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Absa Group
1H25 financial results

18 August 2025

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Group Chief Executive

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Difficult macro backdrop that remains highly uncertain

Global environment

- New US administration increased global uncertainty significantly
- Tariffs increase inflation pressure
- Monetary policy trends reflect country-specific conditions
- Elevated geopolitical tensions
- Regulatory fragmentation

Sub-Saharan Africa

- Social tension in some markets
- Disinflation, policy rate cutting
- Improving weather conditions
- Large infrastructure investment
- Better GDP growth expected than SA
- Sovereign debt challenges continue
- Currency appreciation versus Rand

South Africa

- Disappointing GDP growth
- US tariffs raised materially
- Increased tension within government of national unity
- Lower business/consumer confidence
- Inflation benign and shallow rate cuts

Continued progress in 1H25

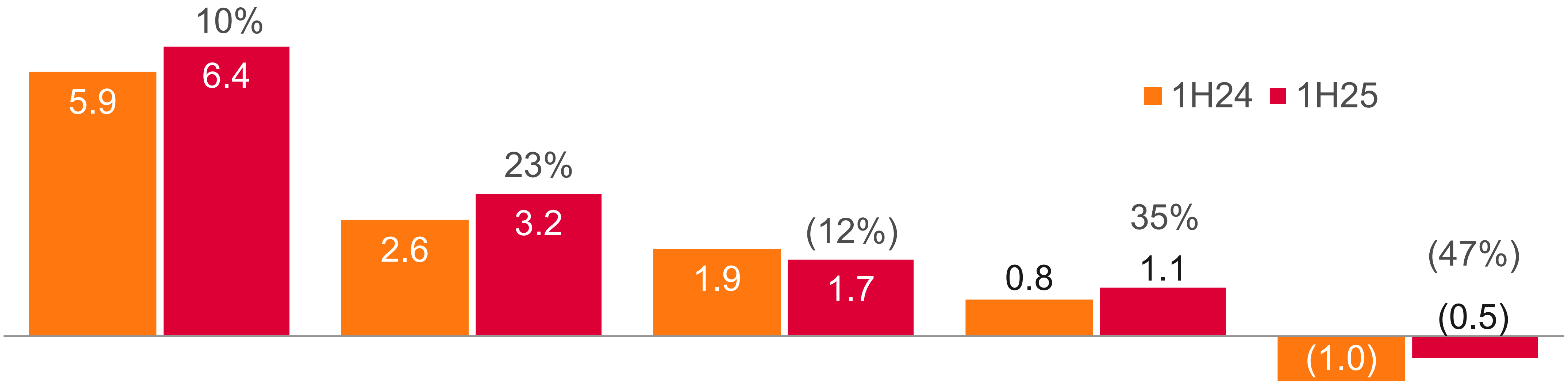
Key performance metrics	1H24	1H25	Change (%)
Diluted HEPS (c)	1 227.7	**1 422.9**	16
Ordinary DPS (c)	685	**785**	15
RoE (%)	14.0	**14.8**	
Net interest margin (bps)	469	**458**	
Cost-to-income ratio (%)	52.7	**53.2**	
Credit loss ratio (bps)	123	**100**	
NAV per share (R)	180	**200**	11
CET1 ratio (%)	12.7	**12.5**	

Focus on execution priorities

- Franchise driven sustainable growth
- Client franchise focus
- Top-down precise capital allocation
- Productivity and efficiency programme for future investment

Most businesses grew earnings and Head Office trimmed

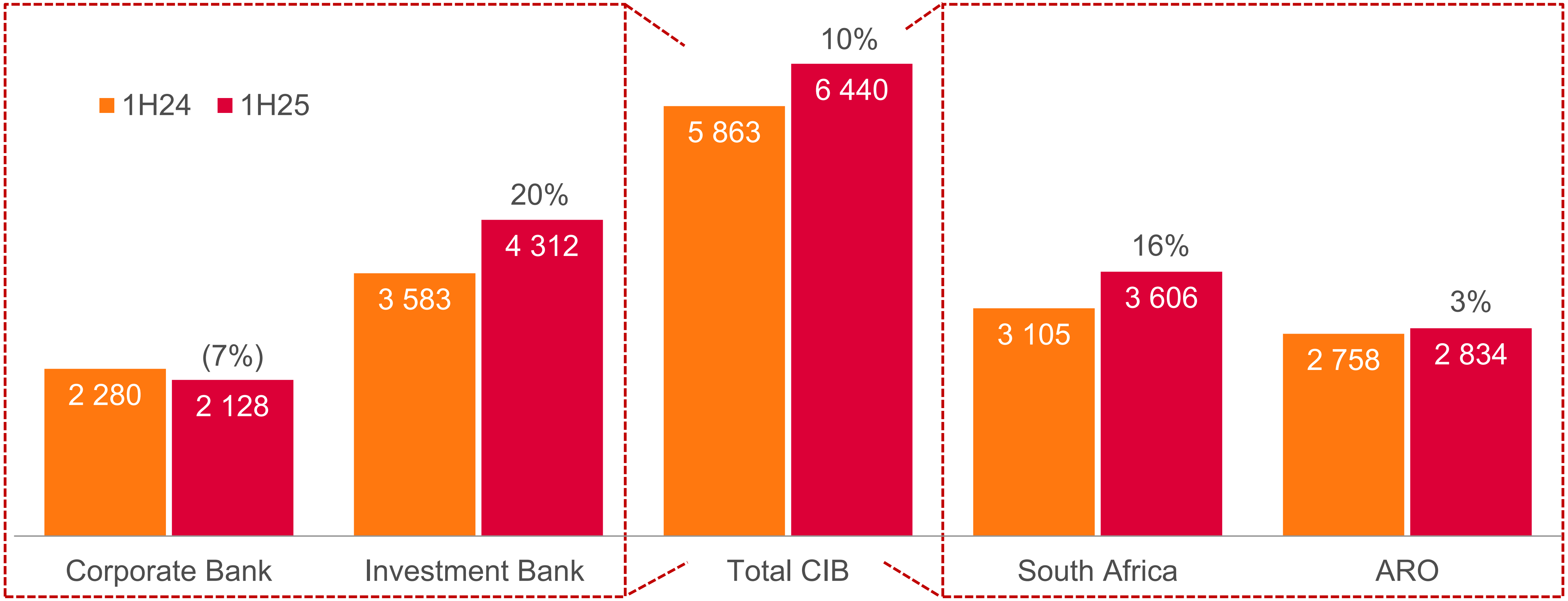
Headline earnings (Rbn)



	CIB	Personal and Private Banking	Business Banking	ARO RBB	Head Office, Treasury, other
Pre-provision profit growth:	5%	(3%)	(7%)	20%	-
RoRC:	21.8%	14.8%	19.1%	14.5%	-

CIB momentum from diversified franchise

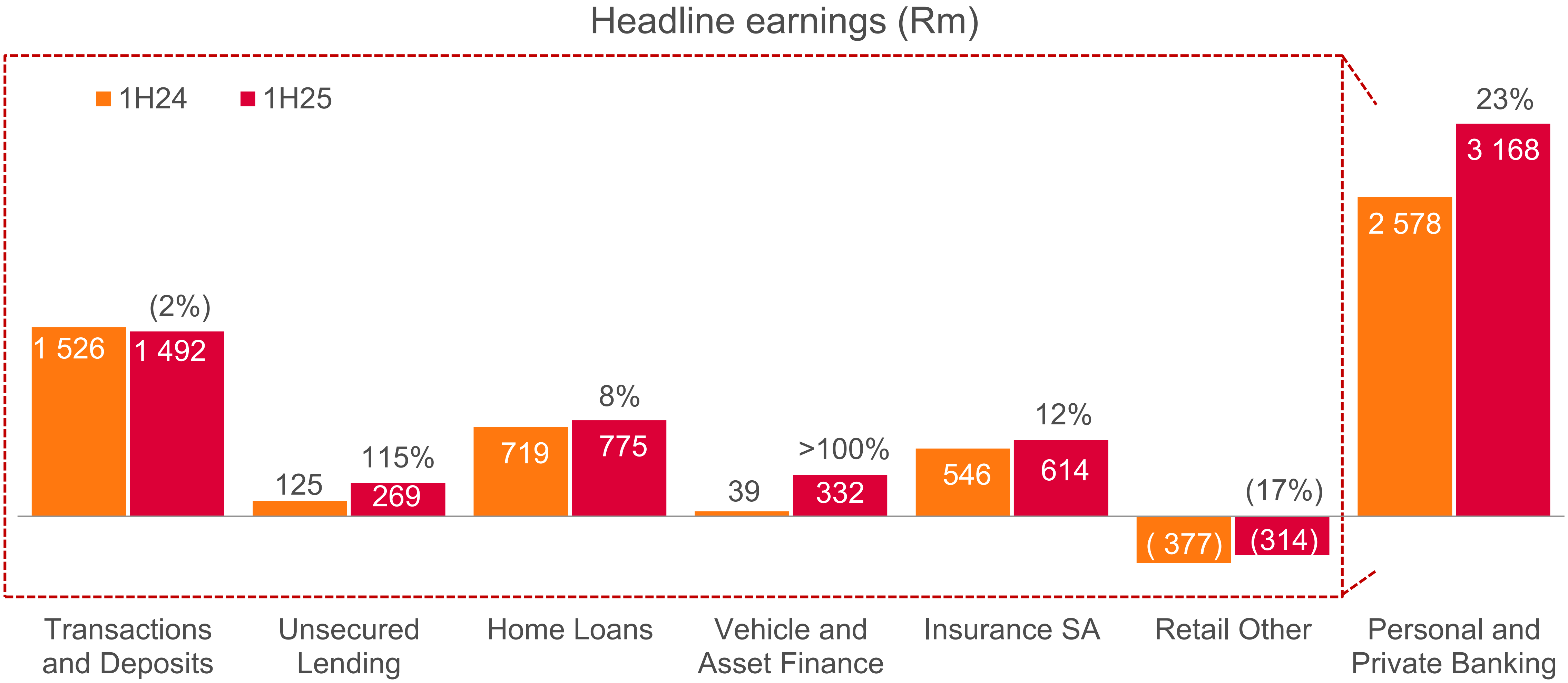
Headline earnings (Rm)



