to their customer base. This partnership was further expanded into pet insurance, meeting the growing demand for short-term insurance catering for veterinary support related to accidents and illness.
- In partnership with Private Property, Absa Home Loans delivered the fifth Real Estate Industry Summit in South Africa, embedding our market leadership position and supporting thought leadership in the industry. We continued leveraging the Private Property platform to offer sustainable living solutions and embed new lending solutions for potential customers.
- Our distribution agreement with Sanlam Investment Holdings (SIH), allowed SIH to distribute a broader range of investment products to Absa customers.
- We enhanced our collaboration in the automotive dealer network, as well as with original equipment manufacturers (OEMs) to further strengthen partnerships in the industry. For example, we increased our reach and impact through targeted OEM marketing and tailored value propositions at key OEM and Absa events, particularly through OEMs such as Motus and the launch of Renault Financial Services to increase market share.
- Absa and Cars.co.za partnered on the Cars.co.za Consumer Awards, creating a new level of engagement between buyers, dealers and OEMs, supporting Absa's intent of being the bank of choice in the automotive industry.
- PSC also signed the Omoda/Jaecoo Alliance and an agreement with Motus to create Renault Financial Services.
- Through PSC's relationship with the South African Taxi Association, the Absa Pay app enabled commuters to make digital taxi payments.

Absa Bank Kenya and Old Mutual Kenya launched a joint insurance product targeted at SMEs, offering assets, life and comprehensive medical insurance.

A diversified franchise with deliberate, returns-focused growth continued

We continued collaborating with innovative partners such as technology platform provider, JUMO, and mobile network operator, MTN. The latter provides loans to underserved customers via mobile. We also partnered with WorldRemit for remittance transfers.

We increased our South African Retail client base by focusing on township and rural retailers, offering inclusive banking to these SMEs. Our support to entrepreneurs included:

- Launching a new Merchant Cash Advance loan product, providing essential capital for business expansion based on the turnover on their merchant devices
- Creating targeted Absa Emerging Entrepreneur and Absa Business She Thrives propositions, catering specifically to youth and women entrepreneurs and solving their unique needs through tailored banking and non-banking services
- Launching strategic partnerships with the African Development Bank and Frankfurt School of Finance and Management to provide training to youth and women business owners and unlock financing opportunities, improving quality of life by focusing on sustainable lending and addressing the trade finance gap for these entrepreneurs on the continent.

The Absa Life Employee Care Plan was the outcome of an insurtech partnership to develop Group life policies. The plan combines a range of optional elements, including life, occupational disability and funeral cover.

The takeaway from this story ...

Smaller markets contributed positively to growth, showcasing the benefits of geographic diversification. We also saw significant growth through strong client acquisition and increased usage. Focusing on Business Banking as a significant contributor to job creation and national economic development in our ARO markets, we will increase diversification momentum by allocating capital to attractive growth prospects on the continent. Despite our historical strengths and established brand in Africa, we recognise the need for a more agile approach to address evolving market dynamics.

What we achieved

28%	6%	53.2%
ARO Group earnings contribution (2023: 30%)	NIR growth year-on-year (2023: 1%)	cost-to-income ratio (2023: 53.2%)

Where to from here – focus areas for 2025

- Prioritising growth and returns by reducing our CLR, growing capital lite revenue, improving productivity and driving active capital management
- Diversification in our ARO markets will be led by organic growth
- Diversifying revenue streams through market-leading transactional propositions, enhanced value-added services, new payment services and by scaling the cards business
- Embedding our revised Retail SA operating model aligned with our future business model design principles
- Bolstering capabilities and scale our international corridors.

Awards

Global

- At the 2024 Global Banking and Finance Awards®, Absa Bank Botswana was awarded Best Agri Business Bank. Absa Bank Botswana, Absa Bank Ghana and Absa Bank Mozambique was awarded Best SME Banks in their countries and Absa Bank Mozambique as Best Bank in Mozambique for small- and medium-sized enterprises. Absa Bank Seychelles was awarded Best Retail Bank Seychelles.
- Absa Bank Ghana was awarded Best Investment Bank in Ghana at the Global Finance World's Best Investment Bank Awards 2024.

Africa/regional

- CIB was selected as Africa's Best Cash Management Bank for Collections, Corporate Cards and Foreign Exchange at the Euromoney 2024 Cash Management Survey Awards.

In-country

- Absa Bank Limited was rated the Highest Rated Secured Bank at the 2024 Debt Review Awards
- Absa Bank Ghana received the Ghana Trade Finance Excellence Award 2024 at the National Governance and Business Leadership Awards
- Absa Bank Ghana received the Bancassurance Leader Award 2024 at the Ghana Insurance Awards
- Absa Bank Ghana was selected as Overall Best Partner Financial Institution of the Year, achieved highest total number of Ghana Incentive-Based Risk-Sharing System for Agricultural Lending (GIRSAL) Guaranteed Agricultural Credit, Highest Total Value of GIRSAL Guaranteed Agricultural Credit and Best Quality Agricultural Credit Guarantee Applications in Ghana at the 2023 GIRSAL Partner Excellence Awards (awarded in 2024)
- Absa Life Assurance 2024 Association of Kenya Insurers Awards: Group Life Best Practice Award
- Global Alliance Mozambique awarded Best Overall Short-Term and Life Insurer in the Diamond Arrow Mozambique Country Survey
- Absa Bank Uganda was named Second Most Innovative Bancassurance Solution 2023 by the Insurance Regulatory Authority of Uganda at the Insurance Innovation Awards, awarded in 2024.

Material matters

- Delivering returns-focused growth
- Elevated levels of sovereign and country risk
- Supporting social cohesion and stressed consumers
- Regulatory focus on banking models and returns
- Digital advancement and stewardship
- Climate change and a just transition.

Capitals

Contributing to SDGs

SDG 8

The primary partner for our clients

We will be the primary partner for our clients by truly understanding and meeting their day-to-day needs, creating and delivering value across the entire client relationship. We will build a brand our people and clients can be proud of.

We are a pan-African group that understands the multi-faceted requirements of our customers. We draw on deep networks and long-term partnerships to support customers where it matters.

We aim to increase customer primacy by driving the number of clients that have their primary banking relationship with Absa. Our franchise model is an important enabler to create primacy and maintain loyalty, which relies on customer experiences, the execution of our brand promise and amplified digital solutions.

The primary partner for our clients continued

We have seen positive growth in primacy as we continued to build brand affinity with clients and employees, leveraging our purpose.

	PSC	EB	RB	ARO RBB	CIB
Client primacy pan-CIB (%)[LA-EA]					42.3
Active customers (thousand)[LA-EA]	3 389	9 615	496	2 678	
Active transactional customers (thousand)[LA-IA]	–	5 854	421	2 215	

	PSC	EB	RB	ARO RBB
Average product holding	2.71	2.71	3.7	3

Client growth indicators

4% growth in the Commercial customer base with good growth achieved in targeted non-agri sectors

4% growth in the SME segment

8% increase in transaction accounts

6% growth in pan-RBB customers

We are intensifying primacy…

One of our focus areas for 2024 was to grow specific segments and products across all our markets. CIB has a sector-led coverage model and focused on priority sub-sectors earmarked to drive primacy and improve cross-selling. Key sectors included agriculture, power and renewables, and mining and metals, which all benefit from better client service based on sector-based expertise and product offerings. Strong growth in client acquisitions can be attributable to our bolstered regional capabilities, sector expertise and holistic product offering.

PSC plays a valuable role in deepening our client relationships, with secured lending providing anchor products to meet customer needs in key life moments and opportunities to grow new-to-bank customers. Bancassurance plays an important role in all segments, ensuring we become customers' primary partner by providing integrated propositions that lower the cost of acquisition and provide more value to our customers.

EB is committed to growing its customer base and efficiently deliver on its strategic priorities. There have been focused efforts on NIR, CLR, and productivity gains through technology, operational and channel transformation, setting a solid foundation for future growth.

At the same time, substantial progress was made in building next-generation capabilities, including advancements in digital adoption, data science, personalisation and channel technologies. These capabilities position EB to compete effectively in an increasingly digital marketplace while enhancing customer experiences and operational efficiencies.

RB broadened the reach of its commercial segment with growth achieved in targeted non-agri sectors, while defending our market-leading position in agriculture. Active customer numbers in the SME segment continued growing, with a strong emphasis on high-quality and profitable new-to-bank clients. This continued growth in customer numbers is a result of the strong foundation created through the embedment of a client-centric segment operating model. We also engaged clients around their sustainability planning, leveraging our renewable energy financing propositions which continue to grow year-on-year.

ARO RBB opened new segment and sector opportunities through tailored customer propositions, focusing on transactional accounts and expanded lending offerings. These included the Prestige proposition revamp, and Signature and Infinite Card launches to strengthen our affluent segment offerings. We launched a Wealth proposition and Wealth centre in Mauritius and product offers for Wealth customers in Kenya, Zambia and Mozambique.

We expanded our offering to business banking clients with the launch of Business Credit Cards, Commercial Asset Finance products, and enhanced Trade and Working Capital propositions through unsecured lending on invoice discounting and purchase order financing.

Creating welcoming and seamless experiences…

Client experience is an important leading indicator of our performance, as we understand that satisfied clients have a higher propensity to do more business with Absa. By consistently delivering value and exceptional service, we endeavour to be the financial partner of choice for clients. The Customer Experience Index (CXI) score measures the service quality experienced by our clients, and the Ombudsman oversees the number of client complaints in the industry.

Measurement (%)	Trend	2020	2021	2022	2023	2024
Customer experience – RB	↑	70	64	59	90	97[LA-EA]
Customer experience – EB	↑	84	87	90	107	112[LA-EA]
Customer experience – PSC	↑	81	84	86	100	105[LA-EA]
Customer experience – ARO RBB						
– Retail banking	↑	78.7	80	81.7	99	104.8[LA-EA]
– Business banking	↑	73.1	70.4	70.5	94	98.7[LA-EA]
Client experience – CIB	↑	72	79	79	84	89[LA-EA]

Leading up to 2024, we invested in new digital onboarding capabilities to streamline work processes and reduce turnaround times. These efforts were crucial in enhancing new client satisfaction and acquisition, as they directly impacted the client's initial experience with our services.

CIB consolidated its digital transformation efforts by migrating most clients to the new and improved digital banking platform, Absa Access. Enhanced features, easier navigation and improved self-service led to improvements in the satisfaction with our value propositions, touchpoints and overall client experience. Our digital efforts, combined with our proactive client-centric solutioning approach also led to improved primacy levels.

The primary partner for our clients continued

EB focused on enhanced customer engagement building from 2023, which aimed at providing customers with more value for money. EB recorded its highest-ever CXI scores and customer engagements increasing five-fold. A concerted focus on transactional customer acquisition and activation drove growth of 7%, with value-driven propositions continuing to attract and retain customers.

RB continued to host strategic sector and segment-specific client events across geographies to deepen relationships, share industry best practice, support innovation and explore acquisitions. Improvements in customer experience resulted from the investments made to build up the frontline capacity in 2023, as well as simplification of our onboarding processes including banker-assisted digital onboarding, which is leveraging Virtual Channel bankers to support clients. These investments have delivered quicker turnaround times, improved banker availability and enabled proactive client engagement. Bankers were supported with targeted training as well as an enhanced complaints resolution processes.

We improved customer experience scores across PSC. This was validated by the Absa VAF Head of Sales Enablement being selected as a South African winner of the Medium Category for Inhouse Contact Centre Leaders at the Contact Centre Industry Champions Awards. Nominations are accepted from all over the globe and honour leaders who have championed customer experience, operational efficiency, and fostered a culture of continuous improvement in the contact centre and customer experience industry.

Our ARO market increased customer satisfaction scores on the back of proactive customer engagements, while average product holding scores performed ahead of plan. Average product holdings improved significantly, due to a focused drive to deliver exceptional customer service. A targeted marketing campaign improved customer experience scores across the board.

Using trusted mediators

The Banking Ombudsman exists to provide a free, fair, and independent dispute resolution process for bank customers. According to the Ombudsman for Banking Services South Africa's 2023 report, the highest number of cases were opened relating to current accounts, and digital banking ranked as the highest case sub-category.

Absa had 1 712 referral cases, ranking fifth behind FNB, Capitec, Standard Bank and Nedbank, making it the bank with the least number of referrals among the five. Referrals are matters that are sent to the bank to afford the dispute resolution department 20 days to resolve the matter directly with the complainant. If unresolved, the matter is converted to a formal case. Of the 1 712 referrals Absa received, 48% escalated to formal cases, compared to the highest conversion rate of 64% from another bank.

Delivering on our brand promise...

Our journey to redefine the way we connect with clients and stakeholders across the African continent began in 2023 with the launch of Absa's renewed purpose: "Empowering Africa's tomorrow, together ... one story at a time". This initiative laid the foundation for the introduction of our brand strategy, "Your story matters", which was launched simultaneously to all employees across all business units and all our pan-African markets in February 2024.

Since then, we have built on this momentum, aligning our brand more closely with our business objectives to support growth and value creation across the continent. "Your story matters" reflects a reimagined business and brand that looks at customers as more than just bank account numbers, by acknowledging that each of them has a story that has and can continue to shape their lives and aspirations. From giving customers the opportunity to experience the thrill of the Premier League in the UK, to incentivising them via campaigns such as Change Your Story, our marketing was designed to bring our brand promise to life at every touchpoint.

Our commitment to "Your story matters" is evident in a multitude of service offerings that prioritise the individual needs and aspirations of our customers. These reflect a consistent look and feel across all business units and communications on the continent while galvanising employees to align their efforts with our new corporate purpose as we continue to focus on the delivery of this brand promise in our customer experience.

Early indicators showed strong market resonance with our new brand direction.

90%
of respondents find the pay-off line very or quite easy to understand

65%
of respondents reported that our messaging resonated with them within four weeks of launch

4.7%
positive brand consideration shift since January 2023

Our brand integration efforts influenced our product solutions, corporate citizenship, sponsorships, internal functions and employee initiatives. This approach makes us more deliberate in the activities and initiatives aligned with our brand as the centre of gravity, while also driving innovation in products and services that are tailored to meet the needs of our clients and customers. It is this purpose that drives our long-term ambition of being a leading pan-African bank.

...And amplifying digital solutions

Absa's blend of a strong branch network combined with digital channels remains a competitive advantage. However, some execution gaps have slowed our ability to fully leverage these strengths. The focus on enhancing digital capabilities and customer engagement is central to our strategy for building resilience.

Digital penetration creates opportunities for customer primacy through convenient payment mechanisms and the use of mobile devices. Combined with advanced data analytics, AI-improved customer insights and risk management, we are able to refine personalised offerings to clients and increase efficiencies.

We invested in platforms such as Salesforce for customer relationship management (CRM) and the Absa banking app, which supports seamless digital banking experiences. Further investments in digitising our contact centres and branch networks, including ATM enhancements, improved access to our products and services and allow us to better understand customer needs. Emerging capabilities like Abby (virtual assistant) are setting market-leading benchmarks in areas like chatbot customer engagement.

For instance, the Absa banking app now integrates services across banking, home loans, vehicle finance, and insurance, providing a holistic and convenient experience for customers. This has been especially valuable in ARO markets, where digital channels play a key role in customer engagement.

In ARO markets, we also leveraged banking data to identify key insurance triggers in a customer's lifecycle, including new joiners. We collaborated with more lead providers and used enhanced digital marketing campaigns in combination with data analytics to personalise offerings and create pricing discounts to better partner with clients. We saw strong growth in digital transactional volumes and values, as a result of improved system stability, feature enhancements on internet banking and additional features focusing on payment capabilities.

In RB, for SME customers, onboarding processes have been simplified and include banker-assisted digital onboarding, leveraging Virtual Channel bankers to support customers. We continue to invest in streamlining these and other processes through digitisation, robotics and automation.

WhatsApp capabilities were rolled out for Home Loans, Life Insurance, and Non-Life Insurance customers to enhance real-time interaction enabling customers to receive quick responses to their queries and support requests.

Through PSC's AVAF and FORD Digital Self-Service portal, we now offer customers a seamless digital experience from loan application to self-service transactions, resulting in improved customer experience and cross-sell opportunities.

Find out more... ***A digitally powered business.***

For every story that matters...

We want our clients to feel that their best interests are always considered, and that their story matters. We need to ensure that our entire suite of services and offerings lives up to being human-centred and empathetic, especially during a complaints process. Ultimately, we want our clients to feel they have been treated fairly. The Treating Customers Fairly (TCF) score measures our clients' perception of our performance against the Conduct Standard for Banks and the expected TCF outcomes.

Customer level view	Trend	2020	2021	2022	2023	2024
TCF – RB	=	82	80	76	81	81.8[LA-IA]
TCF – EB	↑	88	89	88	91	90.2[LA-IA]
TCF – ARO RBB						
– Retail banking	↑	85.3	85.3	85.4	87.2	88.5[LA-IA]
– Business banking	↑	79.7	82.7	89.8	84.5	84.2[LA-IA]
TCF – CIB	=	88	88	87	89	88[LA-IA]

While rewarding loyal clients...

Absa's Reward Programme is well suited to meet the needs of cash-strapped customers who face ongoing stress from the high cost-of-living, a fragile economy with slow growth, high interest rates and high unemployment.

The Absa Rewards Programme does not charge monthly membership fees and incentivises behaviour through cash paybacks to increase:

- The use of banking products to drive transaction volumes
- The use of digital platforms to drive efficiency
- Deposits to drive a savings culture.

The adoption of Absa Rewards increased, with membership growing by 70% since 2022%.

Further targeted pricing investments were made this year to address disparities in digital payment pricing and make products and services more accessible to customers through concessions to the entry-level customer segment. We also provided customer support through debt reviews, interest holidays and forbearance offers.

The primary partner for our clients continued

The takeaway from this story...

Our investment in the frontline brought more customers into the fold, seeking value and personalised offerings. A consistent improvement in customer experience resulted from the recognition that each customer's story matters. The new brand positioning improved brand consideration.

We delivered low single-digit active retail and corporate customer growth, driven by new propositions, targeted segment growth and personalised customer interactions using AI. Persistent economic pressure means that business and corporate clients, particularly those that are consumer-facing, may not be able to sustain their current resilience. Absa's product excellence and partnerships remained a core strength.

4% growth in total customer numbers (2023: 4%)	**70%** growth in Absa Rewards since 2022	**101** Group Customer Experience Index score (2023: 96)

Where to from here – focus areas for 2025

- Develop franchise-led customer propositions supported by product excellence
- Embed our brand promise to deliver an intuitive and seamless colleague and client-lived experience
- Continued acceleration of payment modernisation
- Expand customer touchpoints and boost sales conversions by leveraging our extensive branch network and agency relationships
- Further commercialise existing partnerships.

Awards

Global

- Absa Bank Limited was selected as the Winner of the Best Islamic Banking Window in South Africa at the 2024 International Finance Awards
- Absa Insurance Company was selected as one of the best insurers in South Africa by Forbes and Statista (awarded in 2024), being named as the second best vehicle insurer in South Africa at the Forbes' World's Best Insurance Companies Awards
- Absa Bank Ghana was awarded Best Retail Bank in Ghana 2024 by The Asian Banker at the Global Excellence in Retail Finance Awards
- At the Global Brands Magazine's Global Brand Award Winners 2024, Absa Bank Mozambique was awarded the Best Customer-Centric Banking Brand, Absa Bank Tanzania was selected as the Fastest Growing Banking Brand and Absa Bank Uganda was recognised for Most Innovative Credit Card Feature.

Africa/regional

- Absa Bank Limited was appointed Winner of the Best SME Bank South Africa by Euromoney in 2024
- Absa Bank Limited was awarded Best Retail Bank South Africa in 2024 by The Asian Banker
- Absa Bank Mauritius was recognised for Outstanding Account Opening and Onboarding in Mauritius at The Digital Banker Middle East and Africa Innovation Awards 2024
- Absa RB received the Excellence in Payments Award 2024 by Finnovex.

In-country

- In 2024, Absa Insurance Company, for the second year in a row, received the 2023 SA Motor Body Repairers' Association Awards in three significant categories: Best Insurer, Winner in the Service Excellence Category and Best Insurance Payer
- First Assurance Kenya awarded 2024 Think Business Awards Best Insurance Information Technology Applications Award
- Absa Bank Tanzania was selected as the Most Improved Organization in the Tanzania Annual Service Excellence Awards 2024 by The Chartered Institute of Customer Management
- Absa Bank Zambia was recognised for Customer Experience Excellence at the 2024 Zambia Customer Service Awards.

Material matters

- Delivering returns-focused growth
- Elevated levels of sovereign and country risk
- Supporting social cohesion and stressed consumers
- Regulatory focus on banking models and returns
- Digital advancement and stewardship
- Climate change and a just transition.

Capitals

Contributing to SDGs

SDG 5 | SDG 7 | SDG 8 | SDG 10 | SDG 13

A digitally powered business

We aim to be a digitally powered business delivering seamless experiences to delight our clients and employees. We achieve this through transforming our technology landscape, embedded data and applied AI, as well as being the home of Africa's top technology talent. Our foundation is built on trust and security, and agility to drive performance.

Absa uses technology to achieve differentiation in digital experience and to improve accessibility for our customers and employees. We continue to transform our core business processes in promoting efficiency and achieving a lower cost-to-serve.

Our digital investment and implementation focus is guided by the Absa Technology Roadmap, which was developed according to the principles of purpose-led technology. The roadmap is anchored in our brand promise to give us a distinct competitive advantage. We adjusted the roadmap's pace and sequence of activities in line with business priorities and affordability over the year, recognising the critical capabilities required for success, combined with building a culture for performance.

A digitally powered business continued

The Absa Technology Roadmap has four strategic intents

1	2	3	4
Deliver seamless experiences to delight our clients and employees	Shape the future with data and applied AI	Transform our technology landscape	Be the home of Africa's top technology talent

Delivering seamless experiences to delight our clients and employees...

We believe technology must align with our brand promise to provide human-centred empathy with an intuitive and seamless customer experience. To create this experience for customers and employees, we focus on the end-to-end design of existing and new digital capabilities. Our success is evident in the increase of digitally active customers and the introduction and adoption of new digital products and services.

Absa is one of the most reliable banks in Africa, with 99.98% Group service availability. We aim to remain a market leader in operational stability, while delivering innovative technology stacks, enhanced digital capabilities and employing modern architecture and tools to enhance experiences and streamline our processes.

For us, digital transformation is about more than just technology. It is about leadership, culture, talent and ways of work to help us maximise long-term benefits and returns.

We continue to invest in solutions that embed resilience, trust, security, and sustainability to build a competitive edge and remain future fit. This investment is supported by a growing number of Absa business leaders who have a deep understanding of digital, data and technology and its transformative capabilities.

Key 2024 initiatives and progress included:

CustomerOne

Our CustomerOne initiative was at the core of our Salesforce-powered ecosystem and operations, leading digital transformation. We achieved a 22% increase in employee adoption and facilitated over 5.2 million interactions. Customer contacts increased by 205%, totalling 1.7 million with 8.8 million cases managed on the platform. CustomerOne was key to creating a unified view of our customers, fostering more profound, meaningful relationships, and demonstrating our unwavering commitment to customer-centricity. The platform's robust architecture delivered 99.98% system availability while simultaneously driving a 212% increase in sales applications processed, illustrating operational excellence, and reflecting a strong platform for further growth and market leadership. With AI-powered insights being built into CustomerOne, we plan to deliver hyper-personalised customer experiences, with API-led connectivity to fuel seamless integration and rapid innovation, combined with a new generation of 20 Salesforce architects to improve our time-to-value.

Absa Access

Absa Access is our digital banking platform where corporate clients and employees can access all banking services in one place through a SSO. CIB client health showed strong performance, driven by excellent client experiences.

The overall client experience (CX) improvement resulted from significant growth in the CX index, satisfaction with our banking services, and the strength of our digital channels. Client satisfaction with Absa Access improved by 103% from 2023, with platform availability maintained at 99%. Absa Access delivered enhancements in both platform security and the quality of customer service and support.

VAF acquisition and workflow platform

The onboarding of several new strategic automotive partners was a key achievement in 2024, bringing us closer to our goal of becoming the bank of choice for the automotive industry. The new acquisition and workflow platform increased preferential selection capabilities and unlocked growth and value opportunities to enhance franchise value. We introduced a targeted model to address first-party fraud by improving loan loss rates and supporting better decision-making during customer acquisition, thereby reducing risk and safeguarding business value. The integration of comprehensive motor insurance in the acquisition platform enhanced brand visibility early in the acquisition process, aiming at boosting conversion rates and driving bank assurance growth opportunities.

14.2% composite growth in digitally active customers for the Group	Retained **99.98%** Group Service availability	**11%** increase in change volumes within the environment	**1%** change failure rate

...While accelerating innovation momentum

Our technology transformation fosters innovation and solution delivery at greater speed allowing us to compete more actively with peers and quickly respond to the fast-paced and changing environment we operate in. In addition, we have been enabling improved customer and colleague experiences while promoting cost and process optimisation.

Key 2024 initiatives and progress included:

- The Home Improvement Personal Loan website was launched, enabling customers to apply for loans up to R350 000 seamlessly through the Digital Web process.
- We managed costs and contained increases through tangible cost reduction initiatives:
  - The migration from physical infrastructure to virtual technology reduced branch server costs
  - Cash slips were digitised in physical channels
  - ATM receipts were removed for select transactions
  - Impression on signature pads was eliminated
  - We optimised contracts and relationships with contractors
  - End-of-day automation reduced general ledger balancing time by 50%.

A digitally powered business continued

- Digitisation and efficiency outcomes were achieved via hyper-automation, hyper-personalisation, intelligent products, GenAI and innovation at scale. This led to improved customer experience via Contact Centre Bank of Tomorrow Today (BoTT) deployment:
  - Personal loan applications are now completed in 15 minutes
  - The launch of the EB Card Credit Coach financial literacy initiative empowered customers to take control of their credit status and make well-informed financial decisions.
- ATM card replacements were reduced to under two minutes. The card replacement capability was deployed to a total of 200 devices and approximately 19 000 successful card replacements were done on ATMs to date. Card replacements were also integrated with the Timiza Digital Wallet and resulted in enhanced stability.
- The alternative channels ATM automated cash count process enhancement minimised the risk of losses and improved cash count time duration.
- Customers can now use interactive voice response for identification in collections, Financial Intelligence Centre attestation, dealer settlements, changes in vehicle finance applications, and customer experience surveys saving an average of 8 816 hours per month.
- Fraud technology was powered by digitisation, automation and productivity transformation using the fraud risk management case solution that allows customers to resolve suspicious transactions autonomously, achieving a 54% automated resolution of suspicious card and digital transactions mainly driven by WhatsApp.

Digitisation and efficiency outcomes

15 minutes	<2 minutes	54%	R94m
to complete a personal loan application	to replace your ATM card	of resolutions through WhatsApp	collections through robotics

- Collections through Debt Manager, Salesforce and robots improved performance due to digitisation and automation:
  - Automated middle- and back-office activities achieved an 80% adoption rate on Salesforce and delivered commercial benefits of over R80 million
  - Faster processing times were recorded by robots. For example, the processing time for set-offs of less than R500 was reduced by 100%, freeing up staff to focus on complex, value-added tasks
  - Debt Manager write-offs and charge-offs were fully automated
  - Collections derived from robotics deployments reached about R94 million
  - Customer service improved as customers can now receive their requested documents faster, for example in debt sales and quicker overdraft processing
  - Minimal human error was experienced as robots and Debt Manager automation reduced the risk of human error that is inherent in manual capturing processes.
- Enhanced customer experience was due to the introduction of servicing features on digital channels and digitisation of the non-empathy function, reducing feet in branches, supported by:
  - Creating the option for customers without transactional accounts to place notices for funds withdrawal on their notice investment products, a feature previously not available on digital channels
  - Providing our customers with rich insights into their rewards scoring, tiering and earn (actual and potential earn across their product holding), as well as targeted customer engagement via Absa Advantage challenges.
- We implemented a digital self-service portal to streamline key customer journeys and boost digital adoption, leading to higher sales and opening doors for cross-selling.
- We introduced ChatWallet, a digital wallet accessible via WhatsApp, allowing users to perform CashSend transactions, buy prepaid products, and make payments. The functionality depends on the customer's regulatory Know Your Customer level during the wallet setup.
- New digital features and WhatsApp capabilities were rolled out for Home Loans, Life Insurance, and Non-Life Insurance customers to enhance real-time interaction enabling customers to receive quick responses to their queries and support requests.
- The Absa Wellness platform was successfully deployed to employees in South Africa and will be launched to Absa Life customers in 2025. The platform will drive holistic wellness by helping customers to focus on mental, physical and financial wellbeing.
- The Absa Growth and Productivity Platform transformed the bank's financial advisor community by enhancing customer advisory services and solutions, significantly reducing processing times. The key benefits included revenue generation, AI integration and proactive engagement.
- Digital card provisioning enabled customers to use their cards on Google Pay, Samsung Pay and Apple Pay.
- The Digital Open Market eCommerce Payments API went live on the Ozow and Stitch eCommerce Payment Aggregator platforms, resulting in increased revenue due to partnership scaling.
- We made several enhancements to the Absa banking app, allowing customers to manage their banking, home loans, vehicle finance, reward, and insurance relationships via the single secure, reliable application.

... And shaping the future with data and AI...

We believe that data is the lifeblood of embedded AI and key to driving our digital transformation as we deliver empathetic and seamless customer experiences. We made progress on improving and unlocking value from our data environment across technology, people, and governance. We are now able to understand the needs of customers through spending behaviours that are enabling valuable insights for tailored customer products. We use a transaction intelligence product that has processed over 2.7 billion transactions which were mapped to over 73 000 brands. By identifying broad associations in bank product holdings and customer traits, the Next Best Product recommends up to three next most relevant products for a customer. It has delivered benefits of over R250 million annually and achieved a sales conversion increase of over three times, thus creating new revenue streams for Absa.

In the credit landscape, we leverage customer behavioural insights, including income prediction, using transactional data and non-traditional sources. This enables us to determine customer income and credit worthiness, allowing us to understand customers at risk and implement measures to support them.

Propensity modelling and personalisation identified customers who are likely to acquire, churn, migrate, or upgrade. Integrating these insights into platforms like Salesforce Marketing Cloud leads to more personalisation and higher conversion rates, demonstrating the commercial value of personalised customer engagement.

The use of AI is growing exponentially, being embedded everywhere and constantly evolving. Absa continues to enhance and leap-frog efforts in the realm of AI through its investments in embedded AI, machine learning, and GenAI. We continue to see improvements in areas such as monitoring and fraud detection. Better client service is made possible by AI-based solutions that promote optimisation and automation.

In South Africa, we made progress in the development and expansion of rapid payment capabilities, such as PayShap services and Person to Business (P2B), while also digitising our cash, card issuing, and card acquiring solutions and focusing on building digitally enabled marketplaces to enhance value creation for our customers.

A digitally powered business continued

The rise of GenAI prompted us to start exploring value-driven use cases. We focus on increasing our spectrum beyond just GenAI-enabled assistants for emails and presentations to improving employee and customer engagements with chatbots, contact centre virtual assistants, and enhanced conversational AI capabilities that support customer self-service. In addition to improved productivity in software development, we are now also using GenAI to enhance business processes and speed up query resolution.

...While making banking safer and more secure

Service and security remain a top priority to safeguard the bank, its customers, and employees. We continue to enhance our security posture and service across the bank to ensure stability and improved customer experience.

Our safeguards delivered reliable and stable online digital services that showed a decline in high-impact incidents. Internal security controls remained resilient, with no severity 1 incidents recorded, and one severity 2 incident. We managed Absa's security risks by overseeing threats, promptly handling incidents, and continuously improving our security controls.

Further protective measures included investing in emerging technologies, such as Microsoft E5, and promoting a cybersecurity culture through awareness and education, campaigns, and phishing simulations for employees. Our ongoing investment in network segmentation and algorithm security hardening, enhanced protection against cyber threats and unauthorised access.

We continue evolving our cybersecurity capabilities in line with the evolving threat landscape. Our cybersecurity fabric adopts a holistic paradigm, integrating multi-layered defences across various operational domains, achieving a synergetic alert-to-incident response capability that has been instrumental in fortifying our threat mitigation tactics. Key features such as AI-powered data governance, threat protection capabilities, intelligence and automation, orchestrated Absa's adaptive posture, supported by rigorous, data-driven analytics.

Our AI and machine learning-enabled next-generation Security Information and Event Management (SIEM) solution significantly enhanced our threat detection capabilities. The new SIEM enables AI-native intelligence-driven threat hunting and provides real-time risk insights, reinforcing our commitment to improving our security posture.

The deployment of the Microsoft E5 security stack enhanced our ability to detect and respond to security threats in real time. Absa's Security Operations Centre is continuously monitoring emerging threats, ensuring that our systems remain secure against sophisticated cyber attacks.

Absa's International Organisation for Standardisation (ISO)/International Electrotechnical Commission (IEC) 27001:2022 accreditation followed the adoption of new architecture, tools and processes, which demonstrated a set of capabilities that are future-fit and comparable globally. The Cybersecurity Insurance Syndicate also acknowledged the incremental enhancements made in our security capabilities and related processes.

Absa pioneered and contributed to setting new global screening standards. In collaboration with Global Screening Services (GSS), we developed an industry-driven global sanctions screening solution that will transform the banking sector, offering all banks a tool to screen transactions against all relevant public sanctions lists across all currencies. Financial institutions provide data, such as transaction data, to GSS which returns an alert if there is a match against a sanctions list.

We remain cognisant of emerging threats from quantum computing, AI and machine learning large language models and continue to collaborate with global partners to monitor these in real time. These partnerships include cybersecurity think tanks and engagement with law enforcement agencies to ensure we can stay updated on emerging threats.

Transforming our technology landscape...

Over the last few years, we made progress in transforming our technology landscape by delivering several refreshed technology stacks and digital capabilities across the Group. We also continued to apply modern architecture and tools to improve employee experiences and streamline our business processes.

Our investments in transforming the technology landscape accelerated digital transformation, fuelled by a data and AI-first mindset to create an integrated technology ecosystem that is future fit and incorporates next-generation technologies in data, AI, cloud, core banking, and payments.

We continued building our cloud proficiency and cloud-based skills, in line with a cloud-first strategy that adopts a multi-cloud approach. These efforts improved operational efficiency, time-to-market, and time-to-value, including enhancing the value of new products and services. We took advantage of the efficiencies made available by a more agile cloud-hosted environment, combined with our investments in data and embedded AI.

EB's Data Commercialisation MAP, which is an in-house solution, boosted acquisition by over 300% and won several industry awards.

We made progress with our target digital architecture, including the application of key principles, reference models, and a new target model for architecture governance, which is overseen by our newly established Absa Architecture Council.

Application protocol interfaces (APIs), data and AI are essential for seamless integration as we make progress towards our target digital architecture. This API-driven architecture is informed by API design, security, and development standards. We established a robust API reference architecture and developed 67 APIs up to the end of 2024.

...Remaining the home of Africa's top technology talent

Parallel to our efforts to attract, retain, and develop future-fit digital skills in both career starters and existing employees, we are planning for the impact of AI and automation on certain jobs and the associated balance required.

Absa has 3 480 permanent employees across 12 countries working in technology teams. This includes our engineering capability in Prague, Czech Republic, that employs 145 permanent employees in specialised roles with scarce skills.

Over 900 employees in Absa Technology increased their proficiency in modern technology with certifications across data, cloud computing and cybersecurity. An accolade to Absa was evident from the fact that no other bank in Africa had four employees receiving Amazon Web Services (AWS) "Gold Jackets" or employees with 12 or more cloud certifications, including the first female to achieve this accolade on the continent.

Absa Technology invested over R150 million in 19 initiatives upskilling 533 participating students to address the unemployed youth skills gap and create a talent pipeline for scarce and critical skill sets. Our Young Talent Portfolio's flagship academies' highlights included:

- The Digital Academy with 90 out of 280 learners living with disabilities (physical, visual and hearing impaired).
- The Cybersecurity Academy has, since its inception in 2019, welcomed 74 students split across four cohorts from institutions such as the Hein Wagner Academy for the visually impaired and the Maharishi Invincibility Institute, a non-profit South African skills-to-work educational institution. In 2024, 32 students graduated and 20 started their internship at Absa. We replicated this model with success in our inaugural cohort of students for the Absa Data Academy, taking 20 external candidates and 77 employees on a journey of growing skills in data science and engineering.

A digitally powered business continued

- The Absa Technology Quantum Leap Graduate Programme was launched this year, with our first intake for 2025 completed, featuring a selection of 17 graduates with science, technology, engineering and maths (STEM) degrees.

We continued to invest in critical skills, leadership and management development as we build our culture for outperformance. Our investments resulted in industry-leading attrition levels, well below industry benchmarks.

The takeaway from this story

Our digital propositions contributed to higher transaction volumes and digital sales, while customer experience improved. We made progress in realigning our distribution network to optimise our branch and outlet network while encouraging a shift in customer behaviour. This will require further enhancement to our service model as we continue to improve the speed of execution against our Technology Roadmap and modernisation journey.

Our efforts and investment focus remained on maturing our banking architecture to support the time-to-market and time-to-value of innovations. We improved flexibility and scale advantage through next-generation technologies in cloud, data, and embedded AI, and applied digital thinking and technology to create business-led value propositions.

What we achieved

14.2%	99.98%	99.8%
composite growth in Group digitally active customers (2023: 9.5%)	service availability for the Group (2023: 99.98%)	retail digital channel availability (2023: 99.7%)

Where to from here – focus areas for 2025

- Retaining our position as one of the most reliable banks among our peers by maintaining a focus on service and security to support our business and technology resilience
- Continued investment in cybersecurity capabilities and enhancing digital trust
- Enhancing and maintaining a sound and satisfactory control environment to support resilience
- Contributing towards improved financial performance by using our technology and digital capabilities to drive efficiency and deliver innovation
- Enhancing our employee value proposition to attract and retain top talent in technology
- Driving strategic performance by shifting from enabling capabilities to shaping overall strategy and partnering with business leaders for technology decisions
- Maintaining focused execution of our Technology Roadmap initiatives such as core-banking modernisation, cloud adoption, data, and embedded AI, and business enablement initiatives such as Nucleus and Future Fit.

We believe technology must be a vehicle for strategy execution and we measure our success through improved financial performance, active and satisfied customers, and our ability to safeguard the digital worlds in which our customers and employees operate.

Awards

Global

- At the 2024 Global Banking and Finance Awards®, Absa Bank Limited was recognised for Digital Banking Customer Satisfaction & Happiness South Africa 2024, the Best Use of Biometrics by a Bank South Africa 2024, Best Digital Bank South Africa 2024, Best Digital Wallet South Africa 2024, and received the award for Excellence in Innovation – Digital Colleague Onboarding South Africa 2024. Absa IdeaLab received the award for Excellence in Innovation – Digital Engagement Platform South Africa 2024.
- Absa Bank Limited was recognised as the Best Bank for Technical Innovation 2024 at The Digital Banker.
- Absa Bank Limited was selected as one of The Global 100 Banks to look out for in Fraud and Security Technology.
- Absa CIB was recognised for Best Use of Data and Analytics for CX and Outstanding Digital CX: Trade Finance Initiative at the Digital Banker CX Awards 2024.
- Absa Bank Botswana was awarded Best Digital Bank in Botswana 2024 by Global Brands Magazine.

Africa/regional

- Absa Bank Mauritius was recognised for Excellence in Digital Innovation at The Digital Banker Middle East and Africa Retail Banking Innovation Awards 2024
- Absa Bank Limited received the Digital Transformation Award at the Annual Africa Tech Week Awards 2024
- Absa Bank Seychelles was selected Best Digital Bank 2024 by The Digital Banker Africa
- Absa Bank Uganda was awarded the Best Digital Banking Experience Award 2024 at the Africa Consumer Choice Awards.

In-country

- Absa Bank Zambia received the Digital Innovation Award at the 2024 Zambia Ecommerce Awards
- Absa Bank Ghana received the Excellence in Mobile Banking Award, the Outstanding Digital Transformation Award, and the CIO of the Year Award at the National Communication Awards 2024.

Material matters

- Supporting social cohesion and stressed consumers
- Digital advancement and stewardship
- Regulatory focus on banking models and returns.

Capitals

Contributing to SDGs

SDG 8 SDG 10

A winning, talented and diverse team

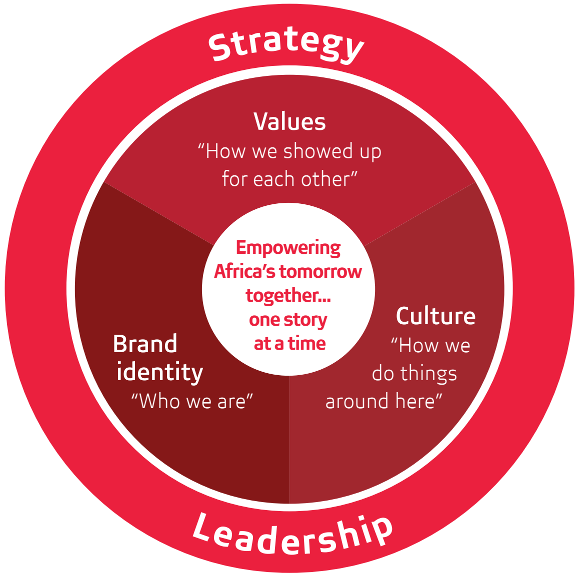
We will build a winning team by developing a competitive advantage through our culture, attracting and retaining Africa's leading talent, organising distributed leadership around our clients and supporting and enabling our people.

Our people are fundamental to Absa's success and future growth. As such, we aim to create an environment where our diverse workforce can thrive and foster a culture that enables sustainable growth. Absa's people strategy is robust and anchored in our ambition to be a leading pan-African bank.

Our purpose and values proved a strong foundation in a challenging year, reflected by lower employee experience metrics. An increasingly complex and competitive market requires a capable and competitive workforce, comprising "a winning, talented and diverse team" who are purpose-led and values-driven.

A winning, talented and diverse team continued

Building a competitive advantage through culture...



In today's hybrid workplace, we adopt an integrated approach that connects purpose, values and brand through meaningful daily interactions. Our culture transformation journey continued as we made progress in creating such a connected environment.

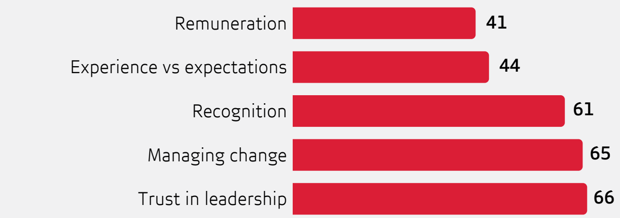
We faced material challenges that impacted our human capital landscape. Most notably, leadership disruption and instability created pressure on our employer brand, as reflected in our employee experience index.

Our areas of strength

Top 5 drivers (%)

What we need to focus on

Bottom 5 drivers (%)



...And listening to the voices of our people

Our annual employee experience survey continues to demonstrate strong organisational commitment to listening and feedback. Participation levels reached a new high of 91% in 2024, building on the 88% participation rate in 2023. This continued increase reflects our employees' sustained engagement in organisational dialogue and their commitment to shaping our culture.

Key outcomes were indicative of a challenging internal environment, and organisational changes experienced over the past year:

64.6
employee experience index
(2023: 71.5)

65.4%
of employees indicated they are either delighted or satisfied with their experience working at Absa
(2023: 74.9%)

7.51
out of 10 employees are satisfied working at Absa
(2023: 7.76)

+9.2%
employer advocacy score indicating how likely our employees are to recommend Absa as a bank of choice
(2023: +36.1%)

These challenges existed alongside foundational strengths. Our employees remained deeply connected to our purpose and values, with 90% believing in our values, 6% above the banking industry benchmark. The strength of our employee franchise is further evidenced by 86% of employees recommending our products and services, 84% expressing pride in our positive global impact, and 81% maintaining confidence in Absa's future. This strong foundation provides us with a solid platform for transformation and growth.

The evolution of our listening strategy, including the introduction of new benchmarked metrics and enhanced analytics capabilities, provided rich insights across multiple dimensions of the employee experience. This more comprehensive view enabled us to better understand areas requiring focused attention, particularly around strengthening trust in senior leadership and open communication.

We assess how effectively we live our values through our annual employee survey and regular pulse surveys, course-correcting any areas of improvement.

A winning, talented and diverse team continued

Keeping our values at the core...

October 2024 marked the first anniversary of our co-created values. Our values have become more than aspirational statements; they are deeply woven into the fabric of our Group, shaping how we work together and serve our communities across Africa. Find out more... ***Absa at a glance***.

The impact of our values integration is evident with 86% of our employees indicating that Absa shows commitment to ethical business decisions and conduct.

As we move forward, our values continue to guide how we show up for each other, our clients and our communities, creating an environment where everyone can contribute their best work towards our shared purpose of Empowering Africa's tomorrow, together ... one story at a time.

Nurturing a culture of ownership and belonging...

Following the successful 2023 launch of the Absa eKhaya Colleague Share Scheme to promote B-BBEE, we made significant progress in embedding a culture of ownership across the Group. Distributions made to beneficiaries of the scheme amounted to R114 million in 2024, demonstrating the tangible value created for our employees.

This scheme reinforced our commitment to transformation while enabling employees and communities to participate in the Group's success through both the Employee Trust and CSI Trust components. Our employees across our presence countries continued to benefit from this initiative, with South African employees participating through share ownership and employees outside of South Africa through a cash-equivalent scheme.

...With distributed leadership organised around clients

In response to increasing workplace complexity globally, we strengthened our leadership capabilities to drive sustainable performance.

We continue to invest in a range of development initiatives to cultivate leaders who can drive performance through human-centred empathy, empowered decision-making and clear accountability.

Our refreshed Leadership Competency Framework, leadership offerings and coaching approach equip our leaders with the necessary competency and skills to deliver on our strategic ambitions.

The home of Africa's leading talent...

Diversity, equity, inclusion and belonging (DEIB)

Our approach to talent is comprehensive and extended to creating sustainable value through our people across all our businesses. We are building an environment where DEIB are fundamental drivers of our performance and culture, positioning us to compete effectively for top talent and serve our diverse markets. We have ongoing dialogues to create a safe and inclusive workspace and continued awareness about critical issues such as gender equality, mental health, neurodiversity, gender-based violence, and LGBTQI+ matters.

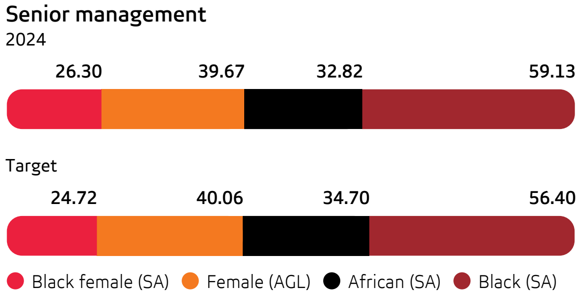
We made meaningful progress on our transformation goals in South Africa:

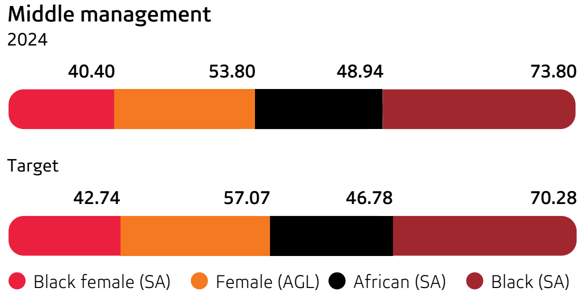
81.6%
black representation, exceeding our target of 79.18%
(2023: 80.9%)

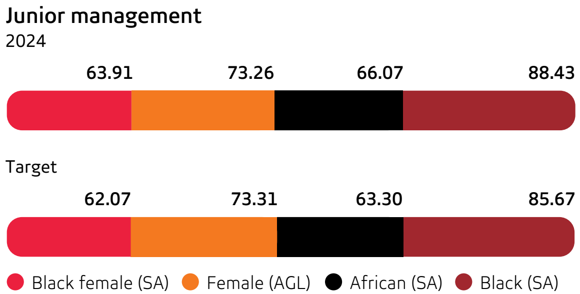
69.23%
black representation in top management, exceeding our target of 50%
(2023: 50%)

59.13%
black representation at senior management level, surpassing our target of 56.40%
(2023: 58.50%)

While we made strides in overall transformation, we recognise areas requiring continued focus.







A winning, talented and diverse team continued

Our commitment to gender equity has gained external recognition, with Absa listed among Forbes' "World's Top 400 Women Friendly Companies" for two consecutive years. This recognition was reinforced when we received the "Top Champion for Women" award at the Inaugural Worker Share Ownership Conference 2024 for having the highest percentage of female beneficiaries in the eKhaya Colleague Share Scheme.

Our focus on inclusion addressed all dimensions of diversity including disability, generational diversity, LGBTQI+ and neurodiversity. We are taking decisive steps to enhance support and drive meaningful change through comprehensive workplace assessments, working closely with our employee representation forums.

These initiatives in combination with our broader DEIB strategy ensured a workplace where diverse talent feels valued, heard and empowered to reach their full potential. We are building sustainable competitive advantage through our people, directly contributing to our purpose of Empowering Africa's tomorrow, together … one story at a time.

A focus on talent and succession

The competition for talent, particularly in critical skills such as digital, data, and technology, intensified across the African continent as well as in the global context. We reviewed our talent strategies and accelerated the implementation of a dynamic skills strategy to ensure we maintain our competitive advantage in key capability areas.

The results are encouraging:

27%	6%	68%	100%
growth in our succession pool with improved coverage across all readiness categories	increase in female and 2% African representation in our succession pool	of roles were filled through our succession plan and internal enterprise talent	of our identified successors have active development plans

Our refreshed retention strategy focused on securing leadership and top talent in an increasingly competitive landscape. Our approach is data-driven, leveraging insights from attrition patterns and employee sentiment to tailor retention efforts. By embedding these practices into the employee lifecycle and equipping managers with the necessary tools and skills, we aim to create a more engaged workforce, particularly among critical talent segments.

Our retention of high-performing employees remained stable at 95.6%[LA-IA] (2023: 95.4%), demonstrating the effectiveness of these initiatives. In 2024, total employee turnover decreased from 7.3% in 2023 to 6.8%[LA-EA] and absenteeism remained constant at 1.4%[LA-IA] (2023: 1.4%).

Our unique people promise through Absa's employee value proposition

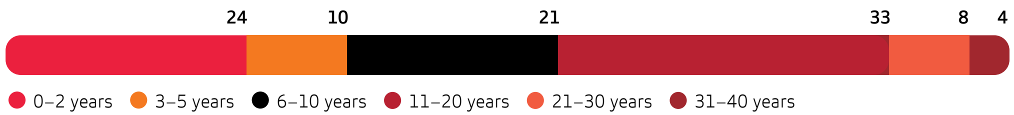
In 2024, we refreshed the employee value proposition (EVP) through an inclusive, co-created process engaging employees across the Group.