	Corporate Bank	Investment Bank	Total CIB	South Africa	ARO
Pre-provision profit growth:	(9%)	15%	5%	4%	7%

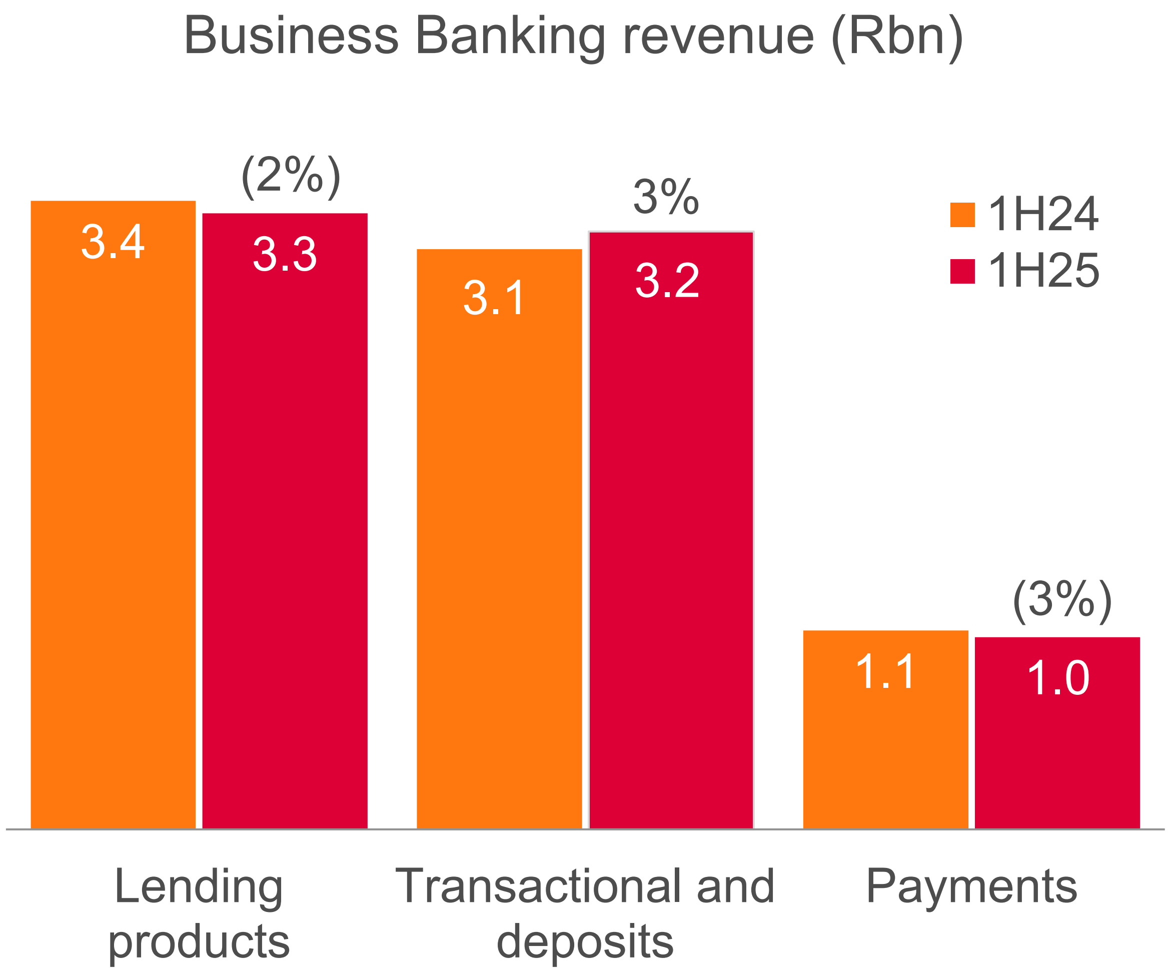
Note: In constant currency total CIB headline earnings grew 9%

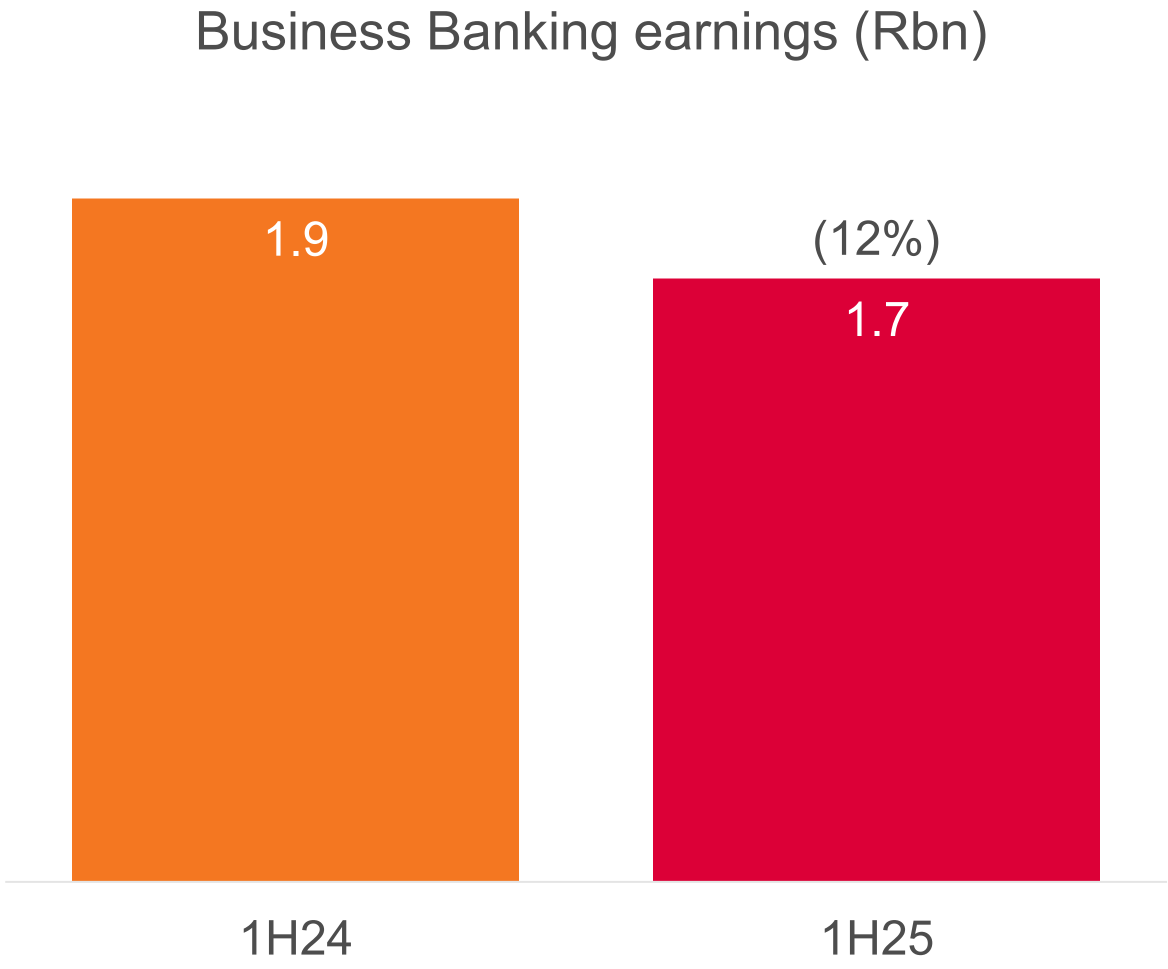
PPB lending businesses drove earnings recovery