Our EVP consists of six pillars:

1. Come as you are
2. We care
3. We play to win
4. We support and reward
5. Shareholder excess return
6. My story matters

Our EVP reflects our commitment to fostering a high-performance culture, prioritising employee wellbeing and creating a workplace that adapts to the evolving needs of our diverse workforce.

Employee tenure profile (%)



Supported and enabled employees…

Building a future-fit workforce

In 2024, we shifted to a proactive "just-in-time" learning and development approach through our dynamic skills strategy (DSS). This transformation enables us to adapt to constantly changing skills needs in real time, creating an agile, responsive workforce that can make timely skills decisions and quickly apply newly acquired knowledge. Our refreshed learning portal now serves as a single, user-friendly gateway into learning for all employees, offering a streamlined, human-centred experience. By establishing a best practice standard for Capability Academies, we have created a blueprint that enables business units to develop the critical skills essential for navigating the complex terrain of modern business.

Key learning and development highlights included:

- 66.6% of all development spend was allocated to critical skills, ensuring a balanced and focused approach. We maintained our competitive advantage in key capability areas, while managing costs effectively
- R581 million[LA-EA] was invested in skills development, benefiting employees and unemployed learners, while R466 million was directly invested in the training and development of our employees (2023: R608 million; R479 million).

A winning, talented and diverse team continued

Fostering organisational resilience

We retain our flexible and hybrid ways of work as part of our dynamic work strategy, with 59.2% of our employees working hybrid. Our focus remained on building a sustainable, future-fit organisation that can adapt to market disruptions, while harnessing technological advancements.

Working strategy (%)

Rewarding for sustainable performance

At the core of our remuneration strategy, our efforts have been directed at strategically allocating reward resources, aligned with performance, ensuring appropriately competitive total remuneration in the context of our performance. We sought to increase trust in Absa's remuneration frameworks and outcomes with all stakeholders, doing so through improved transparency and enhancing the link between performance and reward outcomes. We paid R33.7 billion, excluding taxes, in remuneration, benefits and incentives to our employees in 2024 (2023: R31.5 billion). Further details of our 2024 remuneration outcomes are set out in our ***Remuneration Report***.

A focus on wellbeing

Employee wellbeing remained a focus area in 2024. Challenges from our operating environment, combined with capacity constraints at work due to cost containment measures, placed additional pressure on employee resilience.

Our commitment to holistic employee wellbeing continued to deepen through our integrated wellness strategy and programmes. Building on the foundations laid in previous years, our wellness offering evolved to create a more holistic and proactive approach that aligns with our employees' diverse needs. We increased our focus on enabling employees to be accountable for their own wellbeing while also enabling leaders in managing wellbeing.

The takeaway from this story

While 2024 presented significant challenges reflected in our declined employee experience index, we maintained strong foundational elements that position us well for the future. Notably, our talent management and succession practices show tangible progress, with the succession pool growing 27% from 2023 and encouraging improvements in diversity, as female representation increased by 6%.

Our commitment to sustaining the diversity, equity, inclusion and belonging of our workforce continues to yield results, with meaningful progress in representation across occupational levels.

Through our comprehensive Culture Transformation Programme and strengthened talent practices, we are creating an environment where all colleagues can contribute to Absa's success, while delivering sustainable value for our stakeholders.

What we achieved

39.67%	95.6%	R114 million
women in senior leadership (2023: 38.78%)	high-performance retention rate (2023: 95.4%)	inaugural eKhaya Colleague Share Scheme dividend paid

Where to from here – focus areas for 2025

To enable our strategic objectives and drive sustainable high performance, we will focus on three key priorities in 2025:

- Drive strategic talent management through targeted critical skills development, enhancing Employer Brand, retaining key talent and deepening succession
- Foster leadership resilience through enhanced engagement, building an agile workplace and enhancing people management excellence
- Accelerate culture transformation, including by building trust and cohesion, eliminating culture tensions and embedding high performance.

A winning, talented and diverse team continued

Awards

Global

- Absa Bank Botswana was selected as the Best Bank for HR and Recruitment, Absa Bank Mozambique was recognised as Best Place to Work and the Absa Digital Leadership team was voted the Best Banking Leadership Team at the 2024 Global Banking and Finance Awards®
- Absa Botswana's Managing Director received the BIZZ Award for Business Excellence at the World Confederation of Businesses.

Africa/regional

- Certified as a Top Employer 2024 (Top Employer Institute) in Botswana, Ghana and Kenya
- The RB payments team won the CEO and CIO awards by Finnovex in the Technology and Business Executive of the Year category 2024
- Absa Bank Zambia's Managing Director was named the Outstanding CEO in the Banking Sector Award 2023/2024 by Africa Round Table and was also named the Best CEO in Digital Financial Leadership Southern Africa 2023 at the Arab-Afro Digital Payment Awards
- Absa Bank Ghana was voted the Procurement and Supply Chain Team of the Year 2024 at the Africa Procurement and Supply Chain Awards
- Absa Bank Kenya's Managing Director and CEO was awarded the African Brand Leadership Award in the Business Leader Category by Brand Africa.

In-country

- Absa Bank Ghana's Marketing and Corporate Affairs Director received the Transformational Leadership Award and the Marketing and Corporate Affairs Unit was selected as the Marketing Team of the Year 2024 at the Premier Marketing Leadership Awards
- Absa Bank Ghana received the Outstanding Employee Retention Policy Award 2024 in Ghana at the National Governance and Business Leadership Awards
- Absa Bank Mauritius received the Best Employee Engagement/Involvement Award 2024 from Business Mauritius
- Absa Bank Tanzania was selected as the Best Marketing Team 2024 by the Tanzania Marketing Science Association
- Absa Life received the Best Employer Award for 2023 Actuarial from the Association of South African Black Actuarial Professionals (awarded in 2024)
- Absa Bank Limited received the Top Champion for Women Award at the Inaugural Worker Share Ownership Conference at which the Department of Trade, Industry and Competition recognised Employee Share Ownership Programmes.

Material matters

- Supporting social cohesion and stressed consumers
- Digital advancement and stewardship
- Leadership and a performance culture.

Capitals

Contributing to SDGs

SDG 5 SDG 8 SDG 10

An active force for good in everything we do

We will manage climate change and biodiversity risks and opportunities, make a difference to the societies in which we operate, ensure the highest standards of governance and ethics and actively influence public policy and regulation.

An active force for good in everything we do continued

We have identified our strategic objectives and gauged how their achievement will enable our purpose and contribute to the SDGs.

Climate
Contribute to Africa's transition in a way that is just and fair

Financial inclusion
Make intergenerational wealth accessible to all

Diversity, equity, inclusion and belonging
Enable employees to bring their true selves to work and be a beacon of inclusion across the continent

When considering the future of our planet and humankind, we play an important role in climate-change mitigation and remain a leading player in sustainable finance transactions. We are committed to reducing our emissions, advancing sustainable finance and aligning with international climate goals. By integrating climate risks into our operations, setting interim fossil fuel reduction targets and enhancing our sustainability capabilities, we aim to foster resilience, drive sustainable impact, and support our customers in meeting their own climate objectives. In the long term, this will help us achieve our net zero target, integrate our social and environmental initiatives and ultimately make intergenerational wealth accessible to all.

We want to contribute to Africa's transition in a way that is just and fair for all. We actively foster the financial inclusion of underserved groups, particularly women and youth, focusing on affordable housing mortgages, entry-level banking propositions, targeted SME programmes and more.

We aim to serve as a beacon of inclusion across the continent. Our aim is to champion our employees, enable them to bring their true selves to work, while unlocking opportunities for our suppliers, clients, and communities.

Climate as a natural capital resource

Where to draw the line on fossil fuels...

We have set the long-term ambition to reach a net zero state by 2050 for our scope 1, 2 and 3 emissions. To achieve our net zero goal by 2050, we established specific targets for reducing both our financed and own operational emissions. These targets are aligned with global efforts to limit global temperature rise to well below 2°C.

Our portfolio is exposed to climate-sensitive sectors including coal, oil and gas. We measure loans or drawn exposure against total limits for these sectors. The overall granted limits for fossil fuel financing increased by 3% to R29 billion (2023: R28.2 billion). This was driven by an increase in the oil and gas facilities, while coal financing remained unchanged.

				% of Group gross loans and advances	
	2024 Rbn	2023 Rbn	Movement	2024	2023
Coal					
Limit	2.1	2.1	–	0.1	0.1
Drawn exposure	0.4	0.5	(0.1)	0.0	0.0
Oil					
Limit	19.3	18.6	0.7	1.2	1.3
Drawn exposure	16.8	14.6	2.2	1.0	1.0
Gas					
Limit	7.6	7.5	0.1	0.5	0.5
Drawn exposure	2.1	1.0	1.1	0.1	0.1

In context: **R1 403bn** AGL gross loans and advances VS **R29bn** fossil fuel granted limit

An active force for good in everything we do continued

Coal financing

Coal is a priority sector where we are looking to reduce emissions on an absolute basis. We support diversifying electricity and energy supply, and we strive for a balanced energy mix, supporting clients through the energy transition.

Our approach is to place a cap on emissions. Oil and gas, although still fossil fuels, offer the opportunity to transition from coal and move closer to the target of net zero. This is seen as a transition finance strategy.

Funding of the coal sector will be in line with the Group's Coal Financing Standard. We have set our target to reduce coal financed emissions by 25% from a 2022 baseline to 2030. Emissions declined 11% year-on-year from 1.897 $MtCO_2e$ in 2022 to 1.686 $MtCO_2e$ in 2023[1].

Oil and gas financing

We aim to reduce physical intensity for oil and gas. Gas plays a pivotal role in the energy transition. We view it as a critical transition fuel, essential for achieving a just transition while supporting the integration of greater renewable energy as technology advances. We also recognise the importance of sourcing gas responsibly. Our intensity-based target for oil and gas is designed to encourage the shift to cleaner energy sources and drive a reduction in methane emissions.

We have set our target to reduce oil and gas financed physical intensity by 9% from a 2022 baseline to 2030. Year-on-year, our financed emissions intensity increased by 2% from 79 gCO_2e/MJ in 2022 to 81 gCO_2e/MJ in 2023[1].

...Taking a sectoral view on financed emissions

Financed emissions serve as a foundation for assessing the carbon intensity of our lending portfolio, prioritising sector-level decarbonisation pathways, and guiding internal capital allocation decisions. The table that follows represents a partial view of our overall scope 3 financed emissions. These sectors have been prioritised due to data availability, materiality to our portfolio, and exposure to climate transition risk.

	Financed emissions (tCO_2e)	
Sector	2024	2023
Real estate (mortgages)[2]	1 080 927[LA-EA]	1 119 867
Commercial real estate (commercial property finance)	1 511 494[LA-EA]	1 644 848
Passenger cars	619 324	637 306
Vans	312 496	318 547
Trucks	56 995	54 171
Agriculture	5 701 621	6 048 880

LA-EA: Refer to separate assurance opinion in the ***Sustainability and Climate Report***.

Sectoral views

	Drawn exposure Rbn		% of Group gross loans and advances	
View 1 – High emissions sectors	2024	2023	2024	2023
Transport and logistics	166	165	10.3	11.3
Manufacturing	53	53	3.3	3.7
Mining and quarrying	31	22	1.9	1.5
Electricity[3]	6	5	0.4	0.4
Total	256	245	15.9	16.9

	Drawn exposure Rbn		% of Group gross loans and advances	
View 2 – Climate-sensitive sectors	2024	2023	2024	2023
Real estate	437	420	27.0	28.9
Transport and logistics	166	165	10.3	11.3
Agriculture	69	68	4.3	4.7
Manufacturing	53	53	3.3	3.7
Mining and quarrying[4]	31	22	1.9	1.5
Construction	11	10	0.7	0.7
Electricity[3]	6	5	0.4	0.4
Total	773	743	47.9	51.2

As regulations drive businesses towards a green economy, the opportunities in sustainable development finance could outweigh any negative impacts from financed emission limits.

...While recognising Africa's just transition trilemma

We recognise the importance of a just, orderly and inclusive transition in our climate change approach. With a clear moral obligation to act, we understand the trilemma created through the interconnectedness of balancing job creation, economic growth and environmental stewardship.

This interdependence requires that we address mitigation as well as adaptation and resilience. We set our targets for a sustainable, low-carbon economy with full consideration of Africa's unique challenges, particularly South Africa's historical reliance on fossil fuels like coal.

1 Financed emissions lag the reporting period by one year. This is due to published and audited emissions from our clients only being available one year after.
2 Real estate emissions have shifted structurally in 2023 as a result of updated data and enhanced methodology of the emissions baseline calculations
3 Excluding renewables.
4 Excludes fossil fuels for upstream activities.

An active force for good in everything we do continued

We recognise the ongoing challenges faced by the countries in which we operate, including their unique developmental journeys. For example, ARO markets such as Mozambique and Tanzania have high natural gas reserves. We view natural gas as a crucial transition fuel, providing stability during the shift to a lower-carbon economy. The decarbonisation imperative imposes real economic strain which, in turn, has a tangible impact on society. Our approach to meeting our emissions targets needs to strike a balance between promoting economic growth and ensuring that it is sustainable while adhering to our financing standards.

...And measuring the climate impact of our direct emissions

We made significant progress in meeting targets towards own carbon neutrality. A 0.52% reduction in carbon emissions was achieved year-on-year due to a decrease in our reliance on grid electricity given the persistent loadshedding in South Africa. So far, we have accomplished an overall 33.2% reduction in carbon emissions and are on track to achieve our target of a 51% reduction by 2030.

On the road to net zero with green offerings...

Sustainable finance – Climate (Rm)	2024	2023	2022	2021
RB	1 382LA-EA	1 100	600	456
PSC	443[1]	426	723	648
CIB	35 237LA-EA2	31 000	30 500	18 600
Total	37 062	32 526	31 823	19 704
Cumulative since 2021	121 115			

RB aims to finance R5 billions of embedded renewable power between 2024 and 2026. Fundamental building blocks to drive financing volumes have been created, with the expectation to grow renewable energy lending at a compound annual growth rate of 26% by 2025. Further to this, we enhanced credit standards and reviewed our loss given default (LGD) models to assess credit risk. This supports differentiated risk-based pricing for this offering.

Dedicated teams and digitisation of the initial deal flow stages ensured that we continue to improve our turnaround times. As such, we are on track to finance R5 billion over the medium term. This trend is supported by a renewable energy specialist advisory team and continued enhancements of our value propositions for customers, installers and power producers.

PSC continued to focus on financing Eco Home Loans to lower the cost of finance for customers. We enhanced our Eco Home Loan proposition by adding a unique rebate offering with support from the International Finance Corporation (IFC). In addition to this, we expanded the offering to 38 developments in the South African market further supporting developers to drive sustainable living.

1 PSC total is R2 733LA-EA.
2 CIB includes R796 million of social financing.

In March 2021, we became the first African bank to announce sustainable financing targets. We wanted to mobilise R100 billion in sustainable financing by December 2025. CIB achieved the target 12 months ahead of plan. Notable deals closed in 2024 included:

- Acted as sole arranger for Sappi Limited's R1.5 billion sustainability-linked issuance facility, a first in the industry and the largest sustainability-linked issuance in the South African bond market
- Two key renewable energy deals booked namely, the Enel deal of R5.1 billion and the Envusa Energy deal, senior debt issuance of R4.4 billion.

We are refining our sustainable finance approach to focus on higher-impact, transition-enabling investments while maintaining strong return discipline. As a result, future volumes may differ from previous plans, reflecting a deliberate shift from scale to quality, integrity, and long-term value.

Building intergenerational wealth through financial inclusion...

We are committed to expanding financial inclusion for underserved groups and SMEs, particularly women and youth, by offering affordable products and services tailored to their unique needs. Our products and services promote financial wellbeing, extend inclusion to low-income communities, and help clients build intergenerational wealth. By leveraging innovative delivery channels and supporting financial literacy programmes, we contribute to a more inclusive economy and strengthen societal financial wellness.

Sustainable finance – Social (Rm)	2024	2023	2022	2021
EB	439LA-EA	428	489	469
PSC	2 289[1]	1 936	3 900	4 300
ARO RBB	9 381LA-EA	7 038	4 961	3 115
Total	12 109	9 402	9 350	7 884
Cumulative since 2021	38 745			

Amid a national student debt crisis in South Africa, EB actively targeted the young adult customer segment through new propositions and products to improve access and affordability where new accounts grew 60% during the year. Student accounts showed 44% growth, based on offerings that include zero monthly fees and full tertiary study support, including tuition fees, accommodation and study material.

...Shoring up affordable housing

The housing shortage in South Africa is growing, with formal housing solutions often too expensive for low-income earners, due to high construction costs, limited access to financing, high levels of inequality, poverty and unemployment.

Through our commitment to the affordable housing market, we continue to drive financial inclusion by evolving our offerings and strengthening our partnerships for the benefit of the segment. Collaboration with government through the First Home Finance subsidy enabled us to house more families. We also leveraged support from the African Development Bank to strengthen our role in this market segment. Although the macroeconomic environment had adverse financial strain on consumers our affordable home loan book grew improving our market position to second place.

An active force for good in everything we do continued

Our commitment to the affordable housing market is more than just a business strategy, it is a testament to our dedication to societal progress and financial inclusion. By providing tailored financial solutions to investors, developers and the communities we serve, we aim to bridge the gap in home ownership.

Affordable housing (South Africa only)	Trend	2021	2022	2023	2024
Affordable home loans – Number of customers		7 932	6 843	3 491	4 097
Affordable home loans – Value (Rbn)	↓	4.3	3.9	1.9	2.3
Total affordable home loan book (Rbn)	↑	14.1	16.8	17.8	19
Borrower's Education Programme – Number of customers	↓	9 084	6 960	4 004	3 430

...And banking the unbanked

In our ARO markets, our financial inclusion efforts target previously unbanked or underbanked customers. For individuals, we provide access to basic banking services through digital wallets, JUMO's technology platform, mobile banking, youth offerings and government scheme lending.

For SMEs, we offer a holistic solution which encompasses access to finance, capacity-building workshops, mentorship and access to markets. In addition, our Women in Business proposition is tailored to the unique needs of women entrepreneurs. We achieved growth in active inclusive banking customers, such as ARO SME customer growth up 14% and EB growing its inclusive banking customers to 2.98 million from 2.46 million in the prior year.

Funding sourced for good...

In keeping with Absa's strategic objective of being an active force for good in everything we do, the Group raised a significant amount of sustainable funding. In particular, Group Treasury raised ESG liabilities totalling R12.4 billion in 2024, increasing the Group's aggregate ESG funding and capital to R25.5 billion. This included bonds of R4.3 billion, loans of R7.1 billion and green deposits of R995 million, thus ensuring that our financing activities support climate, financial inclusion, and diversity and inclusion. This included the milestone achievements of the first green USD syndicated loan of USD300 million for the Group, the first Tier 2 social bond of R1 billion and the first Tier 2 sustainability-linked loan of R1.7 billion for the Group, thus highlighting our strategic commitment to advancing environmental and social priorities through innovative financial solutions for our investors.

FY24 (Rm)[1]	Green	Social	Total ESG capital and funding	Balance sheet aggregate balances as at 31 Dec 2024
ESG bonds				10 915[LA-EA]
Issued under SFIF[2]	3 727	1 000[4]	4 272	
Aggregate ESG loans				13 642[LA-EA]
Bilateral/syndicated	5 442	1 700	7 142	
Green deposits				
Issued under SFIF	995		995	995[LA-EA 3]
			12 409	25 552

In 2024, we signed an extended agreement with our climate funding partner, the Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group, to increase financing capacity for climate projects in Africa. The new agreement expanded cash reserves cover to approximately USD1 billion in participating markets. Our 2019 guarantee transaction with MIGA was the first of its kind for an African banking group. This helped support climate risk in Ghana, Kenya, Mauritius, Mozambique, Seychelles, Uganda and Zambia.

Inviting diversity and inclusion...

Our DEIB strategy was revised to enhance existing and introduce new initiatives. Our DEIB agenda empowers us to serve our stakeholders better by considering their diverse needs across gender, generation/age, disabilities, and diversity of thought. Find out more... ***A winning, talented and diverse team***.

As a strategic imperative, we integrate diversity and inclusion in our people practices, including remuneration, as set out in the Group's Remuneration Policy. Our approach to fairness in remuneration is twofold: vertical, addressing disparities between various organisational levels, and horizontal, ensuring equity within the same level. Find out more... ***Remuneration Report***.

...Supporting responsible value chains

In South Africa, Absa is a major buyer of goods and services. We use our purchasing power to support supplier diversity and drive transformation. Our commitment to human rights also requires us to conduct thorough supplier assessments for human rights compliance.

The Group Procurement Policy, revised annually, underscores our dedication to managing suppliers through their entire lifecycle, from sourcing and selection to the termination of services. This policy is supported by our Supplier Diversity Standard, External Supplier Management Standard, and Supplier Code of Ethics, ensuring best practices across all procurement activities.

Our suppliers include SMMEs, national, regional and multinational companies and state-owned entities. We spent R4.5 million on qualifying small enterprises and exempt micro enterprises (2023: R4.2 million). We provide them with access to the Absa internal market through our online portal, ***www.absa.co.za/business/procurement-marketplace/.***

1 Reflected at spot as at transaction/agreement date.
2 Sustainable Finance Issuance Framework.
3 Refer to separate assurance opinion in the ***Sustainability and Climate Report.***
4 R271 million yet to be allocated to assets.

An active force for good in everything we do continued

The takeaway from this story

Absa is committed to Empowering Africa's tomorrow through our contribution to the SDGs and the Paris Agreement. We are in a position to incentivise climate-sensitive finance to ensure a responsible and just transition to greener power sources. In the same vein, sustainability metrics have been included in the executive remuneration scorecards to drive implementation.

We increased the absolute value of sustainable financing to R121.1 billion, positioning us to achieve our R100 billion target a year ahead of target. We recognise the importance of a just transition in our approach to climate change. Funding partnerships provided solutions that delivered further environmental and social benefits. We continue supporting SMEs with an emphasis on women and youth, building capacity and accountability in our value chains.

The availability and quality of sustainability data remains a challenge.

Find out more... ***Sustainability and Climate Report***.

What we achieved

R121.1 billion
sustainable finance deals for climate since 2021

R38.7 billion
sustainable finance for financial inclusion since 2021

Where to from here – focus areas for 2025

- Continue to embed sustainability into our business
- Working with our customers and communities in managing an orderly and just transition towards a more sustainable and equitable future
- Managing climate change risks and opportunities
- Ensuring the highest standards of governance and ethics
- Actively influencing public policy and regulation.

Awards

Global

- At the Global Banking and Finance Awards®, Absa Bank Mozambique was awarded Best Financial Institution Women Empowerment 2024, Absa Bank Uganda was awarded the Best CSR Bank 2024 and the Best Bank for Sustainable Development 2024, while Absa Bank Seychelles was awarded Best Financial Inclusion Service Provider
- At the Global Finance Sustainable Finance Awards 2024, CIB received the Regional Award for Africa, Best Bank for Sustainability Transparency, Best Bank for Sustainable Bonds, and the Country, Territory and District Awards in Kenya
- Absa Bank Botswana won a Silver Award for the Sustainable Bond of the Year at the 2024 Global SME Finance Awards
- Absa Bank Zambia was selected as the Best CSR Bank 2024 at the Global Banking and Finance Awards.

Africa/regional

- Absa Bank Limited was awarded South Africa's Best Bank for SMEs at the Euromoney Awards for Excellence 2024
- Absa Supplier Finance was recognised as the Innovative Supply Chain Solution of the Year and for Excellence in Procurement and Supply Chain at the Africa Procurement and Supply Chain Awards 2024.

In-country

- Absa Bank Kenya was recognised for Innovative Banking Products 2024 at the Banking on Women Awards
- Absa Bank Zambia received the Environmental Impact Tree Planting Initiative Award 2024 and the Partnership of the Year Corporate Government Award 2024 from the CSR Network Zambia Awards
- Absa Bank Limited was awarded the Best Ethics Initiative by The Ethics Institute at the Ethics Initiative of the Year Awards 2024.

Material matters

- Delivering returns-focused growth
- Supporting social cohesion and stressed consumers
- Digital advancement and stewardship
- Leadership and a performance culture
- Regulatory focus on banking models and returns
- Climate change and a just transition.

Capitals

Contributing to SDGs

SDG 5 | SDG 7 | SDG 8 | SDG 10 | SDG 13 | SDG 16

Outlook LA-IA

Long-term value creation requires future focus, responsive strategic planning and consideration of available resources.

Short term
Less than 12 months

Our next steps in 2025 are discussed by:

Our leaders:

- ***Group Chairman message***
- ***Interim Group CEO message***
- ***Group FD message.***

Business:

- A diversified franchise with deliberate returns-focused growth – ***Where to from here 2025***
- A primary partner to our clients – ***Where to from here 2025***
- A digitally powered business – ***Where to from here 2025***
- A winning, talented and diverse team – ***Where to from here 2025***
- An active force for good in everything we do – ***Where to from here 2025***.

Those who govern us:

- Board committee – ***Future focus 2025***.

Medium term
Three years

Long term
Longer than three years

We need to ensure our stated aspiration and strategic objectives are grounded – considering the risk involved, the competitive landscape, the available opportunities and our ability to deliver on these opportunities. This includes considering the availability, affordability and quality of the capitals we will require to execute our strategy.

Our understanding is informed by potential barriers and opportunities, taking into account:

- Most severe global risks in the next decade
- Medium- to long-term trends in our industry
- Medium-term outlook in our key markets.

Global

Industry

Chosen markets

We unpack each of these elements in more detail on the pages that follow.

Most severe global risks in the next decade[1]

The World Economic Forum's Global Risks Report 2025 provides a comprehensive analysis of the most pressing global risks, highlighting the long-term threats that demand our sustained attention.

Long term (10 years)

1. Extreme weather events
2. Biodiversity loss and ecosystem collapse
3. Critical change to Earth systems
4. Natural resource shortages
5. Misinformation and disinformation
6. Adverse outcomes of AI technologies
7. Inequality
8. Societal polarisation
9. Cyber espionage and warfare
10. Pollution

Risk categories:

Economic | Environmental | Geopolitical | Societal | Technological

Medium- to long-term trends in the financial services industry

Customers taking control

The role of financial institutions is changing as customers reduce their reliance on traditional banking functionality and structures. Collaboration between banks, entertainment, retail and technology players is shifting the focus from transactional needs to highly personalised interactions.

Customers are gaining more control over the financial choices they make. Digital wallets will be used by more than 60% of the global population by 2026 with enhancements including AI speech recognition to enable voice commands for transferring money, showing account balances, ordering event tickets or other online purchases. AI-enhanced super wallets will provide customers with spending and payment analyses, including trends in store preferences and credit scores[2]. This will give customers a deeper and more distinct understanding of their financial patterns, preferences and options.

[1] World Economic Forum, Global Risk Perception Survey 2024-2025.
[2] Global Payments: 2025 Commerce and Payment Trends Report.

Outlook continued

Hyper-personalisation and security

AI is making payments faster, more secure, more automated and more personalised. Banks are using AI to analyse customers' transaction data and spending histories to predict nuanced needs and behaviours, developing direct real-time offers and solutions, unique to each customer. A bank can now foresee potential customer delinquencies, foster more responsible lending practices and reduce reliance on collections. Hyper-personalisation can make a customer feel noticed and taken care of, mimicking emotive and connected human service experiences.

By using large language models, AI can also make banking safer for the individual. This includes alerting payment processors to activity that deviates from a customer's normal behaviour, preferences and appetite.

Governments and banking institutions are experimenting with biometrics, tokenisation and other digital security measures to provide more sophisticated protection.

Digital currencies and cross-border payments

Nine countries have launched state-owned digital currencies and 87 countries (representing over 90% of global GDP) are exploring the same. These central bank digital currencies exist only in digital form and are issued by central banks to improve accessibility and simplify transfers. As such, multi-currency central bank digital currencies are emerging as alternatives to existing cross-border payment systems. These platforms are improving efficiency, reducing costs and challenging incumbent infrastructure by enabling transactions in local currencies. It negates the reliance on slow systems and correspondent banks in various jurisdictions to process transactions across borders[1].

In 2025, central and commercial banks across 200 countries will participate in trials using the Swift network to carry out transactions of digital currencies and assets[2].

Climate change and banking

Banks are leveraging opportunities to finance green projects and new technology while developing sustainability-oriented products and services. As more climate-related data becomes available, methodologies and models are becoming more robust, and collaboration is scaling climate stress tests across jurisdictions.

Banks are deepening their engagement with customers as it becomes evident that exclusion and divestment policies have unintended consequences. There is also increasing recognition that exposures are becoming more complex and interconnected.

Central banks are improving analytical capabilities and monetary policy responses to climate change. Climate risk is being integrated into prudential frameworks and disclosure requirements, which will standardise models and enhance scenario development.

Expanding regulatory agendas

Regulators are paying close attention to developments in AI, digital currencies and new financial products and services as these impact banking business models, operational resilience and customer outcomes. There is increasing focus on ensuring fairness and access by addressing risks like bias and conflicts of interest, which could harm consumers.

Banks will be subject to even more supervision and transparent disclosure requirements in future. For instance, Basel IV introduces stricter capital requirements, limits on internal models, and standardised risk-weighting approaches across credit, operational, and market risks. Implementation timelines and level of adoption (alignment to proposed Basel Committee on Banking Supervision (BCBS) regulations) have varied across jurisdictions. The Prudential Authority has reaffirmed that the local go-live date remains 1 July 2025, but they continue to monitor global developments. The UK and EU delays raise concerns about regulatory fragmentation, as banks operating in multiple jurisdictions must comply with different standards simultaneously. Absa Group remains engaged with the Prudential Authority to monitor potential shifts in the local timeline and continue to execute on the implementation plan, with oversight from the Basel IV Group Executive Committee. This is leading to ever-increasing compliance costs despite automation and digitisation efforts that are improving efficiency.

ESG and good corporate citizenship claims are becoming subject to higher levels of scrutiny. Combating greenwashing is becoming one of the key preoccupations of securities regulators and policymakers[3].

Medium-term outlook in key presence markets

Absa was awarded the Most Accurate Macro Forecasting in Reuters Polls for South Africa by the London Stock Exchange Group at the Starmine Awards 2024.

South Africa – Our primary market and listing geography

Investment grades:

- Foreign currency long term (Moody's) – Ba2 (Stable)
- Local currency long term (Moody's) – Ba2 (Stable)
- National long term (Moody's) – Aa2.za
- National long term (Standard & Poor's) – zaAA+.

South Africa's economic outlook has improved, reflecting a combination of more reliable electricity supply, stabilising rail and port infrastructure and the formation of a multi-party GNU.

At the same time, cyclical headwinds, including high inflation and debt-servicing cost pressures, have abated. Against this backdrop, private sector confidence improved. The BER Business Confidence Index rose to 45 in Q4 2024, a three-year high.

1 OMFIF Future of payments 2024.
2 https://www.swift.com/news-events/press-releases/global-banks-use-swift-trialling-live-digital-asset-transactions-2025.
3 https://insights.issgovernance.com/posts/horizon-scanning-themes-and-trends-to-watch-in-esg-related-financial-regulation/.

Outlook continued

After estimated growth of 0.6% in 2024, we forecast the South African economy to grow by 2.1% in 2025 and 2026, with growth improving to 2.2% in 2027. However, the external environment, and in particular the threat of further escalation in trade friction or geopolitical tensions, presents an important downside risk to the outlook. Domestically, rising incidents of localised water supply interruptions are also a notable downside risk.

Cost-of-living pressures also moderated recently as global and domestic shocks subsided. Headline CPI inflation averaged 4.4% in 2024 compared with 5.9% in 2023. Although electricity tariff increases will continue to bite, food price inflation is likely to remain moderate as the La Niña climate pattern helps to support agricultural production. We forecast inflation to average 4.0% in 2025 and 4.5% in 2026, with National Treasury's mid-March announcement of a 0.5pp increase in VAT for each of 2025 and 2026.

In terms of interest rates, the South African Reserve Bank (SARB) cut interest rates by 25bp in January and then left the rate on hold in March, with both meetings featuring a split vote from MPC members. That split reflects a careful balance between the baseline inflation outlook, which largely comfortable, with the set of perceived risks, that look biased to the upside for inflation. Further significant rate moves later this year seem unlikely.

Regional analysis

Economic growth trends in ARO markets were mixed in 2024, with East African markets, led by Uganda and Tanzania, continuing to perform strongly. In West Africa, Ghana's economy expanded at a surprisingly robust pace despite still elevated living costs. A crippling drought weighed heavily on Zambia's performance whereas Botswana's economy contracted as a result of a sharp fall in diamond demand. Post-election violence and large fiscal constraints created significant headwinds for Mozambique.

The medium- to longer-term outlook is brighter. Disinflation, lower policy rates, improving weather conditions, strong infrastructure investment and ample multilateral support underpin the region's growth outlook. Downside risks from the US suspension of aid, adverse weather events and geopolitical tensions remain. Nonetheless, the outlook for several key markets remains constructive.

East African markets are expected to continue to set the pace in coming years, with Kenya, Tanzania and Uganda all on track to record growth of 5% and more as energy-sector infrastructure investment will once again spur growth, accompanied by modest inflation. With an end to anti-government protests, Kenya will likely continue fiscal consolidation in an effort to return to a more sustainable fiscal path, whereas in Tanzania, infrastructure investment will continue to support growth. Uganda is making progress towards becoming an oil producer, with energy-related infrastructure outlays supporting the expansion. The new government in Mauritius is likely to focus on transforming and diversifying the economy to ensure sustainable growth.

In West Africa, we expect solid growth of above 3% in Nigeria over the longer term, with living costs likely to start easing, coupled with higher oil output. Ghana's economy is set to record growth of around 5% over the medium term, supported by the mining sector, improved cocoa output and declining living costs.

Growth across southern Africa is likely to be varied, with an expected modest improvement in global diamond demand and base effects underpinning potential recovery in Botswana. The onset of the rainy season in Zambia is expected to bring some relief to agriculture and power generation while also supporting a further improvement in copper production. Mozambique's debt and sociopolitical challenges remain a concern and rating agencies have warned about the risks to domestic debt servicing.

Baseline scenario for Absa's top five presence countries	2025	2026	2027
South Africa			
Real GDP (%y/y)	2.1	2.1	2.2
CPI (% avg)	3.7	4.6	4.6
Policy rate (% eop)	7.50	7.50	7.50
Botswana			
Real GDP (%y/y)	4.1	3.5	3.7
CPI (% avg)	3.0	4.3	3.1
Policy rate (% eop)	1.90	1.90	2.15
Ghana			
Real GDP (%y/y)	4.8	5.0	5.3
CPI (% avg)	21.0	13.9	11.2
Policy rate (% eop)	21.0	16.0	15.0
Kenya			
Real GDP (%y/y)	4.9	5.0	5.1
CPI (% avg)	4.5	5.0	5.3
Policy rate (% eop)	9.0	9.0	9.0
Mauritius			
Real GDP (%y/y)	4.5	4.0	4.2
CPI (% avg)	3.9	4.0	4.2
Policy rate (% eop)	4.50	4.00	4.00

Source: Absa Economic Research Q1 2025, SSA Viewpoints pages 9, 14, 18 and 21. South Africa data based on Absa Economic Research team assessment as at 20 March 2025.

Outlook continued

In the 2025 WEF Executive Opinion Survey, executives from more than 110 economies, including our core markets, voiced their concerns around economic, environmental and societal issues. Notable was the fact that geopolitical concerns were not included in their top five risks. However, given recent geopolitical shifts prompted by the new US administration, this view is likely to swing quite dramatically.

Executive Opinion Survey 2025[1] – Top five risks over the next two years

South Africa	Botswana	Ghana	Kenya	Mauritius
Energy supply shortage	Unemployment or lack of economic opportunity	Inflation	Economic downturn (e.g. recession, stagnation)	Labour and/or talent shortage
Unemployment or lack of economic opportunity	Poverty and inequality (wealth, income)	Pollution (air, water, soil)	Unemployment or lack of economic opportunity	Extreme weather events (floods, heat waves etc.)
Water supply shortage	Economic downturn (e.g. recession, stagnation)	Public debt	Public debt	Public debt
Poverty and inequality (wealth, income)	Food supply shortage	Economic downturn (e.g. recession, stagnation)	Poverty and inequality (wealth, income)	Inflation
Economic downturn (e.g. recession, stagnation)	Inflation	Unemployment or lack of economic opportunity	Food supply shortage	Economic downturn (e.g. recession, stagnation)

Risk categories: Economic | Environmental | Geopolitical | Societal | Technological

Possible effects on our strategic ambitions...

We identify which strategic pillars are most at risk by assessing global risks, industry changes, and key market trends. The data also helps us understand how the effects on the continued availability and affordability of capitals most impacted. We view the possible effects over the medium and long term as follows:

A diversified franchise with deliberate, returns-focused growth

Capital most impacted

During our strategic planning process, we consider various scenarios over the medium to long term and the potential impact on our strategic choices. The scenarios consider the global macroeconomic environment as well as climate, societal and geopolitical factor as relevant.

We remain cautiously optimistic about the recovery of sovereign fiscal positions and market liquidity in some of our ARO markets beyond 2025. With many of our operating markets exhibiting economic recovery, we anticipate opportunities to leverage organic growth, expand alternative revenue streams, reduce credit losses towards our target range, and pursue active capital management and selective risk-taking that focuses on quality of returns.

We maintain a measured outlook on South Africa, while closely monitoring progress within the GNU and the reforms in electricity supply, logistics, and freight transportation infrastructure.

The primary partner for our clients

Capitals most impacted

In an era where customer needs are constantly evolving, delivering personalised and tailored banking services has become essential to meeting the diverse and dynamic needs of our customers. More customers are embracing digital and fintech banking solutions such as Mobile Money and digital wallets. Competition for customer primacy is also increasing with players, both traditional and non-traditional, competing across all elements of the financial services ecosystem. We are focusing on developing digital capabilities based on changing client needs, investing in client experience and delivering superior client value propositions driven by our unique data insights.

[1] World Economic Forum – Global Risk Report 2025.

Outlook continued

A digitally powered business

Capital most impacted

New competitors are entering conventional banking markets, enabled by AI-driven technologies, fully cloud-native operations and without the burden of having to modernise legacy IT systems. These competitors are highly efficient and effective in client acquisition and product innovation. Our medium-term plan, therefore, relies on digital and technology skills, investment and modernisation. The latter primarily focuses on offering tailored digital solutions, improving digital service delivery, enhancing our cybersecurity resilience, supporting operational efficiency and ensuring regulatory compliance.

A winning, talented and diverse team

Capital most impacted

External factors such as growing market competition for critical and scarce skills from traditional, non-traditional, local and international competitors, the flight of scarce skills and poor education levels on the continent continue to introduce people risk to the attainment of our strategy. In response to these challenges, we continue to invest in the training and upskilling of our employees, developing succession plans and creating a conducive workplace to attract top talent.

An active force for good in everything we do

Capital most impacted

The world continues to experience more frequent and severe natural disasters, and adverse weather events due to rapid global warming. Financial institutions will continue to face societal pressure and expectation to contribute to the fight against global warming and towards a net zero future.

Past economic and energy crises have led to certain jurisdictions delaying or scaling back decarbonisation efforts due to immediate economic or societal pressures. This dynamic pose significant risks for banks operating in these markets, as they must balance transition plans against market competitiveness, regulatory uncertainty, reputational risks, and potential shifts in capital flows. Most of our markets are still characterised by high levels of income disparity and the need to address financial inclusion will be critical for our long-term sustainability.

At Absa, our sustainability strategy is embedded within our corporate strategy, and we believe sustainability investments provide a competitive advantage.

...and medium- to longer-term targets

Short term

Our 2025 guidance can be found in the ***Group Financial Director's message***. This reflects improvement in our RoE to slightly above 15% aligned with our focus on improving shareholder value creation over time.

- RoE target 2025: 15%.

Medium term 2026

RoE recovery to 16% underpinned by:

- CTI improvement through delivery on our productivity programme
- Improvement in NIR growth particularly in Retail SA
- Improved growth and returns from Africa regions.

Long term

We are clear on our long-term ambition to be a leading pan-African bank, positioned among continental industry leaders through our aspiration to:

- Returns-focused and improved shareholder value with sustainable growth
- Improve our operational excellence and our CTI ratio.

To maintain relevance and achieve success in the medium term, we respond to prevailing trends by continuously monitoring the horizon for strategic opportunities to execute our strategy and create value over time.

Value preserved... through sound governance

Protecting value through strong governance

Sound corporate governance practices are vital to create and sustain shareholder value and to ensure behaviour is ethical, legal and transparent – thereby reducing the risk of value erosion. Our Board is committed to continuously improving our corporate governance principles, policies, and practices by remaining abreast of evolving regulations and best practices. This is further enhanced by engaging with regulators and industry bodies and seeking regular feedback from other stakeholders.

Leadership, ethics and a force for good[LA-IA]

In line with our pursuit of best-practice governance, we focus on the four governance outcomes as envisioned by King IV. We are compliant with all the principles as outlined by the Code.

Ethical culture

The Board sets the tone and leads the Group ethically, effectively and responsibly. In decision-making, individual Board members act with independence but on a consensus basis, with competence, commerciality and challenge, and with the necessary awareness, insight and information. The Board ensures that the Group plays a key role in society as a trusted taker of deposits, contributor to financial markets, lender, major employer, buyer of services, contributor to the local community, taxpayer and skills provider.

Effective control

The Board provides guidance to, and oversight of, the management of compliance risk, remuneration, the enterprise-wide risk management, and the related lines of defence that support good governance practices. The Board actively monitors the control environment and adjusts risk appetite and growth objectives.

Good performance

The Board is accountable for the performance of the Group, considering the possible positive and negative outcomes of the Group's activities and outputs on the economy, society and the environment in which we operate (see our ***business model*** for more detail on activities, outputs and positive and negative outcomes). Taking these factors into account, the Board approves the strategy and any changes thereto. The Board also monitors the execution of the strategic objectives.

Legitimacy

Absa is grounded in the communities within our presence countries in which we operate. The Board oversees the Group's stakeholder policies and takes a stakeholder-inclusive approach, recognising the need for transparent disclosure and open channels of communication.

Ethical leadership[LA-IA]

Good conduct is fundamental to guarding against value erosion, thereby supporting the financial services industry's sustainability and enabling value creation and preservation.

Good conduct is driven by our daily behaviours and exhibited in our individual and collective actions and decisions. **The Board assumes ultimate responsibility for the Group's ethical** performance and adherence to human rights principles. The implementation of this responsibility is delegated to executive management while the Board oversees the various tools, processes and systems used to embed an ethical culture in the organisation.

The **Board Charter** is the constitution that guides our Board and its committees in their activities, decisions, and dealings with each other, with management, with our stakeholders and with the Group as a whole. It is designed to guide directors and external audiences on how we approach critical issues within the Group. It aligns with the MOI, the South African Companies Act, King IV, the JSE Listings Requirements, the Basel Practices on Governance, the Financial Sector Regulation Act and the SARB Directive 4/2018. The **Group Governance Framework** is the glue that holds together the Group's material subsidies in their practices, policies and decision-making. This ensures alignment in our approach to risk, governance and policy in all entities and all jurisdictions. The framework also sets out the Group's **minimum requirements** regarding matters such as governance, internal controls, financial management, disclosure controls, risk management, legal and regulatory compliance, internal audit, ethics management, human resource management, information management, stakeholder relationships and sustainability.

We consider actual and potential **conflicts of interest** at each of the Board and Board committee meetings, in the declarations of interest registers (which are reviewed at least every three months) and in the annual assessment of directors' independence. A director may accept other board appointments, provided potential conflicts are considered and appropriately disclosed and managed, and the appointments do not conflict with the Group and/or adversely affect the director's duties. Before accepting such an appointment, the proposed board appointment must be agreed upon with the Chairman, and in some instances the Directors' Affairs Committee, to consider matters of capacity and potential conflict. The Group Governance Framework, Board Charter and the Board Conflicts of Interest Policy provide guidance on how to treat any conflict of interest at Board level.

Directors are responsible for avoiding situations that place, or are perceived to place, their personal interests in conflict with their duties to the Group. A director or prescribed officer and all our employees are prohibited from using their position or access to confidential and price-sensitive information to benefit themselves or any related third party, financially or otherwise. Where actual or potential conflicts of interest are declared, unless determined to be non-material, we implement a recusal procedure and affected directors are excluded from discussions and any decisions on subject matters related to the declared conflict.

Protecting value through strong governance continued

An ethical bank[LA-IA]

Our conduct and how we do things are consistent with our purpose.

Absa's values shape our culture and guide the way we behave and how we want our colleagues, customers and stakeholders to feel about interacting with us. By creating an environment where everyone feels valued, empowered and supported, our people can live our purpose and values as co-owners of our culture and deliver on our ambitions of outperformance. Our values are complemented by a set of behaviours. Together, they guide how we should interact with our colleagues, customers and clients, and the communities in which we operate.

An ethical culture fosters values-based decision-making and shows how our policies and practices align with the Absa values. This drives the proper behaviour concerning our stakeholders.

Our values	Behaviours underpinning our values
Trust We believe in ourselves and each other	• I celebrate others' success • I take accountability for my actions • I embrace honesty and integrity • I create a safe space for others to fail forward • I am supportive, empathetic and kind.
Resourceful We innovate for our colleagues, clients and communities	• I am curious and willing to learn • I take the initiative to solve problems • I am decisive in my actions • I bring my best self to work every day so I can out-perform for our customers • I am resourceful and creative in my problem-solving.
Stewardship We take actions today that sustain tomorrow	• I am mindful of how my actions will impact future generations • I am committed to exceeding expectations • I embrace life-long learning • I cultivate a growth mindset • I embrace challenges as an opportunity to grow.
Inclusion We are stronger together	• I seek out collaboration • I embrace and celebrate diversity • I create safe spaces and honour others' boundaries • I treat all people with care and respect and endeavour to earn their trust • I share my knowledge and transfer my skills freely.
Courage We show up as our authentic selves and own our story	• I see and honour the humanity in others • I create a safe space for others to be vulnerable • I show up authentically • I speak up for others • I value others' unique contributions.

The Absa Way Code of Ethics outlines our values and expected behaviours when engaging with our fellow employees, customers, shareholders, governments, regulators, business partners, suppliers, competitors and the broader community. The objective is to define how we think, work and act as a Group to ensure we deliver against our purpose. The Absa Way Code of Ethics and Group Conflict of Interest Policy is reviewed and approved annually by the SSEC, with the final approval of the Conflict of Interest Policy being done by the Absa Group Board. The approved revised Absa Way Code of Ethics includes, among others, the regulatory posture and the ethics principles on responsible use of AI.

In 2024, Ethics Management Plans were developed and implemented across the Group in response to the key ethics risks identified from the 2023 ethics risk survey assessment. The Ethics Management Plans include senior leadership training, general awareness training and various other interventions designed to enhance leadership impact and effectiveness of reporting systems and the culture of "speaking up".

The Absa Way "speak up and speak out" training continued to be rolled out in 2024 and included lessons learnt sharing as per ethics risks within our various jurisdictions. The Absa Way Code of Ethics LMS Training, which is a system-based training for new joiners and annual training for the rest of our employees, was rolled out.

As an active force for good, Absa Group is proud to sponsor, for the second year, the Business Ethics Network (BEN) Africa Conference that took place from 7–8 November 2024 in Accra, Ghana. This is in support of shaping business ethics on the African continent. The 2024 edition of the BEN Africa Conference was held under the theme "Agenda 2063 and a sustainable Africa: the role of ethical businesses". As part of the 2024 conference, Absa hosted the Absa BEN Africa Supplier Day on 6 November 2024, where small businesses were given an opportunity to participate in the Ethically Aware Supplier Induction Programme tailored to focus on Absa suppliers. Absa jointly held the Banking Association of South Africa Industry Conference with other major local banks under a theme "Banking on Ethics". The conference further focused on the importance of building an ethical culture in South African banks.

In 2024, the Ethics Institute announced Absa Group as the winners of the Ethics Initiative of the Year Award, in recognition of the Absa Ethics Programme. It specifically recognised the way Absa managed and executed the Ethics Programme to foster and improve the organisation's ethical culture.

We are equally proud to have hosted the Absa Ethics Day in celebration of the Global ethics day under a theme "Ethics Empowered". The event was also focused on reinforcing the ethics principles, psychological safety and the trust in the existing reporting channels such as whistleblowing. The Ethics Ambassadors Forum continues to drive the conversation on ethics risks and tools.

Protecting value through strong governance continued

The **Insider Trust Programme** aims to prevent insider threats and mitigate the associated risk. We conducted employee assessments across cyber, fraud and physical security domains.

Several mechanisms govern **employee conduct**, including but not limited to, the Absa Way Code of Ethics, Absa Values, Employment Relations Policy, Conduct Risk Framework, Fraud Risk Policy and Outside Business Affiliation Standard.

Absa has zero tolerance for wilful detriment to customers, clients, market integrity, and competition caused by inappropriate supply of financial services, including wilful and negligent misconduct, breach of regulatory requirements and unethical behaviour. Personal accountability is central to our culture and ***our behaviours***.

We monitor employee conduct through several risk mitigation tools such as the C-Zone compliance monitoring platform, culture surveys and tracking disciplinary cases, grievances and incapacity matters in line with our Employment Relations Policy. Conduct also forms part of an employee's annual performance assessment. Platforms have been created for employees to report inappropriate conduct, including a whistleblowing avenue that enables employees to report such conduct anonymously.

Unethical and other forms of improper conduct by an employee may result in a range of possible disciplinary sanctions, including summary dismissal. In South Africa, a dismissal for an act of misconduct with an element of dishonesty also results in the employee being REDS listed on the Database maintained by the Banking Association South Africa for a period of five years and/or debarred, where called for. In instances where the misconduct also amounts to criminal conduct, a criminal case is also initiated against the employee.

The number of disciplinary cases as a percentage of employees increased in 2024, with a total of 2 192 cases that were initiated (2023: 1 678), of which 535 (2023: 341) were due to ethical breaches. Most cases in 2024 pertained to less serious offences. However, the increase in misconduct cases highlights the bank's commitment to addressing and correcting unacceptable behaviour through the application of progressive discipline principles.

Whistleblowing is a safe platform for employees to raise concerns regarding unethical behaviour and/or fraud confidentially and anonymously. We saw the highest number of whistleblowing cases in the fourth quarter of 2024, which could be attributed to the whistleblowing awareness week campaign. Uncharacteristically, an unusual number of customer complaints were received through whistleblowing channels. As in previous reporting periods, "Breaches of Policy, Procedures or Controls" was also a prevalent category of whistleblowing matters reported in the quarter.