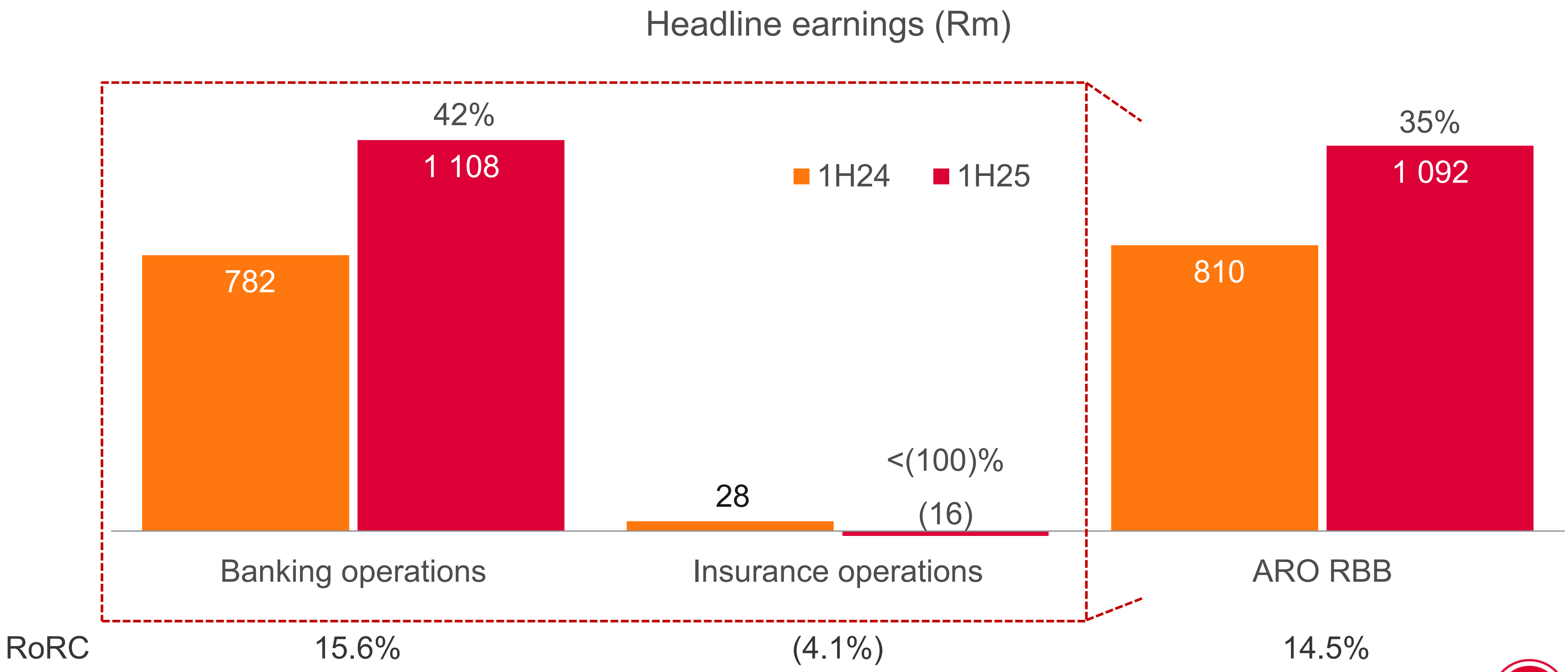
Pre-provision profit growth:	(8%)	(6%)	2%	(2%)		-	(3%)

Muted Business Banking revenue growth



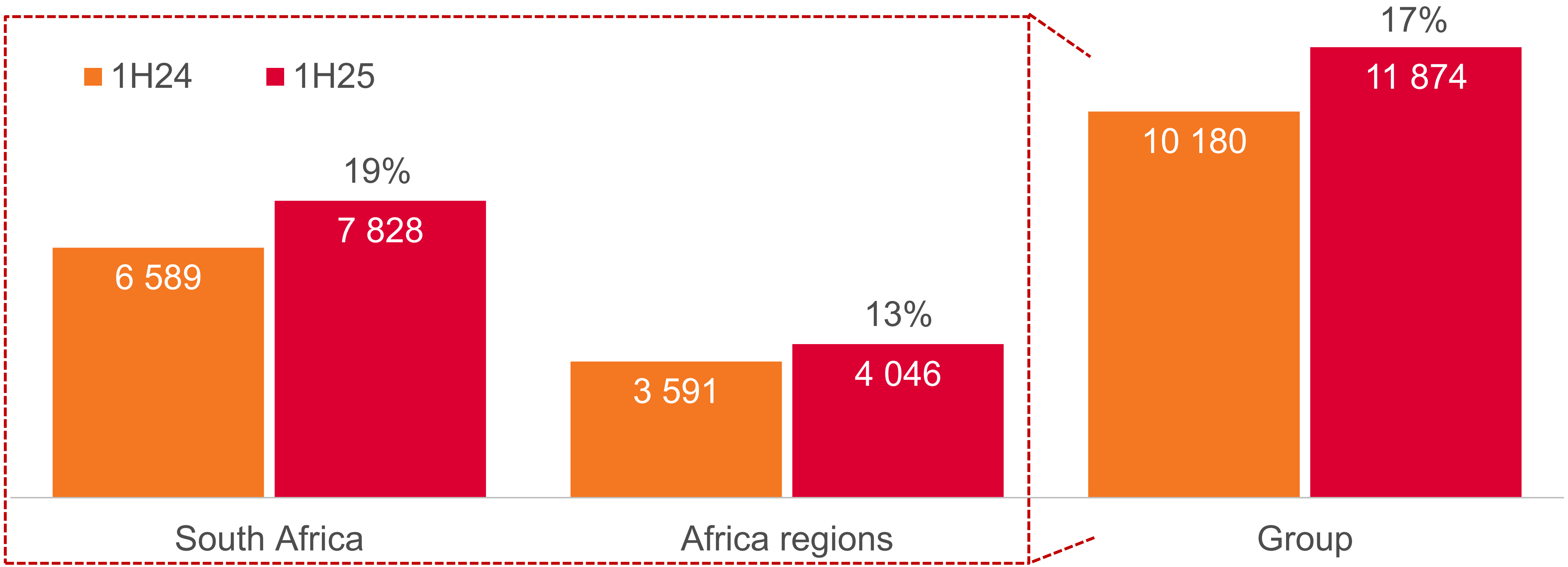


ARO RBB Banking operations drove strong growth



Solid growth across South Africa and Africa regions

Headline earnings (Rm)

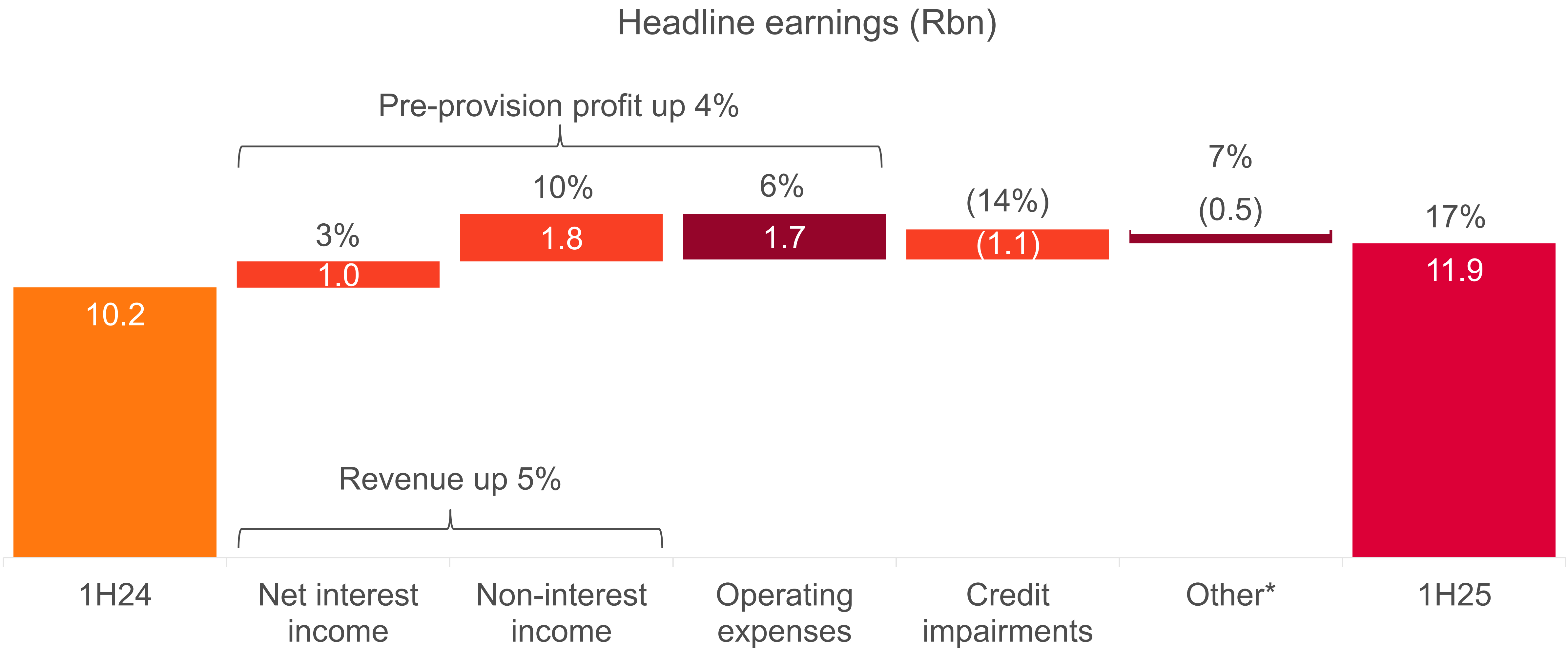


Pre-provision profit growth:	0%	12%	4%
RoRC:	14.3%	16.9%	

Deon Raju

Group Financial Director

Pre-provision profit and improving CLR drove earnings



Note: * Includes other expenses, JVs and associates, taxation, non-controlling interests, headline earnings adjustments and net monetary costs