In 2024, 573 tip-offs were received, of which 145 (41% of closed cases) were substantiated and 149 were unsubstantiated to date, while 59 were concluded as inconclusive. 220 matters remain under investigation (2023: 441; 35% substantiated). 317 tip-offs were staff conduct related, of which 84 (43% of closed cases) were substantiated to date (2023: 301; 38%). The ageing of whistleblowing cases is actively monitored and reported on, and regular feedback is provided to whistleblowers where they choose not to be anonymous.

While many cases were unfounded, those upheld contain essential insights for management to ensure additional controls, consequence management or other behavioural changes. The necessary investigations were undertaken, and appropriate disciplinary action was applied where necessary. Five dismissals and eight resignations were recorded. We refer criminal offences to the relevant authorities for criminal prosecution. Whistleblowing is audited regularly (internally and externally), where external audit focuses on benchmarking the whistleblowing process and internal audit assesses the details behind the process.

Data privacy and the protection of personal information is integral to how we treat personal information. Our Group Data Privacy Office has oversight on all data protection activities and continues to report on compliance obligations and data privacy best practice. This includes data privacy breaches and remediation, reviewing privacy impact assessments to ensure we include data protection at the inception of product development, and partnering with the data governance structures to ensure an integrated approach to data privacy compliance.

Third party/supplier due diligence includes anti-bribery and anti-corruption checks. We require our third parties/suppliers to uphold high corporate governance standards and align with the Group's ethics and human rights policies. Their readiness to respond to, manage and mitigate operational, financial and reputational risks is assessed during onboarding and periodically thereafter, in line with our Third-party Risk Group Policy and supporting standards, for example, External Supplier Standard, the Supplier Management Standard and Third-party Code of Ethics. Independent assurance of high-risk and high-value tenders and outsourced agreements ensures contracting processes are discharged in compliance with regulatory requirements, frameworks, policies and processes. The above robust third-party supplier due diligence that upholds governance has been used as a base to refresh and extend coverage to various third parties through an all-encompassing Third-party Policy Framework.

Absa continues to develop and improve a set of compliance indicators which we will use to evaluate suppliers. Smaller suppliers receive assistance with their processes to ensure downstream conduct and ethics align with ours. The Third-party Code of Ethics has been circulated to suppliers to ensure the Group's values and ethical standards are clearly articulated to, and supported by all parties, with regular reporting to the SSEC. Absa Group Procurement continues to embed the Absa Way Code of Ethics and, therefore, developed the Third-party Code of Ethics to implement the environmental, social and corporate governance imperatives. This Code of Ethics also manages the risks to the bank in associating with these third parties. The code determines the ethical values, standards, principles, and guidelines that bind our suppliers in all their dealings with the Group. This is enabled by rigorous due diligence before entering relationships with third parties/suppliers, and continuous monitoring to avoid adverse impacts in our operations and supply chain.

Protecting value through strong governance continued

Therefore, we have:

- Implemented Coupa Risk Assess in collaboration with our compliance partners to ensure we have factored the Third-party Code of Ethics considerations into the procurement onboarding value chain to proactively identify and manage the potential adverse impact on Absa's brand and reputation. In 2024, further improvements to the system were implemented to ensure additional and dynamic risk questions relating to sustainability are used for further assessments before relationship establishment.
- Developed an enhanced due diligence process to identify ethics risks before entering supplier relationships, providing Absa with an opportunity to either decline to do business or manage the risk where there is an appetite to do business with a particular third party/supplier.
- As part of our commitment to ethical business practices, Absa hosts Ethics Day every October to promote ethics awareness among employees and third-party suppliers. We also encourage suppliers to complete certifiable NQF 4 ethics training, reinforcing our focus on ethical partnerships across the value chain.

We were also assessed by independent agencies and achieved the following recognitions due to the focused approach to this vital topic for the third year running:

- ISO 37001 certification
- Chartered Institute of Procurement and Supply Ethics Kite Award.

By adhering to our Third-party Code of Ethics Policy, we align with the Group's Enterprise Risk Management Framework (ERMF) and Strategic, Sustainability and Reputational Risk Framework. We enable responsible sourcing and supplier engagement by managing the risks and frameworks. Our suppliers must establish and demonstrate a baseline for ESG practices and management. This baseline will be used to track, measure and communicate future performance improvements and impacts. No supplier relationships were terminated in 2024 due to ethical concerns. Group Supplier Assurance and Internal audit continuously and specifically reviews our critical and high-spend suppliers for financial, operational and reputational risks. In 2024, we conducted 623 discrete control reviews (2023: 521).

Supplier Code of Ethics
Scan here to view

The Group High Risk Onboarding and Exit Committee is a management committee that makes decisions regarding high-risk clients and related financial, compliance, conduct and reputational risk. Each business segment also has a Client Exit and Onboarding Committee, which escalates material reputational risk matters to the Group High Risk Onboarding and Exit Committee.

> The executive team assesses the degree of alignment between our key suppliers and customers and our corporate culture when making significant procurement and sales decisions.

An active force for good in everything we do[LA-IA] 3

One of the key pillars of the Group's strategy is to be an active force for good in everything we do. This requires purposefully creating intergenerational value, actively managing planetary boundaries, contributing meaningfully to the societies in which we operate, and being committed to the highest standards of governance and ethics. Our strategy requires us to speak up publicly and be an active, positive influence in the world.

Absa has reinforced its commitment to sustainability by establishing a Responsible Banking Committee and incorporating sustainability targets into short- and long-term incentives. Additionally, the launch of the Sustainability Academy has provided foundational training for all Absa employees, advancing our capability-building efforts.

Sustainability considerations are integrated into annual strategy reviews, with a post-2025 disclosure roadmap aligning with key standards. Development of reporting tools, including an ESG Data Programme and the Basel Climate Risk Programme, is underway to meet evolving requirements.

Protecting value through strong governance continued

Strategy and performance

Key Board focus areas[LA-IA]

Going beyond individual Board committee mandates, the Board actively champions value creation and innovation by supporting leadership, optimising organisational structures, fostering cross-functional collaboration, and avenues for profitable growth. These are vital elements in delivering on strategic objectives. Due to the Group position in early 2024, the Board intensified its focus on the following areas:

2024 key focus areas	Capitals impacted	Stakeholders impacted	Strategic theme	Link to material matters
Board composition and succession: Addressing the replacement of resigning Board members, succession planning for the Board Committee Chairman and enhancing overall bench strength.				• Leadership and a performance culture.
Executive succession: Prioritising the Group CEO succession and replacement, alongside strengthening the Executive Committee team.				• Leadership and a performance culture.
Reputation risk management: Proactively engaging with investors, regulators, and other senior stakeholders to safeguard and enhance the Group's reputation.				• Regulatory focus on banking models and returns.
Compliance and regulatory posture: Strengthening oversight through enhanced focus at the GACC and the GRCMC.				• Regulatory focus on banking models and returns.
Credit risk management: Conducting in-depth reviews of sovereign risk and both secured and unsecured portfolios within the Retail businesses, complemented by Board and committee training on various aspects of credit risk and risk appetite.				• Elevated levels of sovereign and country risk • Supporting social cohesion and stressed consumers.
Organisational culture: Assessing the Group's culture, identifying factors affecting performance, and defining a forward-looking strategy. The Executive Committee is developing an integrated culture strategy, with additional focus by the SSEC.				• Leadership and a performance culture • Supporting social cohesion and stressed consumers.
Performance management: Implementing more rigorous scorecarding practices and strengthening the alignment between pay and performance, with additional emphasis by the RemCo.				• Leadership and a performance culture • Delivering returns-focused growth.

In 2024, the Board drove financial performance first and foremost. Management was galvanised and responded to the various challenges that emerged from the 2023 financial results, the reputational risks that emerged and the need to provide credible outcomes for our stakeholders. Encouraging a culture of innovation is key in terms of generating new products and services that anticipate customer demand, and introducing efficiencies and better use of technology into the Group's own processes.

Board members promote innovation by, inter alia, focusing on:

- The impact of GenAI on the automation of job functions and responsibilities
- Leveraging data and embedded AI solutions to create hyper-personalised customer offerings
- The impact of cloud adoption and the reduction of physical data centres as a result
- Modernisation of the core-banking platform
- Cybersecurity solutions to ensure robust protection of business and of customers information
- Development of scenarios and stress testing, including pertaining to cyber and climate risk stress testing
- Automation in the collections space which was crucial in our drive to improve our impairment's position
- Migration of the Group's consolidation and reporting systems to new technologies.

Protecting value through strong governance continued

Governance objectives

The objectives and critical success factors of those charged with governance are clearly defined.

Board objectives reflect the most critical governance focus areas for the year and are directly linked to the strategic ambitions of the Group.

Corporate strategy

Outcome with overlay[1]:

All formal meetings took place, including a strategy execution update and planning sessions. Interventions were made, and additional Board sessions were held to deal with the Group's financial and execution challenges experienced in 2023 and the first quarter of 2024. More work is needed in terms of the Group's operating model and delivery of a turnaround in financial performance, particularly regarding shareholder returns.

While performance improved markedly in the second half of 2024, it was still below shareholders' expectations, particularly regarding RoE.

Much work was done at a committee level and on matters of risk appetite and credit risk appetite. However, there were challenges from stakeholders regarding risk appetite, the Group's growth and the quality of our book relative to peers in certain categories.

2025 focus areas

Oversee the execution of the approved short-term plan for 2025 and the medium-term plan within the framework of the approved risk appetite while considering the uncertainties within the macroenvironment, and with a particular focus on profitable growth and returns.

A digitally powered business

Outcome with overlay[1]:

The ITC receives quarterly updates on the environment across the technology estate, specifically converged security, cyber and information risks (third party and access management); business technology performance (including business unit-specific architectural direction); technology investment, stability, and technology risks (including people, estate-wide issues, resilience and performance); strategic initiatives and progress on the Technology Remediation Programme, data, security and digital; risks and controls, finance and combined assurance. Much progress has been made, particularly in cyber protection and maintaining overall stability, as well as significant engagement on key matters at the ITC. However, key focus areas remained, including ensuring the ongoing strengthening of controls and progress made on the technology roadmap and architecture, and getting value from those assets already on the balance sheet.

2025 focus areas

Oversee the technology and digital journey of the Group to ensure the consistent provision of services, a safe and secure environment (focusing on information and data protection and cybersecurity), an optimised and sustainable client experience (recognising different needs for our diverse clients) and sustainable benefits realisation, within the context of an accelerated pace of change and the use of new technologies (including AI) to benefit the Group with a particular focus on decision rights, cloud, data, core banking and control environment.

A winning, talented and diverse team

Outcome with overlay[1]:

The SSEC, at each of its meetings, received reports on a variety of topics, including people and culture risks. Focus areas included employee experience survey results; Group transformation, gender, diversity and employment equity; and Absa's culture transformation strategy. The Board focused on management succession bench strength. Significant work was presented to and approved by the RemCo regarding the performance management approach to strengthen the link between performance and remuneration and the retention of scarce and critical skills. The pay review mandates and outcomes were approved and monitored, including race and gender split for all LTI, STI and CTC awards in the context of fair pay.

There is an ongoing focus on race and gender disparities in pay, identifying reasons for any disparity among employees doing a similar job to a similar performance level.

Notwithstanding the significant progress regarding a variety of human capital initiatives, the Group has seen heightened retention-related risks, hence the focus on scarce and critical skills, succession planning and bench strength. The employee engagement score also declined year-on-year, which is reflected in the organisational health outcomes in the STI and LTI. The Group's culture work is intensive and is expected to yield results in 2025.

2025 focus areas

Monitor and assess the Group's progress regarding diversity, inclusion and belonging in all our geographies; customer centricity; our values and ethical practices; the revised culture transformation journey and related colleague engagement; talent strategy; and performance and reward. And with a particular focus on stability of leadership, succession planning, ExCo and senior leadership group bench strength, and culture of performance.

An active force for good in everything we do

Outcome with overlay[1]:

Updates on a range of topics have been provided to the SSEC and the GRCMC, which included sustainability risk (and the Risk and Basel Climate Risk Programme, including the physical risk assessment results and climate risk stress testing); and to the SSEC on ESG strategy and ratings; UN Principles for Responsible Banking (PRB); UN Global Compact's Principle 10 on Corruption and the Organisation for Economic Co-operation and Development (OECD) Good Practice Guidance.

The SSEC considered and approved the 2023 B-BBEE Report, Sustainability and Climate Report, Principles for Responsible Banking Report, and sustainability-linked targets for various financing standards. Much good work has accordingly been done and reported on in Citizenship and Sustainability. The SSEC also noted the work of the Absa Africa Foundation Advisory Board, which, in turn, receives updates on the work of the Absa CSI Trust (formed as a key pillar of the Absa B-BBEE scheme).

Despite the work done with the brand relaunch and various "Active Force for Good" initiatives, the Group and its CEO were the subject of various negative media reports over a sustained period, fuelling concerns from investors, regulators and business forums alike. Although the Group is in a better place than it was in the third quarter of 2024, the risk remains to be fully remediated. There is still work needed from the Board and executive and senior management to restore lost confidence.

2025 focus areas

Monitor the Group's role in contributing to shaping Africa's growth, focusing on inclusive finance, climate/environmental sustainability, a just society, the Group's contribution to a just transition and its net zero journey, education, skills development, and entrepreneurship. And with a particular focus on rebuilding trust with all stakeholders, rebuilding the Group's reputation, and improving regulatory relations.

[1] Overlay in this context is applying the external stakeholder lens in assessing the governance outcomes and recognising there is a delayed correlation between the governance performance and financial performance outcomes of the Group.

Ratings: Full achievement | Substantive achievement | Modest achievement | Limited achievement

Protecting value through strong governance continued

Structure and delegation

10 The Board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

6 The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

10 The Board believes arrangements for accessing professional services are effective.

The Group is in compliance with the provisions of the Companies Act and operating within conformity of our Memorandum of Incorporation.

Board

< Delegation

Accountability >

Group Chief Executive Officer

Supported by our Group Executive Committees and various sub-committees

Delegation v

^ Oversight, assurance and reporting

Independent assurance

External audit, internal audit and other professional advice

In 2024, this included remuneration advisers and legal advice

Group

Subsidiaries

Subsidiaries

Subsidiaries

Board committees

Directors' Affairs	Audit and Compliance	Risk and Capital Management
Board Finance	Information Technology	Credit Risk
Remuneration	Social, Sustainability and Ethics	Models

To streamline the Board and committee governance processes and reduce the number of meetings, the Board has decided to discontinue the activities of the BFC, and to incorporate its mandate into the GACC and the Board itself.

8 The Board is satisfied that its committees have fulfilled their responsibilities in accordance with their terms of reference for the reporting period and that the members of the committees have the requisite skills to comply with the mandate of such committees.

Our Group Governance Framework systematises the application of policies and standards. It ensures that the Group's minimum requirements in governance, internal controls, financial management, disclosure controls, risk management, legal and regulatory compliance, internal audit, ethics, human resource management, information management, stakeholder relationships and sustainability are complied with by all the Absa Group entities. The framework clarifies the roles and responsibilities of the Group and subsidiaries and the management of discretionary limits across the Group. Among others, it also provides guidance regarding the appointment of directors (in terms of fitness, process and proprietary), the determination of independence and the management of conflicts.

Our leadership, organisational structures, cross-functional collaboration and decision-making processes support our Board and management team in executing our strategy and delivering our strategic objectives. Our governance structures and processes support the decision-making that enables us to navigate the necessary trade-offs between the capitals.

Protecting value through strong governance continued

Our Board[LA-IA] as at date of publication

The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.

The Board supports the candidate's election or re-election.

Independent directors

Sello Moloko
59

Chairman

BSc (Hons), PCGE, AMP

Three years and four months

Nonhlanhla Mjoli-Mncube 66

Lead Independent Director

PgCert (Engineering Business Management), Fellowship in Urban Development, Masters in Regional and Urban Planning

Four years and five months

Alison Beck
65

BCom, CA (Scotland), Associate Diploma (Institute of Bankers South Africa)

One year and four months

Alpheus Mangale
49

National Diploma in Computer Systems Engineering; Post Graduate Certificate in Management; AMP

One year and nine months

Fulvio Tonelli
65

BCom (Hons); CA(SA)

Four years and nine months

Ihron Rensburg
65

BPharm, MA (Political and Organisational Sociology), LLD (Hons Causa), PhD (International Development Education)

Five years and six months

John Cummins
63

MBA, BA (Hons)

Three years and four months

Luisa Diogo
67

BCom Economics, Masters in Financial Economics

One year and seven months

Peter Mageza
70

Chartered Certified Accountant, Fellow of the Association of Certified Chartered Accountants

One year and eight months

René van Wyk
68

BCompt (Hons), CA(SA)

Four years and eight months

Rose Keanly
66

BCom (Hons), BSc

Five years and seven months

Sindi Zilwa
57

BCom (Hons), CA(SA), Cert. Dir.

Effective 1 April 2025

Tasneem Abdool-Samad 51

BCom, CA(SA)

Seven years and two months

Zarina Bassa
60

BAcc, CA(SA)

Effective 1 April 2025

Executive directors

Charles Russon
58

Interim Group Chief Executive Officer

CA(SA)

Five months

Deon Raju
47

Group Financial Director

BAcc (Hons), CA(SA), CFA

Eleven months

Board and committee attendance
95%
(2023: 96%)

Number of Board and committee meetings
77
(2023: 82)

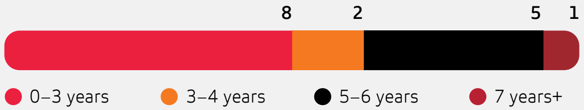
Protecting value through strong governance continued

We have a diverse Board, ranging broadly in age, race, gender, ethnicity, country of origin, culture, educational background, skills, experience and knowledge. This provides a fertile environment for discussion, debate, input, challenge and thoughtful outcomes. The Board is committed to ensuring we meet our governance, social and regulatory obligations regarding race and gender diversity, taking into consideration the environments and geographies in which we operate. As an African financial services group, the Board also recognises the benefits of having members who are from countries outside South Africa. We regularly review our race and gender targets. Other diversity measures, including skills, educational qualifications and age, will continue to be tracked and reported.

Tenure

Average tenure

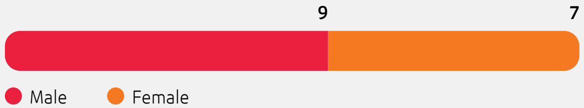
4 years



Gender

44%

Female



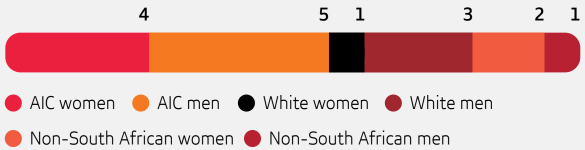
Independence

88%

Independence

Race and gender representation

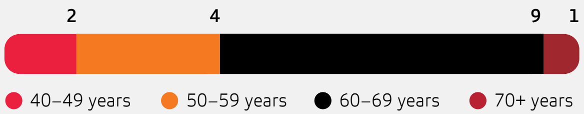
Targets: **40%** AIC and **30%** women



Age

Average age

61.4



Biographies can be found at
www.absa.africa/about-us/board-and-management

Changes since the 38th AGM

Appointments

- Deon Raju (26 April 2024)
- Charles Russon (15 October 2024)
- Sindi Zilwa (1 April 2025)
- Zarina Bassa (1 April 2025).

Retired

- Daisy Naidoo – at AGM
- Arrie Rautenbach (15 October 2024).

Changes proposed at the 39th AGM

For election

- Charles Russon (until 16 June 2025)
- Kenny Fihla (effective 17 June 2025, subject to regulatory approval)
- Deon Raju
- Sindi Zilwa
- Zarina Bassa.

For re-election

- Alpheus Mangale
- Fulvio Tonelli
- Nonhlanhla Mjoli-Mncube
- Peter Mageza
- René van Wyk
- Tasneem Abdool-Samad.

Board performance evaluations[LA-IA]

The Board is satisfied that the evaluation process is improving its performance and effectiveness.

The Group conducts an annual review to evaluate the performance and effectiveness of the Board, its committees and individual directors, including the Chairman, in line with section 64(B)(b)(iv) of the Banks Act, 1990. The performance evaluation process may differ in methodology year-on-year, but normally takes the form of a detailed questionnaire, complemented in every second cycle by individual interviews with each of the directors. The Board itself will also appraise the extent to which the Board committees have delivered on their mandate and supported the Board in so doing. The 2024 Board performance evaluation was conducted independently.

As part of the culture intervention arising from earlier Board evaluation feedback and discussion, an externally facilitated Board Culture and Dynamic Review process was undertaken to strengthen the effectiveness of the Board and the individual directors. Various engagements were held on an individual basis and as a Board. The analysis considered personal and Board culture and styles to determine the current Board culture, the desired Board culture and how to bridge the gap.

The independent external assessment included:

- The current Absa Group Board culture is defined by its collaborative, consensus-seeking style where structure and discipline are valued. The Absa Group Limited Board's culture is collegial, collaborative and encourages open debate. There is an overall positive culture on the Board with mostly positive dynamics.
- The preferred Board culture is one that is more decisive with a preference towards bolder outcome-oriented decisions. Work is ongoing with a view of moving towards the preferred culture.

For the 2024 Board evaluation, the second independent review was structured around the eight key dimensions of Board effectiveness, namely:

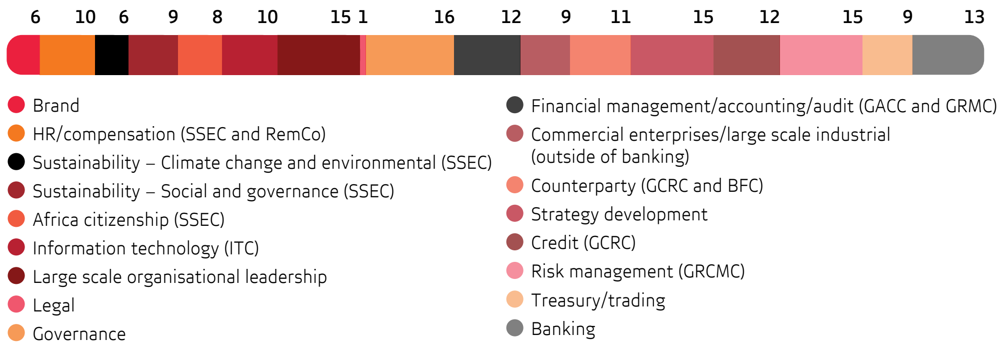
- Board and committee processes
- Board composition and structure
- Board culture and dynamics
- Board partnership with management
- Board leadership
- Individual directors' contributions
- Strategic alignment and Board mandate
- Board strategic value-add and agility.

Relative to the evolving needs of the business, the Board collectively brings the appropriate balance of knowledge, skills, diversity and experience to the Group. Four of the eight themes were rated "meets expectations" and four of the themes were rated higher, at "above average".

The overall scores, when compared to the 2023 scores, reflected a marginal decline in rating. However, the assessment tools were different and there was a variation in themes.

The Board achieved scores of between 3.47 to 4.07 (out of 5) for all the main themes evaluated, with an overall score of 3.78. The outcome of the review also confirmed that the Board committees work effectively, have appropriate skills and address their mandates with commitment and purpose.

Board skills (number of directors)



Protecting value through strong governance continued

Board committee focus areas

Our governance structures and processes support the decision-making which enables us to navigate the necessary trade-offs between the capitals.

Group Risk and Capital Management Committee

René van Wyk

Committee Chair

2024 focus areas and material decisions

- Capital adequacy, liquidity and funding
- Sovereign debt sustainability and the impact of the macroeconomic environment on sovereigns
- Risk appetite metrics and performance against those
- The ERMF, related principal risk profiles and any corrective management actions
- Approval of the Pillar 3 risk management disclosure reports
- Country-specific reviews
- Regular updates on the macroeconomic environment, including economic recovery, headwinds and volatility, and client stress, to assess possible impacts on the Group's risk appetite
- Group Treasury ESG Reporting for publication
- Capital impacts of the final and interim dividend proposals
- Third-party supplier risk mitigation measures
- Impact assessment on risk data aggregation and risk reporting compliance
- Updates on the Group's structural hedge
- Updates on regulatory reforms, including interest rate risk, depositor insurance scheme, and the Monetary Policy Implementation Framework (MPIF)
- Updates on Step-in Risk Management
- Updates on Deposit Insurance Scheme (DIS) and Digital Stress
- Update on Corporation for Depositor Insurance: Revolving Liquidity Finance Facility Agreement and Guarantee Agreement (joint item with GCRC)
- Annual review of the high-quality liquid assets (HQLA) investment mandate
- Review and approval of the Group Treasury Mandate and Signing Authority
- Updates on the Greenwashing Policy (in addition to the SSEC)
- Review and approval of the outcomes of the 2024 SARB Climate Risk Stress Test (CRST)
- Review of the Models Committee's risk and governance processes
- Development of scenarios and stress testing, including climate risk stress testing and scenario analysis
- Recommendation to the Board of reports to be submitted to the Regulator including in relation to capital adequacy, liquidity, the Group's Recovery Plan, Group capital priorities and outlook
- Approval of the Group's Corporate Insurance renewal
- Performance review of the Risk function including assessment of bench strength and succession.