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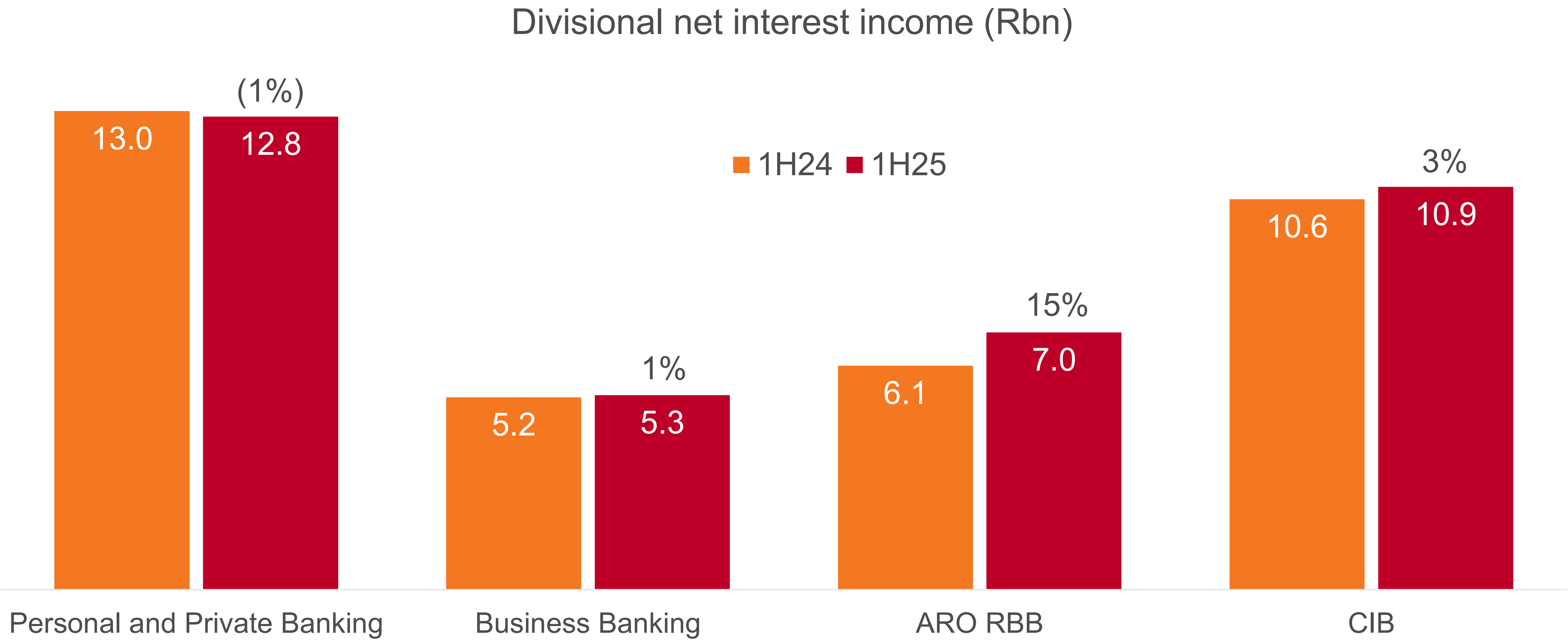
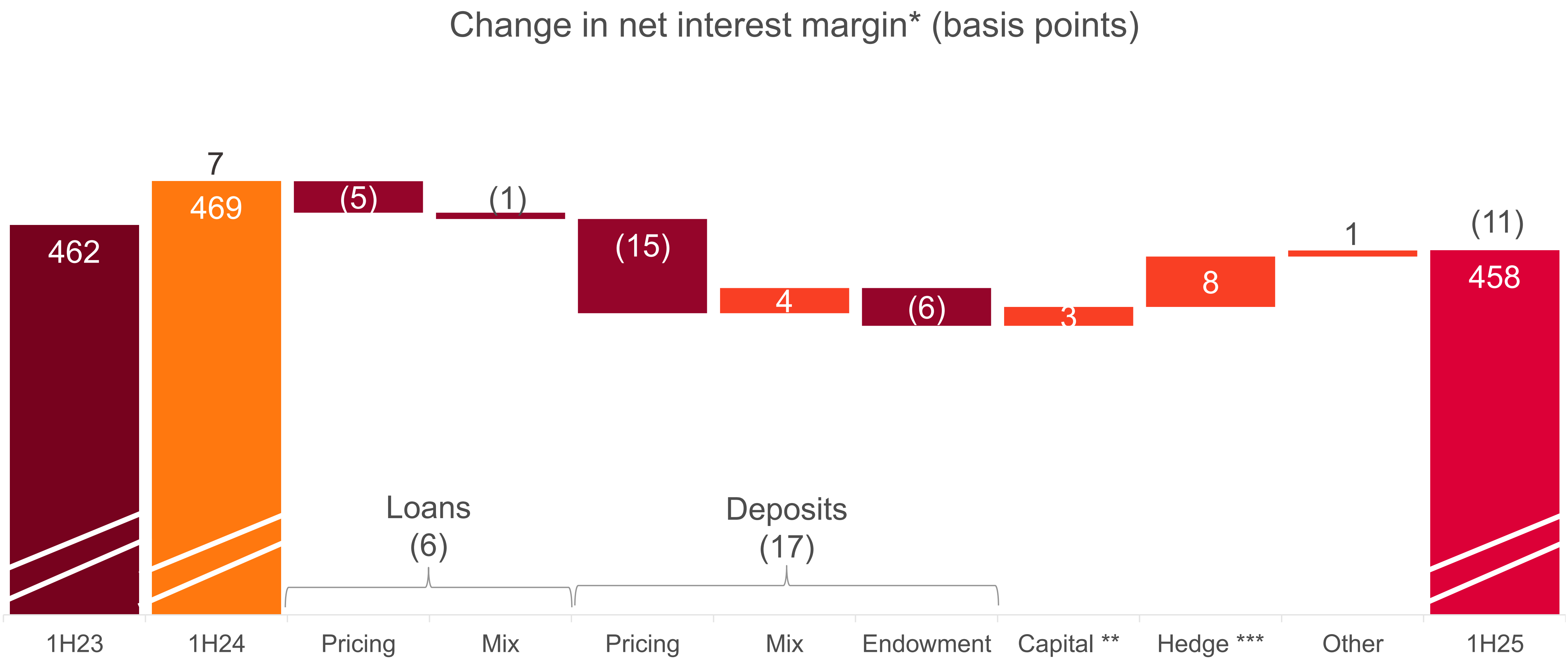
Modest net interest income growth from South Africa

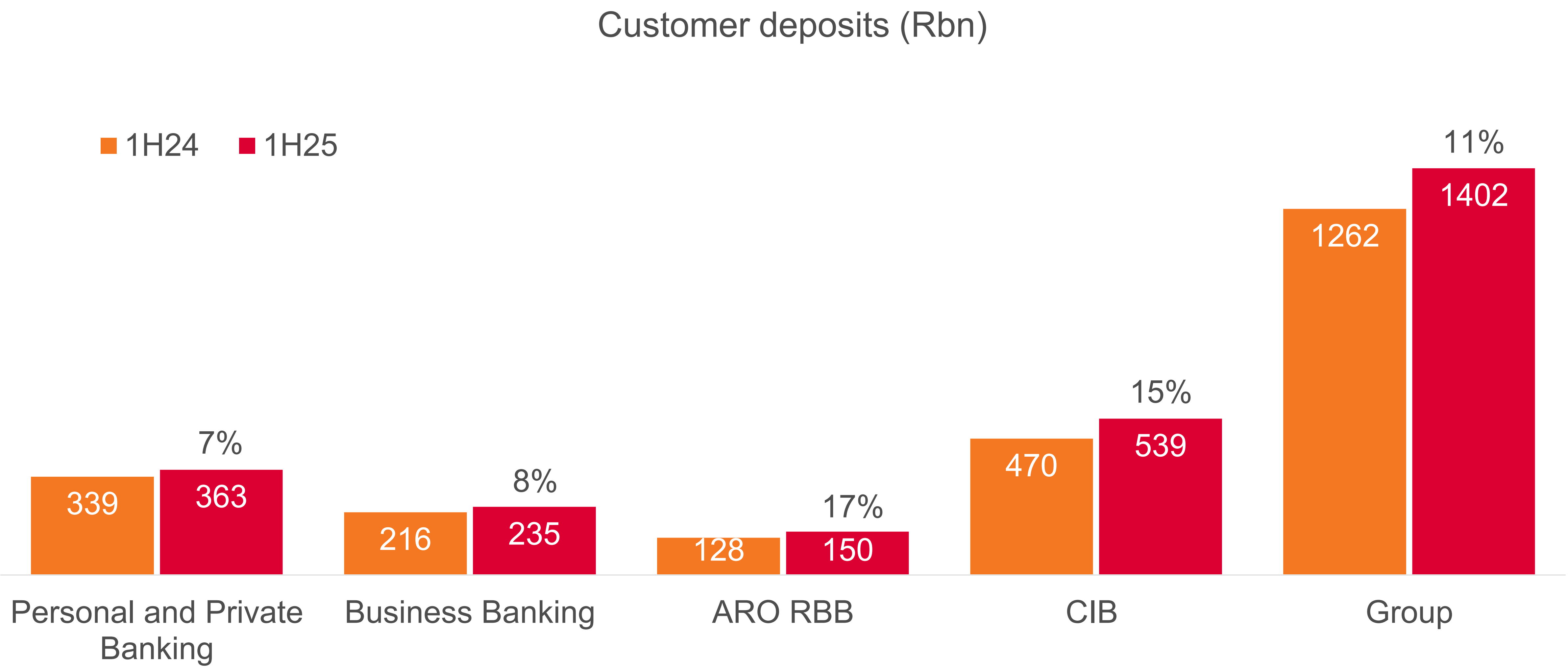


Deposit margin the main drag on Group NIM

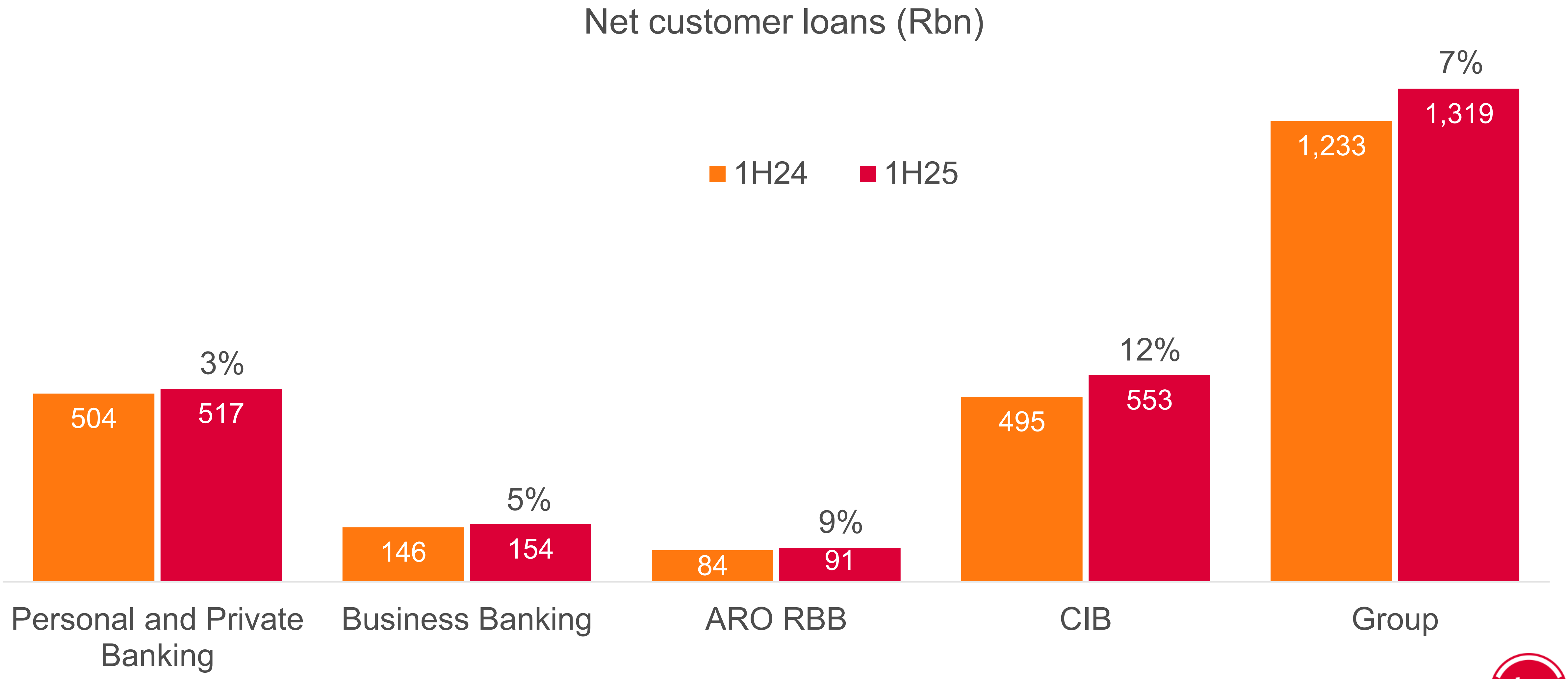


Note: * average interest bearing assets; ** group equity endowment; *** interest rate risk management

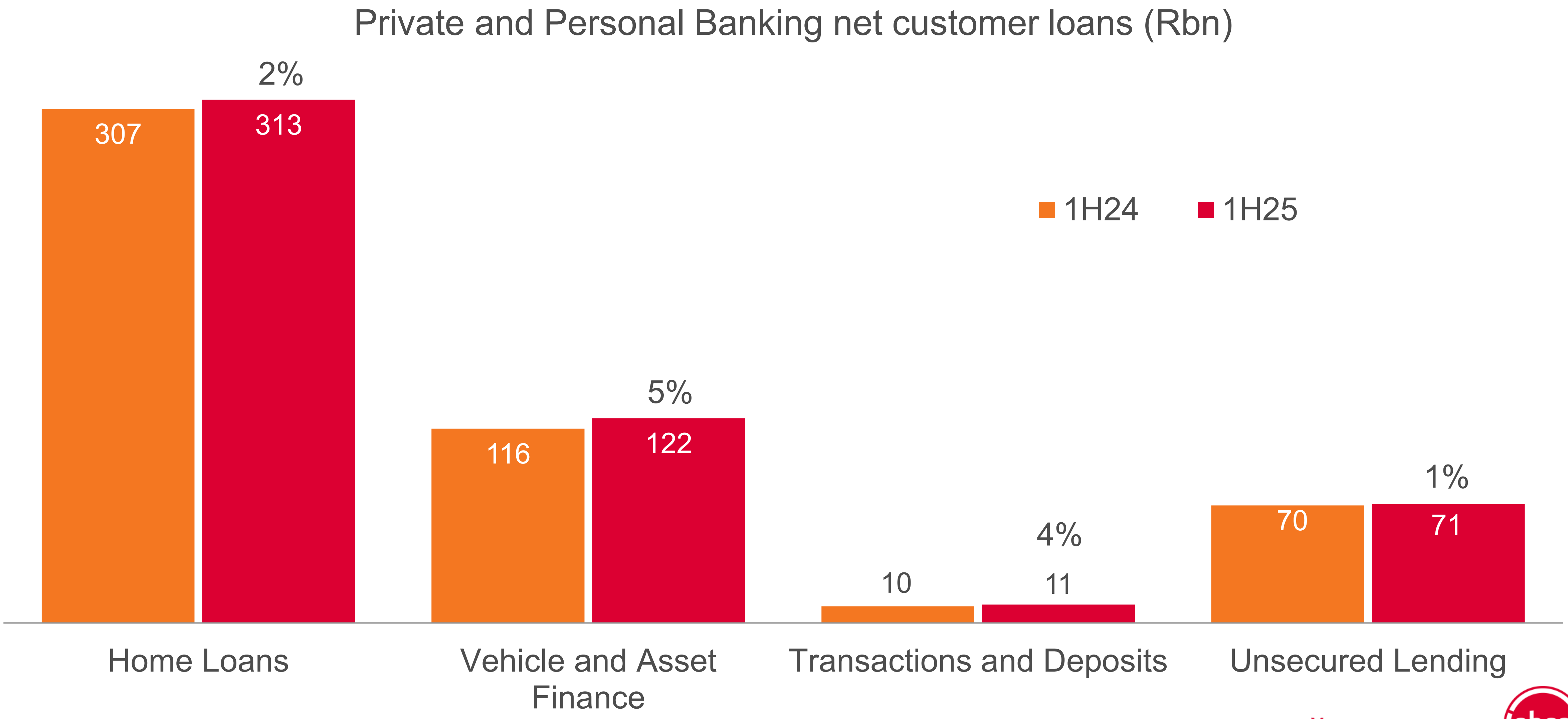
Broad-based deposit growth, CIB and ARO RBB strong