2025 focus areas

- Risks posed by activities in non-presence markets
- Regulatory developments (a) as part of the Basel III finalisation, appropriate courses of action to manage cost and capital impact, and ensure regulatory compliance and (b) appropriate risk processes to respond to the direct and indirect impacts of climate change
- Further evolution of impact assessment on climate risk stress testing and scenario analysis
- Capital, liquidity and funding management across the Group.

Directors' Affairs Committee

Sello Moloko

Committee Chair

2024 focus areas and material decisions

- Reputation risk matters.
- Regulatory relations (top-of-mind matters, fines and penalties, and regulatory commitments and relationships).
- Board and committee composition, including review of the committee's membership and allocating roles accordingly.
- Succession planning (at a Board and executive level). Leading the succession process for the Group Chief Executive Officer.
- Diversity, which included setting and monitoring the targets set by the Board.
- Review of all Board-specific policies.
- Setting, monitoring and measuring Board governance objectives.
- Considered ARO boards – composition, skill sets, and appointment of nominees.

2025 focus areas

- Regulatory relations
- Reputation management
- Composition in terms of the number of members, respective skill sets, race, gender and geography and succession planning
- Executive management succession planning
- Performance of the executive management
- Board governance objectives
- Board effectiveness
- ARO board composition, skill sets and effectiveness.

8

The committees are satisfied that they have fulfilled their responsibilities in accordance with their terms of reference for the reporting period and that the members of the committees have the requisite skills to comply with the mandate of such committees.

Protecting value through strong governance continued

Information Technology Committee

Peter Mageza

Committee Chair

2024 focus areas and material decisions

- Maintaining operational stability and resilience of the Group's technology infrastructure, while driving transformation, advancing the technology architecture and strategically developing data as a core asset
- Implementation of the Group's information technology transformation roadmap
- The impact of cloud adoption and the reduction of data centres, with the Group achieving its 2025 target of 45% reduction in carbon emissions in 2024
- Technology talent management initiatives, including the attraction, retention and development of future-fit technology skills to create a pipeline for scarce and critical technology skills
- Cybersecurity solutions to ensure robust protection for customers and the Group against diverse and evolving cyber threats (achieved ISO 27001 certification, validating Absa's Security Framework against global standards)
- Remediation of the IT control environment (cybersecurity, ransomware, access management and backup and restore, and cloud security)
- Remediation of third party-related and high residual risks in the cyber environment
- Regulation and trends regarding the localisation of ARO data centres and IT systems and the impact on the cost base of the Group
- The impact of GenAI on the automation of job functions and responsibilities.

2025 focus areas

- Accelerating digital transformation, data usage, and cloud adoption
- Monitoring third-party risk
- Modernisation of the core-banking platform with use cases and proofs of value being considered in the initial phases
- Leveraging data and embedded AI powered solutions to create hyper-personalised customer offerings
- Technology enhancement of the known high-risk technology issues in the estate, specifically as they relate to the unsupported infrastructure, network, applications and estate-wide issues
- Ongoing attraction, development and retention of scarce skilled resources (creating alternate talent pools to address critical skills shortages in the industry in collaboration with strategic partners)
- Continuous intensive effort and investment to secure the bank and ensure a safe IT control environment
- The Group's reliance on, and risk exposure in terms of, information assets and technology
- Building resilient, stable, scalable, lower-cost-to-serve technology platforms, tailored to regulatory environments across Africa.

Models Committee

John Cummins

Committee Chair

2024 focus areas and material decisions

- Review of the Group's material models, as required by the Prudential Authority (PA) (four regulatory models submitted, 10 approvals and four declines received from the PA in 2024).
- Approval of the material risk models, both on a periodic and an inception basis, in accordance with the model validation standard, the Group Model Risk Policy, PA and other applicable regulatory requirements (e.g., Basel). Specifically, the Fundamental Review of the Trading Book Standardised Approach Model was approved in advance of submission to the PA in 2024 (this process included approval by the GACC, the GRCMC and the Board).
- Progress of the Model Risk Platform Upgrade Project.
- Impact of replacement of PA directive 7 of 2015 on the treatment of distressed restructures.
- Update to the structure of the committee to enhance independent challenge through appointment of an independent director as Chairman.

2025 focus areas

- Approval of new regulatory models in scope of the committee, prior to submission to the PA
- The regulatory relationship and the impact of regulatory change
- Inceptual and annual validations of material models in the scope of the committee, including regulatory, credit and impairment models
- Approval of methodologies related to post-model adjustments as applied to material models
- Ongoing approval of the Model Risk Framework and model risk appetite
- The effectiveness of Absa's model governance process
- Capacity and experience of resources of the model risk management functions.

Protecting value through strong governance continued

Social, Sustainability and Ethics Committee

Ihron Rensburg

Committee Chair

2024 focus areas and material decisions

- Progress concerning the DEIB strategy, including monitoring the financial inclusion and gender diversity initiatives
- The Group's transformation performance and achievements against the Financial Sector Transformation Scorecard, and Department of Labour and Employment (DOLE) commitments
- The human capital strategy progress and employee experience survey evolution, including the employee listening strategy and the Women in Senior Leadership Plan
- Approval of the revised Absa Way Code of Ethics Policy, Conflict of Interest Policy, Customer Complaints Standard and the Conduct Risk Management Framework
- The Group's adherence to its ethics standards and embedment and implementation of the Ethics Policy
- The development and implementation of relevant policies including the Greenwashing Policy
- Approval of Sustainability metrics and scorecard setting including the sustainability and climate roadmap beyond 2025
- Approval of the sensitive sector policies and the fossil fuel emissions targets and related disclosures and continued monitoring of progress made on sustainable financing targets
- ESG integration, net zero alignment, stakeholder engagement, thought leadership, reporting and monitoring trends
- Reputation and brand management progress, as well as corporate citizenship and stakeholder engagement progress across the Group
- The Group's customer health, including customer experience metrics, net promoter score, voice of customer score, complaints index, and escalations to the Ombud
- Design of financial products and services with a view of assessing their suitability and performance in support of the fair treatment of customers
- Embedment of the Absa Africa Foundation Advisory Board's citizenship activities.

2025 focus areas

- Progress concerning people, culture and labour/employment matters
- Progress in all elements of the B-BBEE transformation scorecard
- Client health and engagement in accordance with the Conduct Standard for Banks to ensure the fair treatment of our clients
- Integration of the sustainability strategy and activities within the Group and reviewing the various sensitive sectors' financing standards and substantial and tangible results towards the Group's active force for good strategy
- Absa Africa Foundation Advisory Board activities concerning its citizenship activities.

Board Finance Committee

Nonhlanhla Mjoli-Mncube

Committee Chair

2024 focus areas and material decisions

- Establishment of an office in Beijing
- Status of ARO services recharge costs and related cash settlement, including the trends regarding the acceptance of service costs
- Absa Ghana head office consolidation and rebuild
- Investment Cluster disposal
- International strategy – UK and US representative offices.

Approval of:

- The Johannesburg CBD consolidation strategy
- The Absa Group Discretionary Framework (annual review)
- The ARO Technology Managed Services, together with the GRCMC
- The announcement of the financial results for the year ended 31 December 2023 through SENS and the related dividend announcements.

2025 focus areas

- Implementation of investments made, including the veracity and testing of the relevant business case
- Absa corridor strategy execution and the related investment returns.

To streamline the Board and committee governance processes and reduce the number of meetings, the Board has decided to discontinue the activities of the BFC, and to incorporate its mandate into the GACC and the Board itself.

Protecting value through strong governance continued

Group Audit and Compliance Committee

Tasneem Abdool-Samad

Committee Chair

2024 focus areas and material decisions

- The Group's control environment and management control approach
- Appropriateness of accounting policies and principles
- 2024 planned migration of the Group's consolidation and reporting systems, including the retrofit of the SAP S4/Hana solution in ARO (Owari)
- The expected application of hyperinflation accounting for Absa Bank Ghana
- Approval of management's valuation of complex financial instruments
- In conjunction with the ITC:
  (a) Progress in remediation of the material control issues relating to access management and restoration from backups
  (b) Health of the technology estate and the impact on the Group's control environment of the residual risk profiles of technology risk, and cyber and information security risk
- Annual Know Your Customer refresh for PSC, EB, RB, CIB and ARO RBB
- Overall status of compliance in the Group (within the mandate of the GACC) against policy, regulations or otherwise, and any significant breakdowns, in conjunction with the SSEC and the DAC
- Enhancement of the approach and operating model regarding regulatory reporting
- Increase in regulatory requests for assurance work by Internal Audit across all markets and focused on management's strengthening of the first and second lines of defence skills and capabilities
- Compliance oversight, including a deep dive on Group Compliance and AFS Group Compliance
- Internal Audit's adoption of the new IIA Standards and associated changes required, and if any, to the IA Charter, and/or methodology
- Impairment of loans and advances at amortised cost (IFRS 9) and the impact on the Group's annual and interim results.

2025 focus areas

- Sustainability of the Group's satisfactory ratings for the control environment and management control approach
- Ongoing fraud risk related activities, including the enhancement of documentation and related controls, to minimise the impact of fraud risk events
- Implementation of the Group's combined assurance activities, with a view to obtain optimal coverage of the Group's key risks
- The Group's regulatory compliance activities, especially across ARO, with a view of strengthening the Group's compliance posture
- Continued enhancement of the approach and operating model regarding regulatory reporting
- The Group's financial reporting, with specific reference to enhancing its cash flow statement disclosures, in line with JSE proactive monitoring guidance, and financial reporting control effectiveness, with a specific focus on related critical process assessments
- The Group's ongoing expected credit loss processes across the various portfolios
- Together with the ITC, the two-phased logical access management control remediation process.

Protecting value through strong governance continued

Group Credit Risk Committee

René van Wyk

Committee Chair

2024 focus areas and material decisions

- The overall portfolio health of the lending book and the related loan loss ratios, vintages, and impairments
- Deep dives of higher-risk books (personal loans and vehicle finance and specific sectors), considering the macroeconomic environment and consumer stress
- Agriculture sector review, including the impact of climate and weather on certain regions in our various presence markets on the continent
- Single names on the watchlist and management actions being taken in this regard
- The Group's exposures and further advances linked to renewables financing
- Country and sovereign risk exposures and the risk management practices and trigger framework put in place to best manage the Group's exposure
- Large exposures that exceed 10% of the particular lending entity's Tier 1 qualifying capital in accordance with the requirements of the SARB
- CLRs and risk appetite of the underlying businesses, including comparisons against peers and management actions taken to rectify exposures in certain portfolios.

2025 focus areas

- The Group's loans and advances growth in the context of the macroenvironment, concentration risks and exposures, in particular to the higher-risk sectors of the economies in which we operate
- Monitoring the sectors affecting our sustainability ambitions and targets
- Bringing the CLR back into Board-target range and credit risk management across the Group
- Monitoring the impacts of sovereign risk on the Group.

The committees are satisfied that they have fulfilled their responsibilities in accordance with their terms of reference for the reporting period and that the members of the committees have the requisite skills to comply with the mandate of such committees.

Protecting value through strong governance continued

Our Executive Committee[LA-IA] as at date of publication

Biographies can be found at ***www.absa.africa/about-us/board-and-management***

Charles Russon 58

Interim Group Chief Executive Officer[1]:

ExCo: Ten years and ten months

Absa: Eighteen years and eight months

Deon Raju 47

Group Financial Director

ExCo: Three years and ten months

Absa: Twenty-six years and three months

Akash Singh 51

Group Chief Compliance Officer

ExCo: Five years and four months

Absa: Twenty-one years and six months

Christine Wu 45 PO

Chief Executive: Everyday Banking

ExCo: Eleven months

Absa: Six years and three months

Faisal Mkhize 52 PO

Chief Executive: Relationship Banking

ExCo: Two years and nine months

Absa: Twenty-eight years and one month

Geoffrey Lee 55 PO

Chief Executive: Product Solutions Cluster

ExCo: Two years and nine months

Absa: Seventeen years and three months

Jeanett Modise 62

Group Chief Human Capital Officer

ExCo: Two years and three months

Absa: Two years and three months

Johnson Idesoh 52

Group Chief Information and Technology Officer

ExCo: Two years and three months

Absa: Two years and three months

Prabashni Naidoo 49

Group Chief Audit Executive[2]

Ex-officio: Four years and three months

Absa: Four years and three months

Punki Modise 55

Group Chief Strategy and Sustainability Officer

ExCo: Three years and eleven months

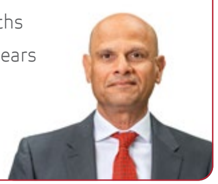
Absa: Seventeen years

Rajal Vaidya 59

Group Chief Risk Officer

ExCo: Eleven months

Absa: Seventeen years and eight months



Saviour Chibiya 53 PO

Chief Executive: Absa Regional Operations

ExCo: Three years and five months

Absa: Fourteen years and four months

Sydney Mbhele 51

Group Chief Brand, Marketing and Corporate Affairs Officer

ExCo: Two years and three months

Absa: Two years and three months

Yasmin Masithela 50 PO

Interim Chief Executive: Corporate and Investment Banking

ExCo: Five Months

Absa: Thirteen years and three months

Changes during the year

Appointed

- Christine Wu
- Rajal Vaidya
- Yasmin Masithela.

Resigned

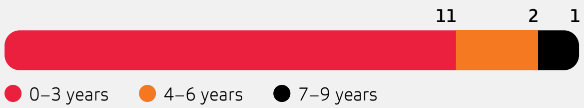
- Arrie Rautenbach
- Cowyk Fox.

PO Prescribed officer

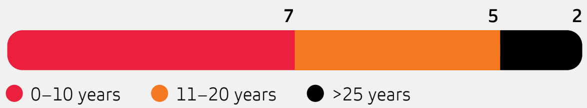
[1] Charles Russon was a PO prior to his appointment as Group Interim CEO. Charles will step down as interim CEO on 16 June 2025. Refer to the ***Group Chairman's message***.

[2] Prabashni Naidoo reports directly to the Group Chief Executive Officer and to the GACC.

Tenure on Exco



Tenure at Absa



Age

Governance functional areas[LA-IA]

Risk and opportunity 11

A ***risk management overview*** is provided in the material matters section of this report, detailing how risk is governed and managed, the risk appetite and tolerances of the Group. The ***Pillar 3 Risk Management Report*** provides detailed supplementary information on the Group's ERMF and 2024 performance. Risk is managed through our Board-approved ERMF and rigorous monitoring and reporting as to the effectiveness of risk management through several Board committees, including the GRCMC, GACC, Group Credit Risk Committee, SSEC, ITC, and Models Committee.

To further enhance governance and align with strategic objectives, two key policies were introduced. The Change Risk Policy addresses managing change risks in line with regulatory provisions, while the ESG Risk Policy focuses on mitigating environmental, social, and governance risks, promoting accountability and sustainability.

Information technology 12

Information and technology, and specifically driving innovation, are central to our competitiveness, growth, and sustainability. Through the re-anchoring of the Group strategy, one of the five strategic pillars identified was creating a digitally powered business. The ITC assists the Board with effective oversight and governance of Absa's information assets and the technology infrastructure used to generate, process and store that information. The focus is on resilience and stability; architecture; data management; security (cyber and other), AI and digitisation.

Compliance 13

The primary mandate of the Compliance function is to assist with, enable, facilitate and monitor the effective management of compliance risk within the organisation by:

- Establishing and maintaining a compliance culture, through the provision of independent and objective advice and guidance on regulatory and compliance risk related matters
- Nurturing working relationships with relevant regulators
- Providing businesses and functions with insight and independent challenge concerning compliance risk management and reporting to the Board, relevant committees, executive management and regulators, as required.

The Board understands and takes its responsibility for the oversight and maintenance of a culture of compliance and ethical conduct seriously, which goes beyond regulatory compliance. The Board holds management responsible for ensuring a culture of compliance across the organisation. This is enabled through existing structures, policies and processes. ERMF, Compliance Charter, Absa Way Code of Ethics, and management control approach influence the type of culture set by the Group Board which promotes openness, transparency, diversity, opportunity, pay-for-performance, compliance, and risk management.

Absa has a Group-wide **Risk Management and Compliance Programme (RMCP)**, in accordance with the South African Financial Intelligence Centre Act (as amended), providing the strategic direction pursued by the Group towards achieving our objectives in respect of financial crime risk management and compliance. The RMCP covers financial crime holistically and consequently it is underpinned by the Group Anti-Money Laundering Policy, Group Sanctions Policy and Group Anti-Bribery and Anti-Corruption Policy and associated standards. We align our policies and standards with local regulatory requirements and international best practice standards. Our training and awareness programmes ensure our employees are aware of the social and environmental impact of financial crime as well their responsibilities in terms of fighting financial crime.

We continue to proactively identify trends and threats and develop commensurate typologies to ensure the RMCP and underlying policies and standards remain relevant. To strengthen the collective efforts to fight financial crime and to remain effective in our fight against financial crime, we actively collaborate with private and public sector bodies, locally and globally. Moreover, we play a prominent role in proactively providing input on new legislation and changes to current legislation to ensure we contribute positively towards the effective fighting of financial crime. 99.3% of our employees received anti-bribery and anti-corruption awareness training.

C-Zone is our digital compliance monitoring system, consolidating all employee-related compliance activities (including share trading, gifts and entertainment, and identifying conflicts of interest), ensuring efficient and confidential submission of required disclosures, thereby improving internal controls. **Whistleblowing** is a safe platform for employees to raise concerns regarding unethical behaviour and/or fraud confidentially and anonymously. The **Suspicious Transaction Reporting platform** requires all employees (directors, permanent and temporary employees on all levels) who know or suspect that a transaction or activity is linked to money laundering terror financing, or targeted financial sanctions to report that transaction and/or activity within two business days.

Our **Ethics and Priority Whistleblowing and Investigations** teams are dedicated to embedding the Group's policies through regular communication and training. They also monitor compliance and investigate matters of a more serious nature.

Protecting value through strong governance continued

Remuneration

14 The RemCo is of the view that the Remuneration Policy achieved its stated objectives.

The RemCo sets and oversees the implementation of the Group's Remuneration Policy principles to deliver fair and responsible pay aligned with current and emerging market practice, to meet regulatory and corporate governance requirements and to align the behaviour of executives with the strategic direction of the Group. It approves the total remuneration spend, including fixed pay, short-term and long-term incentives, any other remuneration arrangements, and the particulars of a defined senior population. It also considers and approves the Group's remuneration disclosure policies and ensures disclosures are accessible, understandable, accurate, complete and transparent, and that the Group remunerates fairly and responsibly in the context of overall employee remuneration, with a particular focus on remuneration differentials.

Our incentive structures aligns with enterprise value creation and value creation for other key stakeholders.

Dear participating investors, it is strongly advised that you carefully review the comprehensive and detailed ***Remuneration Report***, as the content within pages 108 to 115 of the Integrated Report on remuneration may not provide adequate information for an informed decision during the non-binding votes on the Remuneration Policy and Implementation Report. Our Remuneration Report sets out the full report from our RemCo along with a background statement, remuneration policies and implementation reports.

Assurance 15

The GACC is accountable for the Group's Annual Financial Statements, accounting policies and reports, and overseeing the quality and integrity of the Group's integrated reporting. It is the primary forum for engagement with internal and external audit and operational risk. The committee monitors the Group's internal control and compliance environment. The committee recommends the appointment of external auditors to the Board and shareholders.

The Group's internal financial controls are defined based on the Operational and Resilience Framework and the financial reporting risk policies and standards which aligns with IFRS, statutory and regulatory reporting and JSE Listings Requirements, respectively. The Group's IFCs remain robust and are monitored through effective governance processes where all exposures which could result in material financial loss, fraud, corruption or errors within the IFCs are tabled with supporting mitigation plans. These IFCs are subject to annual independent review across the three lines of defence.

The basis of preparation and presentation describes the ***process and assurance approach*** to ensure integrity over external reports in the Absa Group suite of reports.

15 Refer to the GACC report in the ***Group Consolidated Annual Financial Statements*** where the committee's views are disclosed in more detail.

The GACC is satisfied with the independence of the external auditor, specifically:

- The policy and controls over provision of non-audit services
- The tenure of the external auditor
- Rotation of external audit partners.

The GACC is of the view that the following functions and activities are effective:

- Design and implementation of financial controls
- The finance function as led by the Group Financial Director
- The internal audit function as led by the Chief Internal Auditor
- The compliance function as led by the Chief Compliance Officer.

The GACC confirms the appropriateness of the expertise and experience of the Financial Director.

Stakeholder relationships 16

The SSEC monitors key organisational health indicators relating to social and economic development, responsible corporate citizenship, the environment, health and public safety, labour and employment, conduct and ethics, consumer relationships, stakeholder management and transformation, as well as the Group's activities relating to its role in Africa's growth and sustainability and the impact on the Group's employees, customers, stakeholders, and environment. It applies the recommended practices and regulations as outlined in King IV and the Companies Act in executing its mandate. ***Our stakeholders' needs and expectations*** are considered in determining the Group's strategic responses.

Our organisational culture creates trust, inspires innovation and aligns with our business partners and broader stakeholders. We recognise the critical interdependency between value creation, preservation and erosion across our resources and relationships.

Rewarding value creation

"RemCo continued its focus on remuneration's strategic role in enabling sustainable organisational performance and stakeholder value creation. Our Remuneration Policy was positively received by shareholders at our 2024 annual general meeting (AGM). This remains fit for purpose and is unchanged."

Rose Keanly

RemCo Chairman's background statement

I am pleased to refer our shareholders to our 2024 *Remuneration Report*. It sets out our Remuneration Policy and our remuneration implementation outcomes for 2024, including for executive directors and prescribed officers.

Shareholder engagement

At the AGM on 4 June 2024, we received an **83.94%** vote in favour of the Remuneration Policy and an **83.12%** vote in favour of the Implementation Report.

The Group Chairman and the RemCo Chairman engaged extensively with shareholders ahead of our 2024 AGM regarding our Remuneration Policy and our Implementation Report. As in prior years, we have sought to address feedback received from shareholders in our evolving practices and disclosures, noting that this has sometimes required balancing diverse shareholder views. We thank our shareholders for their feedback.

Based on these engagements, the RemCo has considered shareholder inputs and taken the following actions:

	Action taken
Group 2023 performance and the outcomes of the 2023 short-term incentive scheme	Shareholders expressed understandable disappointment with the Group's 2023 performance and some shareholders questioned whether there was sufficient alignment between performance on key shareholder relevant metrics and the overall 2023 short-term incentive pool outcome, despite executive remuneration having reduced materially from 2022. The RemCo has considered this feedback carefully in terms of: • The 2024 STI pool outcome, and executive remuneration, in the context of Group performance for 2024. • Consideration of financial metrics for the 2025 STI and the 2025 to 2027 long-term incentive to strongly weight key metrics that will demonstrate sustainable performance recovery to shareholders. • Broadening long-term incentive participation to strengthen retention of key talent and those with critical skills. Our approach to determining the 2024 short-term incentive pool and further use of long-term incentives for retention of critical skills is set out in the ***Implementation Report***.
In context of Group performance, shareholders raised specific concerns about the efficacy of the operating model for the Retail SA franchises	In November 2024, the Group announced that it had commenced a review of the operating model for the Retail SA businesses across Everyday Banking, Product Solutions and Private Wealth Banking. This work is underway. Further details in this regard are set out in our ***Our structure, products and services***.

Rewarding value creation continued

Shareholder feedback	Action taken
Potential overlap of measures used for our short-term and long-term incentives	Our incentive scorecards operate on a complementary basis over the relevant performance periods (one year and three years, respectively), to ensure we deliver aligned outcomes over the short- and medium-term. We have outlined to shareholders a path to recover our return on equity (RoE) to 16% for 2026 and to deliver on our headline earnings (HE) targets. To support this, we have materially simplified our 2025 short- and long-term incentive scorecards to include only RoE and HE financial metrics as 80% of the respective scorecards. HE and RoE has been differently weighted in each of these elements. The scorecard construct for long-term incentives focusing on HE and RoE has resulted in the removal of total shareholder return as a measure, as delivering on these HE and RoE targets are direct drivers of shareholder value. We have retained Organisational Health (non-financial) in the short- and long-term incentive scorecards at 20% of the total across Colleague, Customer & Digital, and Sustainability. We will reconsider increasing this, particularly for long-term incentives, when we are further into our performance recovery journey. The details are set out in our ***Implementation Report***.
Pay differential disclosures	At our 2024 AGM, we were asked to clarify our approach to pay differential disclosures, including the approach taken to vertical pay disclosures as contemplated in the proposed Companies Act amendments, and gender pay differentials. The RemCo continues to actively monitor vertical (i.e. across organisational levels) and horizontal (within the same/similar role) pay differentials and takes steps to ensure these are appropriate. Our 2024 pay differential disclosures, set out in the ***Implementation Report***, have been enhanced to include the comparison of single-figure remuneration across the various disclosure categories.