Relatively moderate loan growth …



… with muted Private and Personal Banking loan growth



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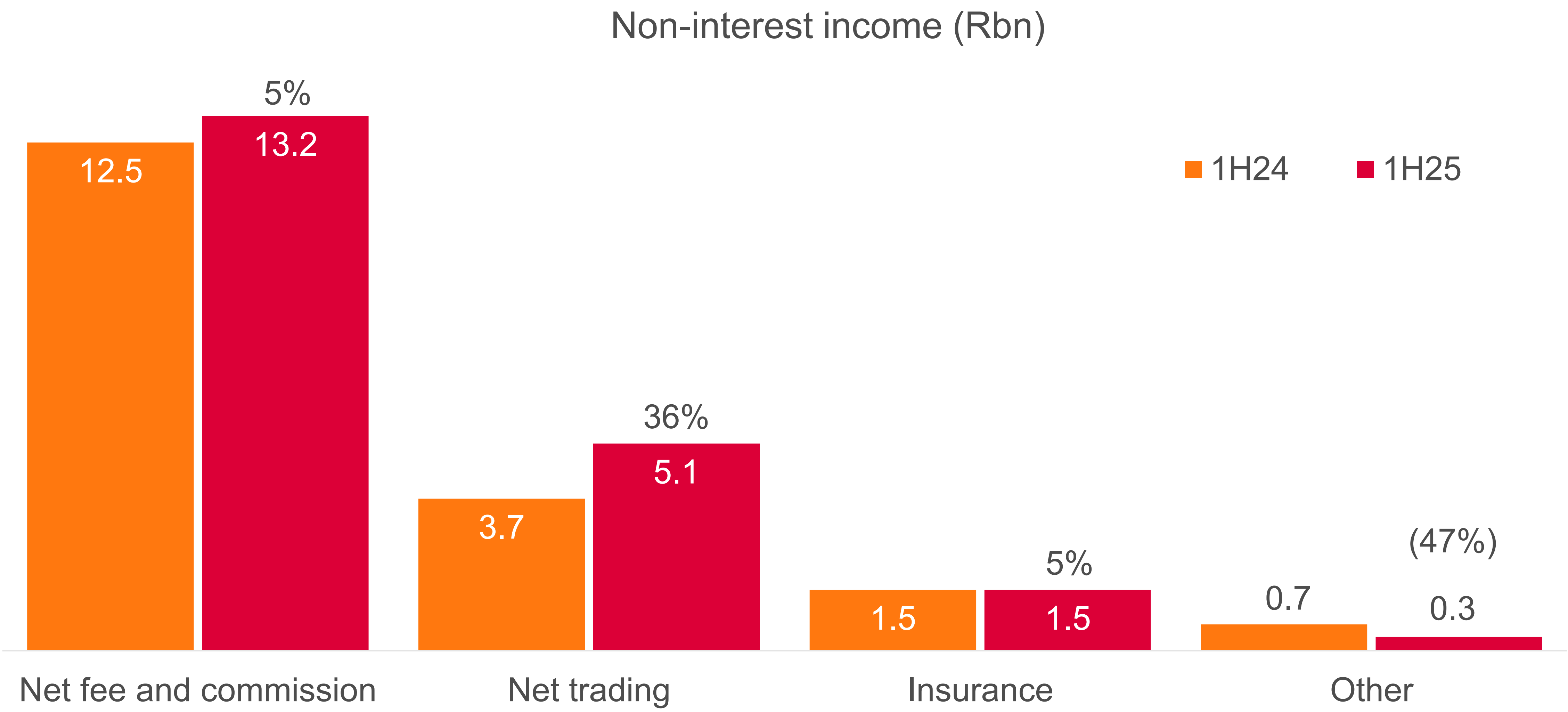
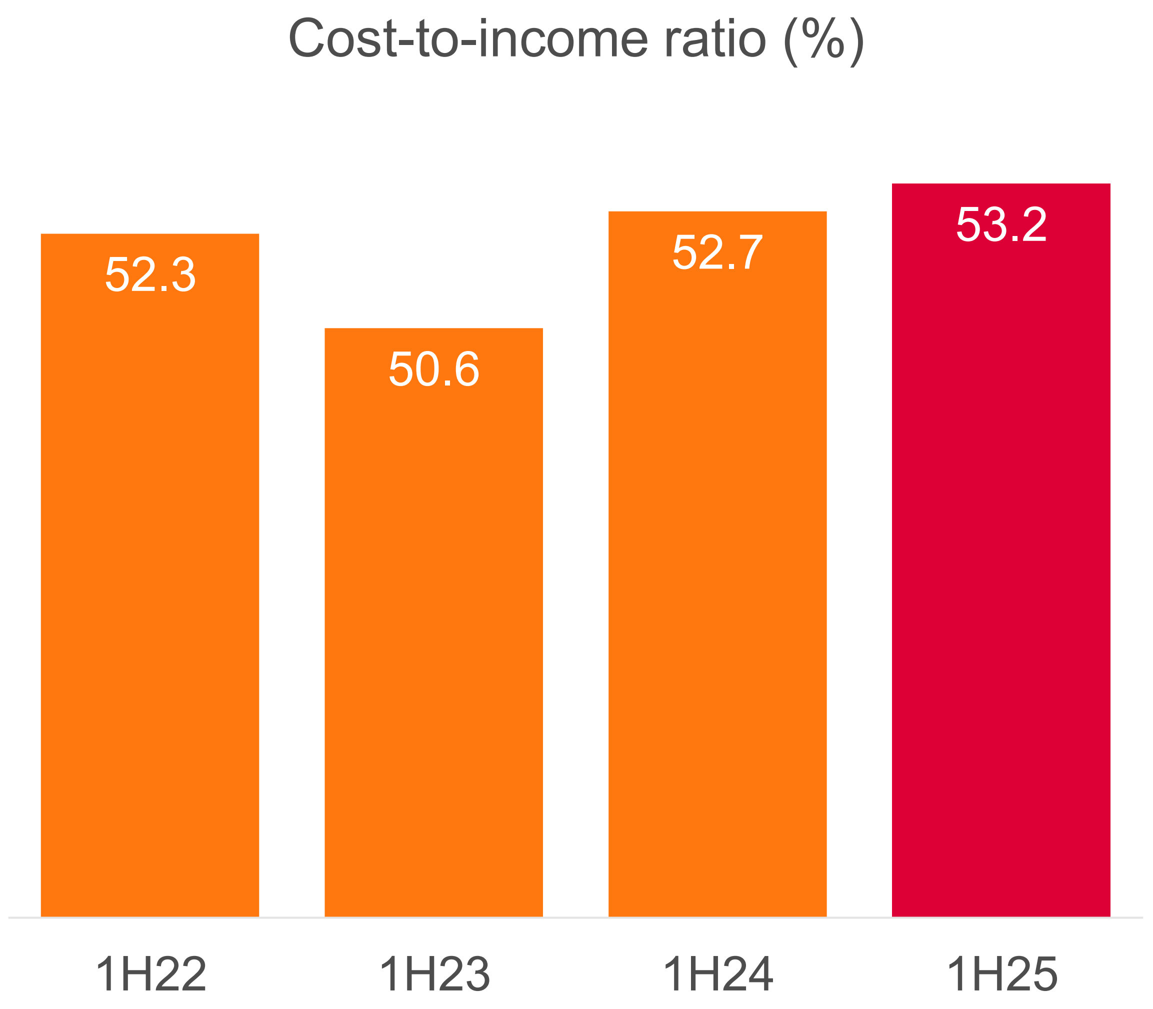
Strong Markets drove non-interest income growth