RemCo focus areas

In addition to the shareholder considerations set out above, during 2024 the RemCo focused on improving the strategic alignment of remuneration with the Group's performance recovery and pan-African strategy, including the design of short- and long-term incentive schemes, strengthening performance management and the ability to attract and retain top talent. Key focus areas have been:

- Increased emphasis on **differentiated remuneration outcomes**, particularly in respect of short-term incentives, linked to performance. This resulted in increased differentiation of the pools allocated to businesses and functions, based on relative performance to their short-term plans. This is also evident in our remuneration outcomes for executive directors and prescribed officers, set out in the ***Implementation Report***.
- **Strengthened performance management** across the organisation, focusing on enabling culture in addition to the tools to set and measure performance outcomes. Alignment of Group and business, functional and country scorecards has been improved, with a sharp focus on improving outcomes for shareholders and enabling better differentiation of performance and therefore pay-for-performance. Further, implementation enhancements have been approved for 2025 in respect of performance management practice and its implementation.
- We **enhanced participation in our long-term incentives**, increasing by over 90% the number of key talent and holders of scarce and critical skills who participate in these plans across our pan-African business.
- Continued focus on **fair and responsible remuneration** across all remuneration elements, ensuring that we do not perpetuate historical pay differentials in hiring, appointment and promotion; monitoring pay differential levels, particularly in respect of our annual pay review outcomes; and directing action to reduce these. This also includes improving vertical pay differential disclosures in the ***Implementation Report***.
- With the Directors' Affairs Committee, appropriate and effective management of the **executive transitions** during the year.

Rewarding value creation continued

Group performance overview

Absa Group earnings increased 10% in 2024, underpinned by a material improvement in the second half, demonstrating meaningful progress after a disappointing first half. Earnings were driven by both deliberate steps taken and significant effort by management and employees to support performance, as well as a more supportive operating environment. We are confident in our strategic direction and our ability to continue delivering value to our stakeholders while expanding access to innovative financial solutions across our markets.

The salient features of our financial results include:

- **Headline earnings** increased by 10% (12% in constant currency (CCY)), reflecting improved performance in South Africa as impairments moderated and non-interest revenue reflected improvement. Growth in reported currency in the Africa regions was muted and impacted by the stronger rand, increased cash reserving requirements in larger markets, and adoption of hyperinflationary accounting standards in Ghana.
- **Return on equity** of 14.8% (2023: 14.4%). Although below our medium-term return objective, second half of the year RoE (15.5%) reflected a stronger performance compared to first half returns (H1'24: 14.0%) supported by HE growth in H2 which was up 27% (CCY 31%).
- **Cost-to-income ratio** of 53.2%, flat on prior year, with revenue growth of 5% to R109.9 billion and operating expenses rising 5% to R58.5 billion.
- **Revenue** grew 5% to R109.9 billion, with net-interest income increasing 4% to R71.1 billion and non-interest income increasing 6% to R38.8 billion.

Further details regarding the Group's performance and its medium-term outlook are set out in our ***Annual Financial Statements, Performance against strategy... detailed stories*** and ***Outlook***.

2024 short-term incentive and 2022 long-term incentive outcomes

2024 Group short-term incentive: Based on the Group's performance, the RemCo approved a 2024 short-term incentive pool of R3.63 billion, which is at 87% of the approved 2024 on-target pool of R4.2 billion. This is 1% up on the 2023 short-term incentive pool of R3.58 billion, in the context of 2024 HE up 10% (12% in CCY).

- Our financial metrics all delivered outcomes in the lower half (80% to 100%) of our short-term incentive scorecard, based on our achievement relative to the targets set for 2024. All metric outcomes were above the relevant threshold levels, and no RemCo discretion on outcomes was required.
- The Group Social, Sustainability and Ethics Committee (SSEC) approved the Organisational Health outcomes (Colleague, Customer & Digital, Sustainability) at 7.1/10, which is also in the lower half of our range. A material impact area in this regard is the reduction in our 2024 Colleague Experience outcome relative to 2023, against the backdrop of a challenging year for the Group and its employees.
- The Group Audit and Compliance Committee (GACC) recommended a slight downward adjustment in respect of the control environment in certain businesses, and confirmed that the Group's quality of earnings was sound.
- The RemCo reviewed the final short-term incentive pool, which was aligned with the scorecard outcomes, and confirmed that no discretion in respect of the outcome was required.

The determination of the 2024 short-term incentive pool is set out in the ***Implementation Report***.

2022 long-term incentive: Our 2022 long-term incentive, to vest in April 2025 in respect of the performance period 2022–2024 will vest at 67.7%, in the context of our three-year performance. Details of the 2022 long-term incentive vesting outcomes relative to the scorecard are set out in the ***Implementation Report***.

In summary:

- The period under review (2022–2024) includes strong outcomes in 2022, the slowdown in performance between 2023 and mid-2024, and the beginning of the recovery path in the second half of 2024.
- Our HE and RoE measures delivered below-target outcomes, whereas our cost-to-income ratio measure was above target for the three-year performance period.
- Despite a strong rally in Absa Group's share price in the last quarter of 2024, our three-year total shareholder return underperformed our peers, resulting in a zero outcome on this measure.
- The SSEC approved an Organisational Health outcome at 7.9/10, which reflects strong performance in respect of our sustainability measures, marginally below-target performance on Customer & Digital, and a reduced outcome on Colleague driven primarily by our reduced Colleague Experience scores in 2024 against the backdrop of a challenging year for the Group and its employees.
- The GACC did not recommend any downward adjustment in respect of the control environment and therefore no downward modifier applied.

Executive transitions: Executive directors and prescribed officers

There were several executive transitions during 2024, with the following key principles applied in respect of these:

- There were no special arrangements or payments made in respect of executives who left the service of the Group during the year.
- Executives performing in roles on an interim basis did not receive an adjustment to their fixed remuneration. Their contribution has been recognised primarily through a pro-rata adjustment to their short-term incentive.
- Remuneration arrangements for all new appointments have been made within our policy parameters.

Further details regarding the remuneration of the disclosed officers are included in the ***Implementation Report***.

Fair and responsible remuneration

The RemCo continued its focus on fair and responsible remuneration in 2024. This included:

- As in previous years, continuing, across our markets, to monitor relative fixed remuneration increases with a focus on these generally being higher for more junior colleagues in most markets. In South Africa, our bargaining unit increase was 6%, relative to the average managerial increase of 5%. This differential reflects a multi-year trend, as set out in the ***Implementation Report***.
- The **eKhaya Colleague Share Scheme** delivered R114 million in value to colleagues in its first year, through the distribution of its first annual dividend in May 2024. We made a second tranche of awards in September 2024 to 2 152 new joiners, aligned with the scheme's purpose and stated intent. Further details regarding value delivered under eKhaya are set out in the ***Implementation Report***.
- Continued focus on ensuring that minimum remuneration levels in all of our markets are appropriate. In South Africa, for 2025, we increased our company minimum salary to R250 000 (up 8.7%, which is above the overall salary settlement for the bargaining unit).
- Monitoring remuneration outcomes to ensure that these were fair and responsible when considering race, gender and role, confirming with management that steps are being taken, where appropriate, to address differentials that could not be explained on the basis of objective criteria. This includes reviewing outcomes of the upstream elements of the human capital value chain, such as performance management, given that this is a key input into pay-for-performance.
- Ensuring fairness in the distribution of short-term incentive pools to ensure that senior colleagues took appropriate accountability for performance below plan, while ensuring that more junior colleagues were not disproportionately impacted by reductions in pool levels in those businesses that saw performance-based reductions in their short-term incentive pools.

Reward governance

Assurance for Organisational Health outcomes: We now have formal internal and external assurance of our Organisational Health outcomes for both our short- and long-term incentives.

Regulatory compliance: Absa complies with all relevant legislation and regulations pertaining to remuneration in the jurisdictions in which it operates, including in respect of its insurance businesses. This is set out in the ***Remuneration Policy***.

Access to advisors: The RemCo has independent and unfettered access to advisors to enable it to execute on its mandate. This includes independent external advice, and advice from various internal Group control and enabling functions. Deloitte is the RemCo's independent advisor.

Changes in the RemCo membership: *Alpheus Mangale* joined the RemCo on 1 September 2024. The RemCo has benefited from his experience as a seasoned senior executive and non-executive director. *Daisy Naidoo* stepped down from the RemCo on 4 June 2024. We thank Daisy for her contribution.

Conclusion

Our 2024 remuneration implementation decisions represent a fair and balanced outcome based on the Group's absolute and relative performance, are appropriately aligned with shareholder and stakeholder interests over the long-term, and are sustainable.

As we further progress the recovery of our Group's performance in the short- and medium-term, the RemCo will focus on ensuring that our remuneration strategy is strongly aligned with the Group's strategy and performance priorities. Linked to this, the RemCo will focus on the following:

- Review of our remuneration frameworks for market alignment and competitiveness in the context of our talent management. This will include particular focus on key talent and scarce and critical skills, and talent attraction and retention in support of our pan-African strategic objectives. We will engage with shareholders on any material matters.
- As we have set out in previous Remuneration Reports, we will continue to review our short-term incentive arrangements, particularly with regard to the payout ratio relative to HE. As the Group's RoE improves relative to cost of equity, it is expected that our short-term incentive sharing ratio relative to HE will increase to ensure it is appropriate in the context of higher performance.
- Ongoing strengthening of our performance management culture and practices, aligned with driving appropriately differentiated pay-for-performance outcomes in support of achieving our targeted strategic and performance goals.
- Continuing to oversee and ensure that our remuneration approach and outcomes remain fair and responsible.

I appreciate the continued efforts of the RemCo to oversee our remuneration framework, and make remuneration decisions in the context of the delivery of the Group's strategic recovery ambitions, aligned with the interests of all stakeholders.

Directors' and prescribed officers' remuneration

Combined tables for 2024 total remuneration

	Charles Russon		Deon Raju		Arrie Rautenbach		Christopher Snyman		Jason Quinn		Total	
Executive directors **Awarded remuneration**	**2024 R**	2023 R	**2024 R**	2023 R	**2024 R**	2023 R	**2024 R**	2023 R	**2024 R**	2023 R	**2024 R**	2023 R
Salary	6 456 843	6 142 498	4 314 159		8 048 346	9 794 398	1 098 179	357 333		5 853 292	19 917 527	22 147 521
Medical Aid	245 940	226 272	88 935		155 450	180 960	42 108	12 691		119 494	532 433	539 417
Retirement benefits	196 856	197 595	133 016		149 164	189 634	65 682	21 524		444 457	544 718	853 210
Other employee benefits	72 606	71 135	49 546		91 170	269 994	13 198	4 286		69 424	226 520	414 839
Total fixed remuneration	6 972 245	6 637 500	4 585 656		8 444 130	10 434 986	1 219 167	395 834		6 486 667	21 221 198	23 954 987
Cash award	7 250 000	7 000 000	3 750 000			6 800 000	2 900 000	2 625 000			13 900 000	16 425 000
Deferred share award	6 250 000	6 000 000	2 750 000			5 800 000	1 900 000	1 625 000			10 900 000	13 425 000
Total short-term incentives	13 500 000	13 000 000	6 500 000			12 600 000	4 800 000	4 250 000			24 800 000	29 850 000
Face value of long term incentive award (on-target award)	15 000 000	12 000 000	11 000 000			17 000 000	5 000 000	5 000 000			31 000 000	34 000 000
Total awarded remuneration	35 472 245	31 637 500	22 085 656		8 444 130	40 034 986	11 019 167	9 645 834		6 486 667	77 021 198	87 804 987

The cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2024 and March 2025 in respect of prior year performance.

The deferred share award is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2024 for the 2023 short-term incentive award, and will be granted in April 2025 for 2024 performance.

Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's remuneration policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period (three years).

The long-term incentives relate to awards which have future Group performance criteria that will determine the final vesting outcome, in addition to a continued service condition. This is the 'on-target' value of the award.

Other employee benefits include any encashment of leave.

Total awarded remuneration for 2024 includes the fixed remuneration paid during 2024, the total short-term incentive in respect of prior year performance (consisting of a cash award paid in March 2025 and a deferred share award to be granted in April 2025), and the face value of the long-term incentive to be granted in April 2025. Amounts disclosed in 2023 follow the same principle. See notes below regarding the pro-ration of fixed remuneration for individuals who were not in their roles for the full year.

Charles Russon was appointed as Interim Group Chief Executive Officer and executive director on 15 October 2024, prior to which he was a prescribed officer for 2023 and from 1 January to 14 October 2024. His fixed remuneration is disclosed for the full period in the Executive Directors' Remuneration tables.

Deon Raju was appointed as Group Financial Director and executive director on 26 April 2024. His remuneration disclosures for 2024 are set out in this table. His fixed remuneration is pro-rated for the period served as an executive director, with the short-term incentive and long-term incentive awards shown at full value. The short-term incentive therefore also includes a portion of the total award made in respect of his role as Group Chief Risk Officer, from 1 January 2024 to 25 April 2024.

Arrie Rautenbach ceased to be Group Chief Executive Officer and executive director on 15 October 2024. His remuneration disclosures for 2024 are all set out in this table. His fixed remuneration is pro-rated for the period served as an executive director during 2024, and no short-term incentive and long-term incentive awards were granted to him.

Christopher Snyman was the Interim Group Financial Director and executive director from 22 November 2023 to 26 April 2024. His remuneration disclosures for 2023 and 2024 are set out in this table. His fixed remuneration is pro-rated for the period served as an executive director during 2023 and 2024, with the short-term incentive and long-term incentive awards shown at full value. The short-term incentive in both 2023 and 2024 therefore also includes a portion of the award in each year for his role as Head of Group Financial Decision Support, which was neither an executive director nor a prescribed officer role.

Jason Quinn ceased to be Group Financial Director and executive director on 22 November 2023, and his fixed remuneration was pro-rated for the time served as an executive director during 2023. No short-term incentive and long-term incentive awards were granted to him in respect of this period.

Rewarding value creation continued

Combined tables for 2024 total remuneration

	Charles Russon		Deon Raju		Arrie Rautenbach		Christopher Snyman		Jason Quinn		Total	
Executive directors **Single-figure remuneration**	**2024** **R**	2023 R	**2024** **R**	2023 R	**2024** **R**	2023 R	**2024** **R**	2023 R	**2024** **R**	2023 R	**2024** **R**	2023 R
Salary	6 456 843	6 142 498	4 314 159		8 048 346	9 794 398	1 098 179	357 333		5 853 292	19 917 527	22 147 521
Medical Aid	245 940	226 272	88 935		155 450	180 960	42 108	12 691		119 494	532 433	539 417
Retirement benefits	196 856	197 595	133 016		149 164	189 634	65 682	21 524		444 457	544 718	853 210
Other employee benefits	72 606	71 135	49 546		91 170	269 994	13 198	4 286		69 424	226 520	414 839
Total fixed remuneration	6 972 245	6 637 500	4 585 656		8 444 130	10 434 986	1 219 167	395 834		6 486 667	21 221 198	23 954 987
Cash award	7 250 000	7 000 000	3 750 000			6 800 000	2 900 000	2 625 000			13 900 000	16 425 000
Deferred share award	6 250 000	6 000 000	2 750 000			5 800 000	1 900 000	1 625 000			10 900 000	13 425 000
Total short-term incentives	13 500 000	13 000 000	6 500 000			12 600 000	4 800 000	4 250 000			24 800 000	29 850 000
Value of vested long-term incentives	7 142 932	8 443 581	5 714 320		12 143 138	12 363 996	2 347 106	3 980 521			27 347 496	24 788 098
Dividend equivalents/service credits received on vesting awards	2 154 071	1 663 701	945 755		2 829 078	2 153 225	704 654	858 205		2 225 695	6 633 558	6 900 826
Total long-term incentives	9 297 003	10 107 282	6 660 075		14 972 216	14 517 221	3 051 760	4 838 726		2 225 695	33 981 054	31 688 924
Total single figure remuneration	29 769 248	29 744 782	17 745 731		23 416 346	37 552 207	9 070 927	9 484 560		8 712 362	80 002 252	85 493 911

The cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2024 and March 2025 in respect of prior year performance.

The deferred share award is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2024 for the 2023 short-term incentive award, and will be granted in April 2025 for 2024 performance.

Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's remuneration policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period (three years).

The 2022 long-term incentive award, which vests in respect of the performance period ending 31 December 2024, is included in the 2024 single-figure remuneration for executive directors and prescribed officers. The actual value of the vesting to accrue to each participant will be based on the share price on the vesting date and will include any dividend shares (based on dividends declared during the vesting period, and referenced to the number of shares that will vest following application of the performance targets). For the purpose of the 2024 and 2023 disclosures, values are reported using the 31 December share price for the respective years, adjusted for the performance target outcomes for the respective awards, as the publication date of the Annual Financial Statements was before the vesting date in each instance.

Other employee benefits include any encashment of leave.

Total single figure remuneration includes, for each year respectively, the fixed remuneration paid during 2023 and 2024, short-term incentives in respect of 2023 and 2024 performance (consisting of a cash award paid in March 2024 and March 2025, and a deferred share award granted in April 2024 and April 2025), long- term incentive awards (consisting of the full value of vested long-term incentives, and dividend equivalents received on the vesting dates).

Charles Russon was appointed as Interim Group Chief Executive Officer and executive director from 15 October 2024, prior to which he was a prescribed officer for 2023 and from 1 January to 14 October 2024. His fixed remuneration is disclosed for the full period in the Executive Directors' Remuneration tables. His short-term incentive includes his performance as Chief Executive: Corporate and Investment Banking from 1 January to 14 October 2024, and as Interim Group Chief Executive Officer from 15 October to 31 December 2024.

Deon Raju was appointed as Group Financial Director and executive director on 26 April 2024. His remuneration disclosures for 2024 are set out in this table. His fixed remuneration is pro-rated for the period served as an executive director, with the short-term incentive and long-term incentive awards shown at full value. The short-term incentive therefore also includes a portion of the total award made in respect of his role as Group Chief Risk Officer, from 1 January 2024 to 25 April 2024.

Arrie Rautenbach ceased to be Group Chief Executive Officer and executive director on 15 October 2024. His remuneration disclosures for 2024 are set out in this table. His fixed remuneration is pro-rated for the period served as an executive director during 2024, and no short-term incentive and long-term incentive awards were granted to him.

Christopher Snyman was the Interim Group Financial Director and executive director from 22 November 2023 to 26 April 2024. His remuneration disclosures for 2023 and 2024 are set out in this table. His fixed remuneration is pro-rated for the period served as an executive director during 2023 and 2024, with the short-term incentive and long-term incentive awards shown at full value. The short-term incentive in both 2023 and 2024 therefore also includes a portion of the award in each year for his role as Head of Group Financial Decision Support, which was neither an executive director nor a prescribed officer role.

Jason Quinn ceased to be Group Financial Director and executive director on 22 November 2023, and his fixed remuneration was pro-rated for the time served as an executive director during 2023. No short-term incentive and long-term incentive awards were granted to him in respect of this period.

Rewarding value creation continued

Combined tables for 2024 total remuneration

Prescribed officers **Awarded remuneration**	Christine Wu **2024** **R**	 2023 R	Faisal Mkhize **2024** **R**	 2023 R	Geoffrey Lee **2024** **R**	 2023 R	Saviour Chibiya **2024** **R**	 2023 R	Yasmin Masithela **2024** **R**	 2023 R	Cowyk Fox **2024** **R**	 2023 R	Total **2024** **R**	 2023 R
Salary	3 432 613		5 290 586	5 150 753	5 388 968	5 251 388	3 403 037	4 067 915	1 320 277		1 573 564	5 055 165	20 409 045	19 525 221
Medical Aid			162 101	124 676	270 360	237 456	463 636	101 941	36 585		30 613	101 840	963 295	565 913
Retirement benefits	255 463		405 801	393 982	199 160	199 537	486 264	383 281	41 957		62 078	199 537	1 450 723	1 176 337
Other employee benefits	46 640		64 012	345 933	64 012	61 619	1 757 638	681 465	13 414		19 339	392 859	1 965 055	1 481 876
Total fixed remuneration	3 734 716		5 922 500	6 015 344	5 922 500	5 750 000	6 110 576	5 234 602	1 412 233		1 685 594	5 749 401	24 788 119	22 749 347
Cash award	2 600 000		2 875 000	2 875 000	3 610 000	3 139 250	3 250 000	3 250 000	6 600 000			2 516 000	18 935 000	11 780 250
Deferred share award	1 600 000		1 875 000	1 875 000	2 610 000	2 139 250	2 250 000	2 250 000	5 600 000			1 516 000	13 935 000	7 780 250
Total short-term incentives	4 200 000		4 750 000	4 750 000	6 220 000	5 278 500	5 500 000	5 500 000	12 200 000			4 032 000	32 870 000	19 560 500
Face value of long term incentive award (on-target award)	8 500 000		8 500 000	7 500 000	8 500 000	9 500 000	8 500 000	8 500 000	6 500 000			4 500 000	40 500 000	30 000 000
Other payments								773 373						773 373
Total awarded remuneration	16 434 716		19 172 500	18 265 344	20 642 500	20 528 500	20 110 576	20 007 975	20 112 233		1 685 594	14 281 401	98 158 119	73 083 220

The cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2024 and March 2025 in respect of prior year performance.

The deferred share award is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2024 for the 2023 short-term incentive award, and will be granted in April 2025 for 2024 performance.

Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's remuneration policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period (three years).

The long-term incentives relate to awards which have future Group performance criteria that will determine the final vesting outcome, in addition to a continued service condition. This is the 'on-target' value of the award.

Total awarded remuneration for 2024 includes the fixed remuneration paid during 2024, the total short-term incentive award in respect of prior year performance (consisting of a cash award paid in March 2025 and a deferred share award granted in April 2025), and the face value of the long-term incentive award to be granted in April 2025. Amounts disclosed in 2023 follow the same principle.

Christine Wu was appointed as Chief Executive: Everyday Banking and prescribed officer on 26 April 2024, and Yasmin Masithela was appointed as Interim Chief Executive: Corporate and Investment Banking and prescribed officer on 15 October 2024. Their remuneration disclosures for 2024 are set out in the Prescribed Officers' Remuneration tables. Their fixed remuneration is pro-rated for the period served as prescribed officers during 2024, with the short-term incentive and long-term incentive awards shown at full value. Their short-term incentives therefore include a portion of the award for their performance, respectively, as Managing Executive: Consumer Products, and Managing Executive: Transactional Banking. Neither of these roles were prescribed officer roles.

Saviour Chibiya's fixed remuneration reflects a year-on-year variability, primarily due to fluctuations in foreign exchange rates. The partial payment of fixed remuneration in South Africa (8 months) and in Zambia (4 months) for 2023 compared to 2024 full fixed remuneration paid in Zambia also contributed to this variability. His expatriate benefits have been included under 'Other payments' for the prior year. Saviour's 2023 awarded remuneration has also been updated to include an additional long-term incentive award of R4m, received in September 2024, after the publication of the 2023 Annual Financial Statements and 2023 Remuneration Report.

Cowyk Fox ceased to be Chief Executive: Everyday Banking and prescribed officer on 22 April 2024. His fixed remuneration is pro-rated for the period served as prescribed officer during 2024, and no short-term incentive and long-term incentive award were granted to him.

Rewarding value creation continued

Combined tables for 2024 total remuneration

Prescribed officers **Single-figure remuneration**	Christine Wu 2024 R	 2023 R	Faisal Mkhize 2024 R	 2023 R	Geoffrey Lee 2024 R	 2023 R	Saviour Chibiya 2024 R	 2023 R	Yasmin Masithela 2024 R	 2023 R	Cowyk Fox 2024 R	 2023 R	Total 2024 R	 2023 R
Salary	3 432 613		5 290 586	5 150 753	5 388 968	5 251 388	3 403 037	4 067 915	1 320 277		1 573 564	5 055 165	20 409 045	19 525 221
Medical Aid			162 101	124 676	270 360	237 456	463 636	101 941	36 585		30 613	101 840	963 295	565 913
Retirement benefits	255 463		405 801	393 982	199 160	199 537	486 264	383 281	41 957		62 078	199 537	1 450 723	1 176 337
Other employee benefits	46 640		64 012	345 933	64 012	61 619	1 757 638	681 465	13 414		19 339	392 859	1 965 055	1 481 876
Total fixed remuneration	3 734 716		5 922 500	6 015 344	5 922 500	5 750 000	6 110 576	5 234 602	1 412 233		1 685 594	5 749 401	24 788 119	22 749 347
Cash award	2 600 000		2 875 000	2 875 000	3 610 000	3 139 250	3 250 000	3 250 000	6 600 000			2 516 000	18 935 000	11 780 250
Deferred share award	1 600 000		1 875 000	1 875 000	2 610 000	2 139 250	2 250 000	2 250 000	5 600 000			1 516 000	13 935 000	7 780 250
Total short-term incentives	4 200 000		4 750 000	4 750 000	6 220 000	5 278 500	5 500 000	5 500 000	12 200 000			4 032 000	32 870 000	19 560 500
Value of vested long-term incentives	2 857 096		6 009 009	4 101 194	6 009 009	4 101 194	4 285 708	4 704 252	2 857 096			4 583 579	22 017 918	17 490 219
Dividend equivalents/service credits received on vesting awards	851 936		783 176	976 903	799 929	1 003 670	906 566	716 432	1 032 434		869 564	1 112 769	5 243 605	3 809 774
Total long-term incentives	3 709 032		6 792 185	5 078 097	6 808 938	5 104 864	5 192 274	5 420 684	3 889 530		869 564	5 696 348	27 261 523	21 299 993
Other payments								773 373						773 373
Total single figure remuneration	11 643 748		17 464 685	15 843 441	18 951 438	16 133 364	16 802 850	16 928 659	17 501 763		2 555 158	15 477 749	84 919 642	64 383 213

The cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2024 and March 2025 in respect of prior year performance.

The deferred share award is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2024 for the 2023 short-term incentive award, and will be granted in April 2025 for 2024 performance.

Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's remuneration policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period (three years).