Note: Net trading excludes the impact of hedge accounting

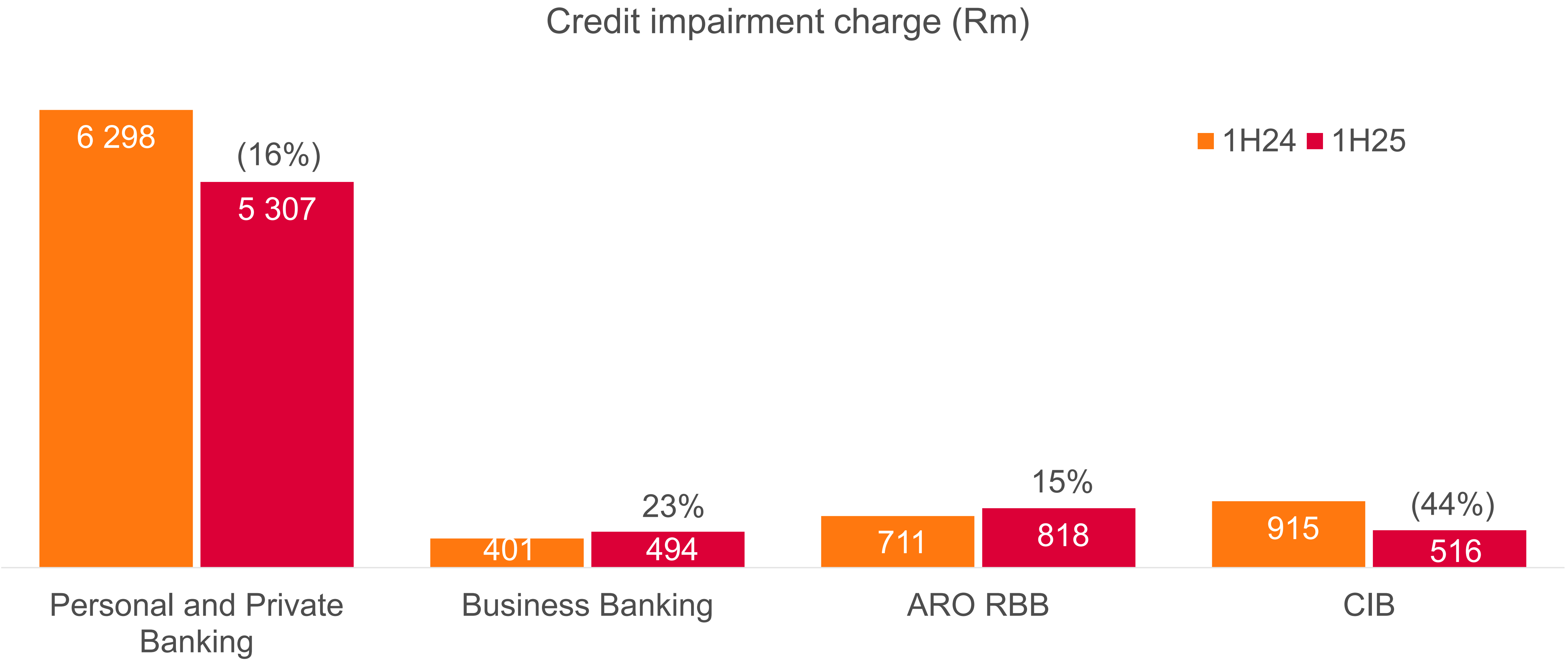
Cost growth reflects inflationary growth

	1H25 Rm	Change %
Staff	**17 294**	7
Property	**981**	1
Technology	**3 581**	7
Depreciation	**1 583**	2
Professional fees	**1 435**	6
Marketing	**1 169**	6
Communication *	**828**	5
Cash transportation	**506**	(18)
Amortisation	**1 429**	3
Other **	**1 238**	20
Total	**30 044**	**6**



Note: * printing and stationery plus telephone and postage; ** includes equipment costs, fraud, travel and entertainment, auditors, other costs etc

Lower CIB and PBB charges reduced credit impairments

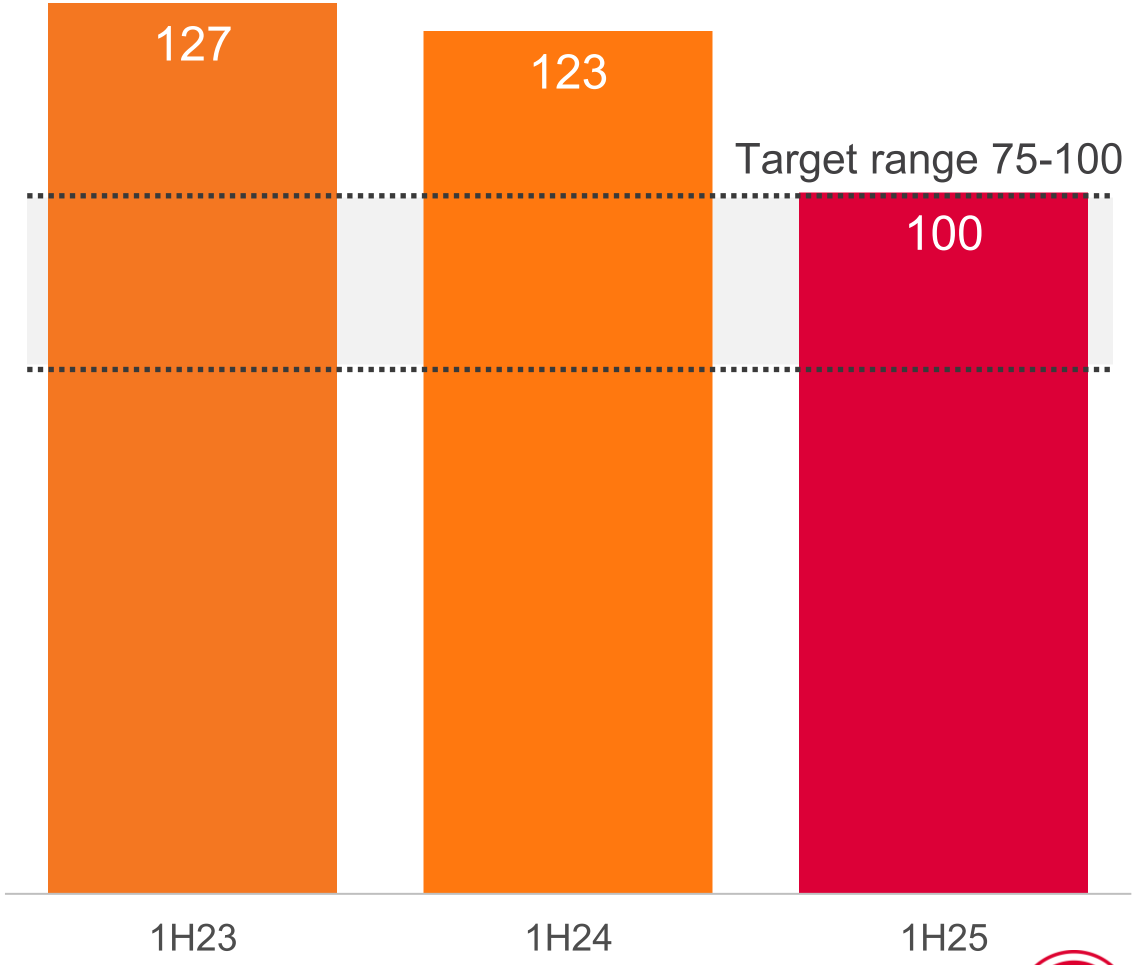


Note: Excludes Head Office credit impairment charge of R38m, (1H24: R16m release).

Credit loss ratio improved materially

Credit loss ratio (%)	**1H24**	**1H25**
PPB	2.34	1.93
Unsecured Lending	8.69	7.66
Home Loans	0.49	0.47
Vehicle and Asset Finance	2.32	1.66
Business Banking	0.54	0.64
ARO RBB	1.61	1.69
CIB	0.33	0.18
Group	**1.23**	**1.00**

Group credit loss ratio (bps)