The 2022 long-term incentive, which vests in respect of the performance period ending 31 December 2024, is included in the 2024 single-figure remuneration for executive directors and prescribed officers. The actual value of the vesting to accrue to each participant will be based on the share price on vesting date and will include any dividend shares (based on dividends declared during the vesting period, and referenced to the number of shares that will vest following application of the performance targets). For the purpose of the 2024 and 2023 disclosures, values are reported using the 31 December share price for the respective years, as the publication date of the Annual Financial Statements was before the vesting date in each instance.

Other employee benefits include encashment of leave.

Total single figure remuneration includes, for each year respectively, the fixed remuneration paid during 2023 and 2024, short-term incentives in respect of 2023 and 2024 performance (consisting of a cash award paid in March 2024 and March 2025, and a deferred share award granted in April 2024 and April 2025), long- term incentive awards (consisting of the value of vested long-term incentives and dividend equivalents / service credits received on the vesting dates) and payments reflected as 'Other Payments'. See notes on the right regarding the pro-ration of fixed remuneration for individuals who were not in their roles for the full year.

Christine Wu was appointed as Chief Executive: Everyday Banking and prescribed officer on 26 April 2024 and Yasmin Masithela was appointed as Interim Chief Executive: Corporate and Investment Banking and prescribed officer on 15 October 2024. Their remuneration disclosures for 2024 are set out in this table. Their fixed remuneration is pro-rated for the period served as prescribed officers during 2024, with the short-term incentive and long-term incentive awards shown at full value. Their short-term incentives therefore include a portion of the award for their performance, respectively, as Managing Executive: Consumer Products, and Managing Executive: Transactional Banking. Neither of these were prescribed officer roles.

Saviour Chibiya's fixed remuneration reflects a year-on- year variability, primarily due to fluctuations in foreign exchange rates. The partial payment of fixed remuneration in South Africa (8 months) and in Zambia (4 months) for 2023 compared to 2024 full fixed remuneration paid in Zambia also contributed to this variability. His expatriate benefits have been included under 'Other payments' for the prior year.

Cowyk Fox ceased to be Chief Executive: Everyday Banking and prescribed officer on 22 April 2024. His fixed remuneration is pro-rated for the period served as prescribed officer during 2024, and no short-term incentive and long-term incentive awards were granted to him.

Supplementary information

Basis of preparation and presentation

Our Integrated Report describes its basis of preparation and presentation.

Frameworks[LA-IA]

This Integrated Report is prepared using the IFRS Foundation's Integrated Reporting Framework 2021 and the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV).

New standards[LA-IA]

The Group is considering voluntary adoption of the International Sustainability Standard's Board (ISSB) standards within an appropriate time.

Since the release of IFRS S1 and S2, we have undertaken the following actions:

- We conducted a gap analysis against IFRS S1, S2, SASB, GRI and Prudential Authority guidelines to assess our current compliance level
- As a result, we developed a compliance roadmap which was presented to the SSEC
- Additionally, our compliance progress and reporting framework undergo external assurance, ensuring credibility, accuracy, and regulatory alignment.

ISSB disclosures will be housed in our ***Sustainability and Climate Report***, clearly distinguishable from other disclosures. Staying true to the principle of conciseness, the Integrated Report will only focus on providing context to material links between financial and non-financial information.

Restatements and reporting methodologies

IFRS results

Given the process of separating from Barclays PLC, the Group historically reported IFRS-compliant financial results as well as a normalised view. The latter adjusts for the consequences of the separation and better reflects its underlying performance. Normalisation adjusted for the following items: interest earned on the remaining capital invested; NIR; operating expenses mainly relating to the amortisation of intangible assets and depreciation; recovery of other operating expense and the tax impact of the aforementioned items. Since normalisation occurs at a Group level, it does not affect divisional disclosures. As previously reported, the Group stopped issuing normalised financial results from this financial year as the impact is immaterial. The Integrated Report is no longer prepared using normalised results and from this financial year use IFRS results, except where otherwise stated.

Reporting period and forward-looking statements

This report covers the period from 1 January 2024 to 31 December 2024. Notable or material events after 31 December 2024 and until the approval of this report on 24 March 2025 are included. Statements relating to future operations and the performance of the Group are not guarantees of future operating, financial or other results and involve uncertainty, as they are based on assumptions of future developments, some of which are beyond our control. Therefore, the results and outcomes may differ. Given continued levels of uncertainty, our approaches, planning, and stress testing exhibit a higher than usual level of uncertainty as to selected outlook and forward-looking statements. Shareholders should consider the full published reporting suite on ***www.absa.africa*** as part of any investment decision.

Metric measurement methodologies[LA-IA]

For a full list of metric definitions, please refer to our ***Assurance Booklet***. The notes below are intended to outline where Group metrics are derived from differing business unit measurement methodologies, or, to outline material changes from prior year in:

- Measurement methodologies or criteria
- Values as a result of restatements.

Economic value to suppliers methodology

Economic value to suppliers (R19.6 billion) is derived from an economic value-added statement reporting methodology.

Client primacy – pan-CIB

Restated baseline in line with client hierarchy changes.

Digitally active clients

In 2020, the metric was extended to include ARO RBB. Metrics for 2021 and 2022 include CIB pan-Africa, RBB SA and ARO RBB. The methodology for calculating this metric considers activity within 12 months, 90 or 30 days, depending on the individual business segments preferred reporting methodology. The totals provided here do not adjust for the different methodologies.

Digitally active customers – ARO RBB comparatives FY20 to FY23 were restated. This affects the total digitally active customer numbers as disclosed in this report. Impacts to the Group composite growth percentage were taken into account for FY24 and FY23 only.

Sustainable finance – ARO RBB

The definition for Sustainable finance-ARO RBB was further refined during 2024. Comparatives have not been restated but were adjusted for constant currency.

Sustainable finance – EB

Sustainability-linked finance reflects student loan production, a subset of personal loans production. Personal loan production represents the total value of all new personal loan agreements entered into within a financial period. Student loans are extended to customers, in line with the bank's established lending principles, to fund tertiary educational expenses.

TCF

As from 1 January 2023, the TCF ARO RBB scoring is weighted based on revenue per country. Prior years scoring was based on equal contributions and have not been restated.

PoS

The South African methodology for PoS differs from the ARO methodology, as it excludes SoftPOS solutions.

Basis of preparation and presentation continued

Process disclosure and assurance approach to integrated reporting[LA-EA]

Our reporting process

We follow a formally documented integrated reporting process, tracked using a digital project management system. The process is audited by our Group Financial Control (first line of defence), who check that functions, roles and responsibilities are running as documented and that the design and implementation of the process are effective. This is supported by an annual self-attestation from management, confirming that the process is being adhered to and remains effective.

The first step of our integrated reporting process is our ***materiality determination process***, which enables us to identify and report on matters that can substantially affect our ability to create or preserve value, or lead to value erosion, over the short, medium, and long term. The material matters identified through our materiality determination process are included in our Integrated Report and are reviewed and approved by ExCo and the Disclosure Committee.

As a further input into our integrated reporting process, recommendations to improve the quality of our Integrated Report are put forward to the Disclosure Committee annually for discussion and approval. These recommendations are informed by internal review of our Integrated Report against leading reporting practice and disclosure trends. We also receive guidance from independent experts, such as EY, who provide insight into improving the quality and integrity of our Integrated Report.

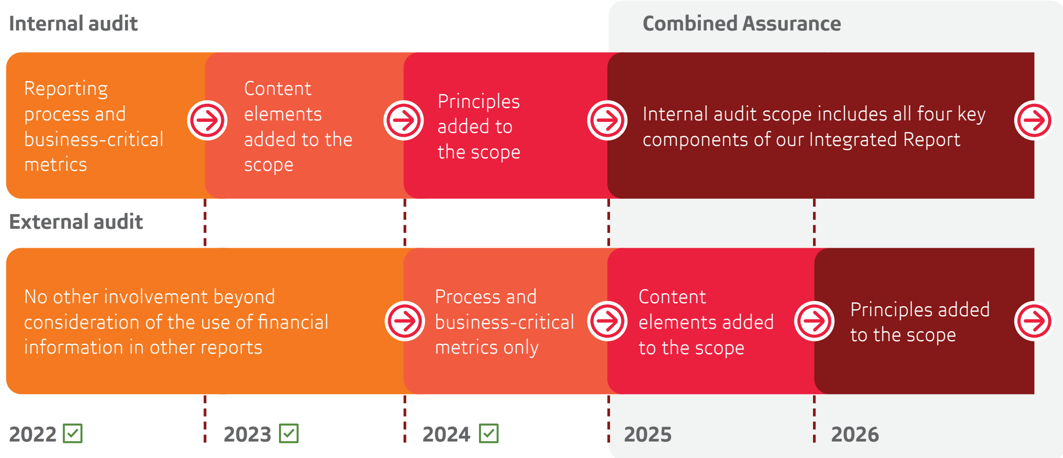
Before we release our Integrated Report to our stakeholders, it is reviewed by our ExCo and Board, supported by the Disclosure Committee. This year, we took steps to enhance the integrity of our Integrated Report by expanding our assurance scope as described below.

Our assurance process

In 2022, we initiated a multi-year assurance plan to enhance the integrity of our Integrated Report and reporting process. We believe that assurance strengthens the credibility of reporting, and helps improve decision-making, internal information-gathering systems and processes, providing comfort to our key stakeholders. Our assurance journey (as depicted to the right) contains steps to develop a combined assurance approach that relies on shared oversight and responsibility for the assurance process by internal and external assurance providers.

The scope of our assurance journey will cover four key components of our Integrated Report:

1. The integrated reporting process (described in the "Our reporting process" section above)
2. Self-determined performance metrics, which are reflected in our value over time table and key metrics from our Group strategic scorecard[1]
3. Content elements (as defined in the IR Framework[2]) included in our Integrated Report
4. Select principles contained in the IR Framework[2, 3].



As part of year three (i.e. 2024), the combined assurance mechanisms include:

1. Deloitte provided limited assurance over the integrated reporting process (described in the "Our reporting process" section to the left)
2. Performance metrics carry a mix of limited assurance from Deloitte and Group Internal Audit, reasonable assurance from the financial statement auditors, and management oversight (refer to the ***value over time*** table "Assurance" column)
3. Content elements carry limited assurance from Group Internal Audit
4. Select principles carry limited assurance from Group Internal Audit.

Our ***Assurance Booklet*** contains the detailed audit opinions from both Deloitte and Group Internal Audit.

Assurance Booklet
Scan here to view

[1] As approved by the Board for each specific year.
[2] Integrated Reporting Framework, IFRS.
[3] Globally, professional bodies are investigating assurance opportunities for integrated reporting. Areas of development include defining reporting criteria for certain principles to present suitable criteria for an effective assurance engagement (including, for example, Completeness, Connectivity and Conciseness. Other principles require significant auditor judgement (including, for example, Materiality and Strategic focus and future orientation).

Board committee details

Board committee details **reflect membership as at date of publication.**

The following legend and changes apply to the tables as presented on pages 120 to 122.

ED	Executive director	**ID**	Independent director	**CCO**	Chief Credit Officer
ExCo	Executive Committee	**LID**	Lead independent director	**CIA**	Chief Audit Executive
IC	Independent chairman	**NED**	Non-executive director		
DAC	Directors' Affairs Committee	**GACC**	Group Audit and Compliance Committee	**GRCMC**	Group Risk and Capital Management Committee
RemCo	Remuneration Committee	**SSEC**	Social, Sustainability and Ethics Committee	**ITC**	Information Technology Committee
BFC	Board Finance Committee	**GCRC**	Group Credit Risk Committee	**MC**	Models Committee

Changes in 2024 to date of publication (ordered by date)

12 March	Swithin Munyantwali resigns from the Board and as a member of GACC, GCRC and SSEC
26 April	Chris Snyman steps off the Board and GCRC, GRCMC, ITC and MC as a member, and BFC, DAC, GACC and RemCo as an attendee
26 April	Deon Raju joins the Board and GCRC, GRCMC, ITC and MC as a member, and BFC, DAC, GACC and RemCo as an attendee
4 June	Daisy Naidoo retires from the Board and steps down as a member from GACC, RemCo, and GCRC
1 September	Alpheus Mangale joins RemCo as a member
1 September	John Cummins joins MC as a member and Chairman
15 October	Arrie Rautenbach retires from the Board and GCRC, GRCMC, ITC and SSEC as a member, and BFC, DAC, GACC and RemCo as an attendee
15 October	Charles Russon joins the Board and GCRC, GRCMC, ITC and SSEC as a member, and BFC, DAC, GACC and RemCo as an attendee
17 March 2025	Appointment of Kenny Fihla as Group Executive Officer effective 17 June 2025 pending regulatory approval. Charles Russon remains the Interim Chief Executive Officer of Absa Group until 16 June 2025
1 April 2025	Zarina Bassa and Sindi Zilwa are appointed as independent non-executive directors of Absa Group. Both Zarina and Sindi become members of the GACC. Zarina will also become a member of the RemCo and GCRC, and Sindi a member of the ITC, GRCMC, and SSEC.

Executive Committee (ExCo)

- Akash Singh: Group Chief Compliance Officer
- Charles Russon: Interim Group Chief Executive Officer
- Christine Wu: Chief Executive: EB
- Deon Raju: Group Financial Director
- Faisal Mkhize: Chief Executive: RB
- Geoffrey Lee: Chief Executive: PSC
- Jeanett Modise: Group Chief Human Capital Officer
- Johnson Idesoh: Group Chief Information and Technology Officer
- Prabashni Naidoo: Group Chief Audit Executive (ex-officio attendee)
- Punki Modise: Group Chief Strategy and Sustainability Officer
- Rajal Vaidya: Group Chief Risk Officer
- Saviour Chibiya: Chief Executive: ARO
- Sydney Mbhele: Group Chief Brand, Marketing and Corporate Affairs Officer
- Yasmin Masithela: Interim Chief Executive: CIB

Board committee details continued

Directors' Affairs Committee

Assists the Board in establishing and maintaining appropriate corporate governance aligned with King IV, the corporate governance provisions of the Banks Act and other relevant regulations for the Group and material subsidiaries. This includes composition and continuity of the Board and its committees; the induction of new Board members; director training and skills development; director independence and directors' conflicts and disclosures of interests; effectiveness evaluation of the Board and its committees, reviewing and proposing governing policies; monitoring the governing structures of subsidiary entities and considering matters of regulatory and reputational risk.

Member	Designation
Ihron Rensburg	INED
Nhlanhla Mjoli-Mncube	INED LID
Peter Mageza	INED
René van Wyk	INED
Rose Keanly	INED
Sello Moloko (Chairman)	INED, IC
Tasneem Abdool-Samad	INED

Attendees	
Deon Raju	ED
Charles Russon	ED

Committee tenure

Group Audit and Compliance Committee

Is accountable for the Annual Financial Statements, accounting policies and reports and overseeing the quality and integrity of the Group's integrated reporting. It is the primary forum for engagement with internal and external audit, compliance, and operational risk. The committee monitors the Group's internal control and compliance environment. The committee recommends the appointment of external auditors to the Board and shareholders.

Member	Designation
Alison Beck	INED
Fulvio Tonelli	INED
Peter Mageza	INED
René van Wyk	INED
Sindi Zilwa	INED
Tasneem Abdool-Samad (Chairman)	INED
Zarina Bassa	INED

Attendees	
Akash Singh	ExCo
Charles Russon	ED
Deon Raju	ED
Rajal Vaidya	ExCo
Prabashni Naidoo	CIA

Committee tenure

Group Risk and Capital Management Committee

Assists the Board in overseeing the risk, capital and liquidity management of the Group by reviewing and monitoring (i) the Group's risk profile against its set risk appetite; (ii) its capital, funding and liquidity positions, including in terms of applicable regulations; and (iii) the implementation of the ERMF and the eight principal risks defined therein. It receives assurance that processes are in place to comply with laws and regulations pertaining to risk, capital, funding and liquidity management in all relevant jurisdictions.

Member	Designation
Alison Beck	INED
Alpheus Mangale	INED
Charles Russon	ED
Deon Raju	ED
Fulvio Tonelli	INED
John Cummins	INED
Luisa Diogo	INED
René van Wyk (Chairman)	INED
Sello Moloko	INED, IC
Sindi Zilwa	INED
Tasneem Abdool-Samad	INED

Attendees	
Akash Singh	ExCo
Rajal Vaidya	ExCo
Prabashni Naidoo	CIA

Committee tenure

Board committee details continued

Remuneration Committee

Sets and oversees the implementation of the Group's Remuneration Policy principles to deliver fair and responsible remuneration aligned with current and emerging market practice, to meet regulatory and corporate governance requirements and to reward in the context of the performance of the Group. It approves the total remuneration spend, including fixed remuneration, short-term and long-term incentives, any other remuneration arrangements, and the particulars of a defined senior population. It also considers and approves the Group's remuneration disclosure policies and ensures that disclosures are accessible, understandable, accurate, complete and transparent; and that the Group remunerates fairly and responsibly in the context of overall employee remuneration, focusing on remuneration differentials.

Member	Designation
Alpheus Mangale	INED
Ihron Rensburg	INED
Peter Mageza	INED
Rose Keanly (Chairman)	INED
Sello Moloko	INED
Zarina Bassa	INED

Attendees	
Charles Russon	ED
Deon Raju	ED
Jeanett Modise	ExCo

Committee tenure

Social, Sustainability and Ethics Committee

Monitors key organisational health indicators relating to social and economic development; responsible corporate citizenship; the environment, health and public safety; labour and employment; conduct and ethics; consumer relationships; stakeholder management and transformation; as well as the Group's activities relating to its role in Africa's growth and sustainability and the impact on the Group's employees, customers, and environment. It applies the recommended practices and regulations as outlined in King IV and the Companies Act in executing its mandate.

Member	Designation
Charles Russon	ED
Ihron Rensburg (Chairman)	INED
Luisa Diogo	INED
Nhlanhla Mjoli-Mncube	LID
Rose Keanly	INED
Sello Moloko	INED, IC
Sindi Zilwa	INED

Attendees	
Akash Singh	ExCo
Faisal Mkhize	ExCo
Yasmin Masithela	ExCo
Jeanett Modise	ExCo
Punki Modise	ExCo
Saviour Chibiya	ExCo
Sydney Mbhele	ExCo

Committee tenure

Information Technology Committee

Provides oversight and governance of the Group's information assets and the technology infrastructure used to generate, process and store that information. The focus is on resilience and stability; architecture; data management; security (cyber and other), AI and digitisation.

Member	Designation
Alpheus Mangale	INED
Charles Russon	ED
Deon Raju	ED
John Cummins	INED
Johnson Idesoh	ExCo
Peter Mageza (Chairman)	INED
Rose Keanly	INED
Sindi Zilwa	INED

Attendees	
Akash Singh	ExCo
Yasmin Masithela	ExCo
Christine Wu	ExCo
Rajal Vaidya	ExCo
Geoffrey Lee	ExCo
Prabashni Naidoo	CIA

Committee tenure

Board committee details continued

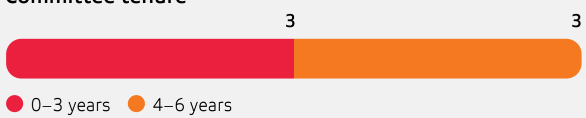
Board Finance Committee

Assists the Board in reviewing and approving certain levels of investment, outsourcing, acquisition and divestments within the committee's mandate; considers and recommends to the Board the short-term and medium-term financial plan underpinning the Group strategy; and considers and finalises the profit commentary as it relates to the interim and year-end financial results. It also approves the publication of the dividend declarations within the parameters determined by the Board.

Member	Designation
Fulvio Tonelli	INED
Luisa Diogo	INED
Nhlanhla Mjoli-Mncube (Chairman)	INED LID
Sello Moloko	INED, IC
René van Wyk	INED
Tasneem Abdool-Samad	INED

Attendees	
Charles Russon	ED
Deon Raju	ED

Committee tenure



Group Credit Risk Committee

Considers and approves all large exposures that exceed 10% of qualifying capital and reserves including single name exposures and key country and sovereign risk limits within the credit risk appetite of the Group as approved by the Board from time to time. It has oversight over credit risk and monitors industry, sector, and single name concentration risks, trends and exposures.

Member	Designation
Charles Russon	ED
Deon Raju	ED
Rajal Vaidya	ExCo
Fulvio Tonelli	INED
John Cummins	INED
Nhlanhla Mjoli-Mncube	INED LID
Rautie Nel	CCO
René van Wyk (Chairman)	INED
Zarina Bassa	INED

Committee tenure

Models Committee

Assists the Board in approving Absa's material risk models on inception, and then annually, as per the Group Model Risk Policy and the PA guidelines. It also approves the Model Risk Framework; approves and monitors model risk appetite; approves appropriate post-model adjustments; sets thresholds and tolerances for models and related post-model adjustments; and oversees the model governance process, the external audit findings and the combined assurance work for all models.

Member	Designation
John Cummins (Chairman)	INED
Christine Wu	ExCo
Deon Raju	ED
Yasmin Masithela	ExCo
Rajal Vaidya	ExCo
Geoffrey Lee	ExCo

Attendees	
John Annandale	Head of Financial Control Functions
Simon Greenberg	Head of Model Risk
Rautie Nel	CCO

Committee tenure

Abbreviations and glossary

AFS	Annual Financial Statements
AGM	Annual general meeting
AI	Artificial intelligence
AIC	African, Indian, and Coloured
API	Application programme interface
ARO	Absa Regional Operations
ARO RBB	The Absa Regional Operations Retail and Business Banking operating segment of the Group
AWS	Amazon Web Services
BASA	Banking Association of South Africa
B-BBEE	Broad-based black economic empowerment
BCBS	Basel Committee on Banking Supervision
BFC	Board Finance Committee
BIAN	Banking Industry Architecture Network
BoTT	Bank of Tomorrow Today
CIB	The Corporate and Investment Bank pan-Africa operating segment of the Group
CLR	Credit loss ratio
CPI	Consumer price index
CRM	Customer relationship management
CRST	Climate Risk Stress Test
CX	Customer Experience
CXI	Customer Experience Index
DAC	Directors' Affairs Committee
DC	Disclosure Committee
DCC	Direct Currency Conversion
DEIB	Diversity, equity, inclusion and belonging
DIS	Deposit Insurance Scheme
DOLE	Department of Labour and Employment
DSS	Dynamic skills strategy
EB	The Everyday Banking operating segment of the Group
ERMF	Enterprise Risk Management Framework
ESG	Environmental, social and governance
EVP	Employee value proposition
FATF	Financial Action Task Force
Financial capital	The pool of funds that is available to an organisation for use in the production of goods or the provision of services obtained through financing, such as debt, equity or grants, or generated through operations or investments
FSCA	Financial Sector Conduct Authority
GACC	Group Audit and Compliance Committee
GCRC	Group Credit Risk Committee
GenAI	Generative AI
GNU	Government of National Unity
GRCMC	Group Risk and Capital Management Committee
GSS	Global Screening Services
HQLA	High-quality liquid assets
Human capital	People's competencies, capabilities and experience, and their motivations to innovate, including their alignment with and support for an organisation's governance framework, risk management approach, and ethical values, ability to understand, develop and implement an organisation's strategy and loyalties and motivations for improving processes, goods and services, including their ability to lead, manage and collaborate.
IEC	International Electrotechnical Commission
IFC	International Finance Corporation
Intellectual capital	Organisational, knowledge-based intangibles, including Intellectual property, such as patents, copyrights, software, rights, and licences and "organisational capital" such as tacit knowledge, systems, procedures, and protocols.
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
ITC	Information Technology Committee
JSE	Johannesburg Stock Exchange
KYC	Know Your Customer
LGD	Loss given default
LTI	Long-term incentives
Manufactured capital	Manufactured physical objects (as distinct from natural physical objects) that are available to an organisation for use in the production of goods or the provision of services, including buildings, equipment and infrastructure (such as roads, ports, bridges, and waste and water treatment plants).
MAP	Model Analytics Platform
MC	Models Committee
MIGA	Multilateral Investment Guarantee Agency

Abbreviations and glossary continued

MPIF	Monetary Policy Implementation Framework
Natural capital	All renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organisation. It includes air, water, land, minerals and forests, biodiversity and ecosystem health.
NIR	Non-interest revenue
OECD	Organisation for Economic Cooperation and Development
OEM	Original equipment manufacturers
PA	Prudential Authority
PoS	Point-of-sale
PSC	The Product Solution Cluster operating segment of the Group
P2B	Person to Business
RB	The Relationship Banking operating segment of the Group
RemCo	Remuneration Committee
RMCP	Risk Management and Compliance Programme
SA	South Africa
SARB	South African Reserve Bank
Six capitals	The capitals identified by the International Integrated Reporting Framework, 2021 are: financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital. Together they represent stores of value that are the basis of an organisation's value creation
SMME	Small, medium and micro enterprises
Social and relationship capital	The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective wellbeing. Social and relationship capital includes shared norms, and common values and behaviours, key stakeholder relationships, and the trust and willingness to engage that an organisation has developed and strives to build and protect with external stakeholders, intangibles associated with the brand and reputation that an organisation has developed and an organisation's social licence to operate.
SSEC	Social, Sustainability and Ethics Committee
SSO	Single sign-on
STEM	Science, technology, engineering and maths
TCF	Treating Customers Fairly
UK	United Kingdom
US	United States

Shareholder diary and information

Shareholder diary	
Financial year end	31 December 2024
Annual general meeting[1]	3 June 2025 [1] Subject to change.
Dividend declaration date	11 March 2025
Last day to trade cum dividend	22 April 2025
Ex-dividend date	23 April 2025
Record date	25 April 2025
Dividend payment date	29 April 2025
2025 Interim results	18 August 2025

Notes

Notes

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