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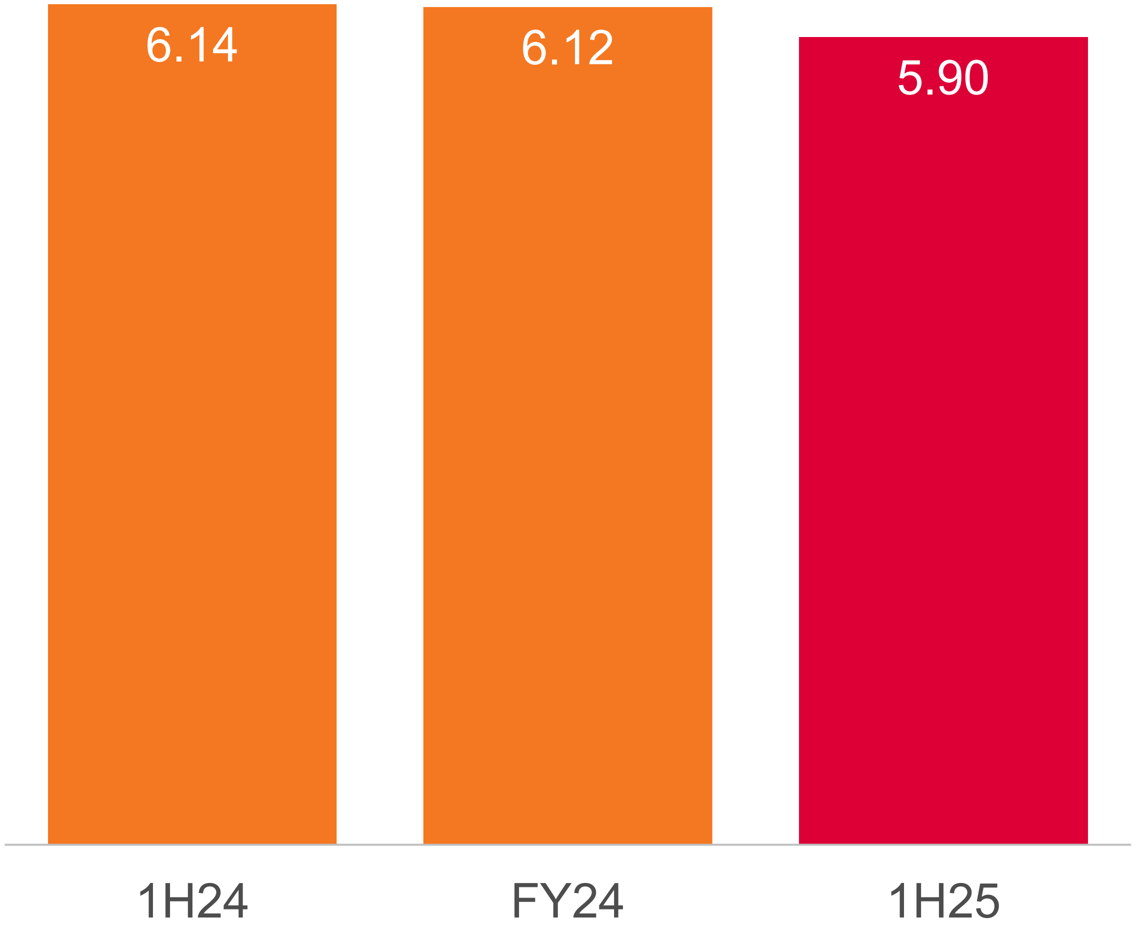
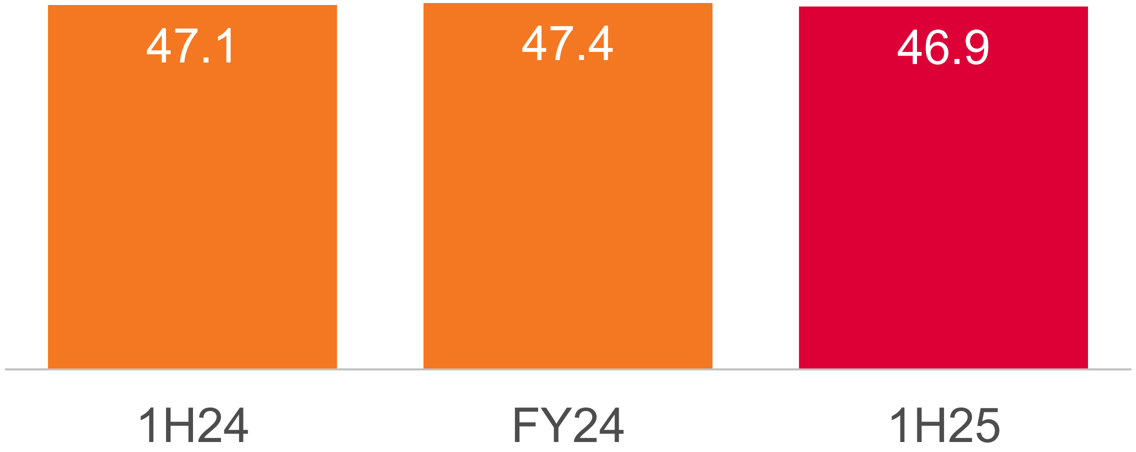
NPLs improved slightly, coverage remains strong

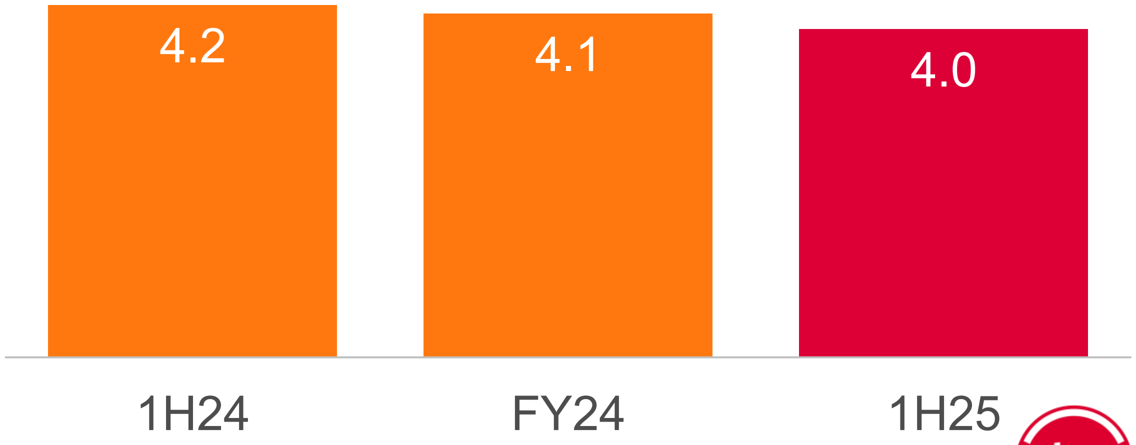
Non-performing loans (%)



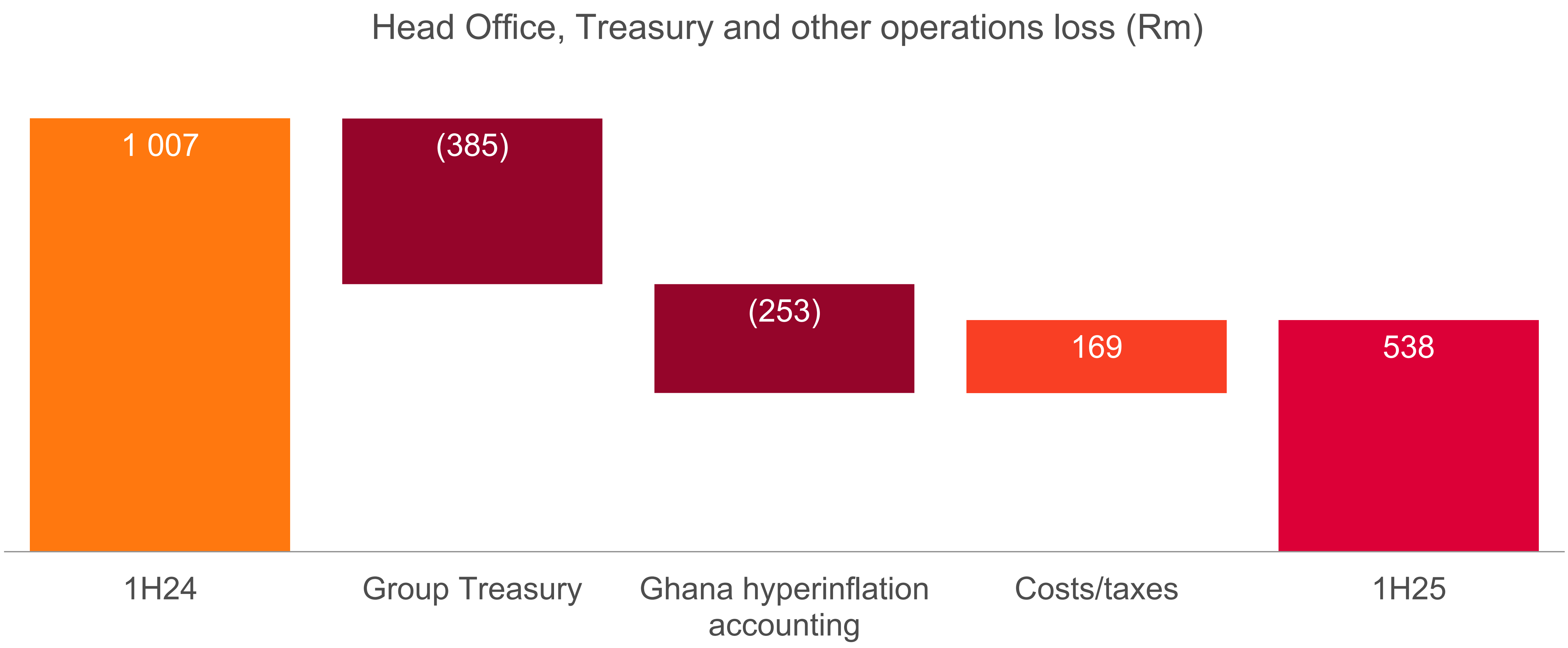
NPL coverage (%)



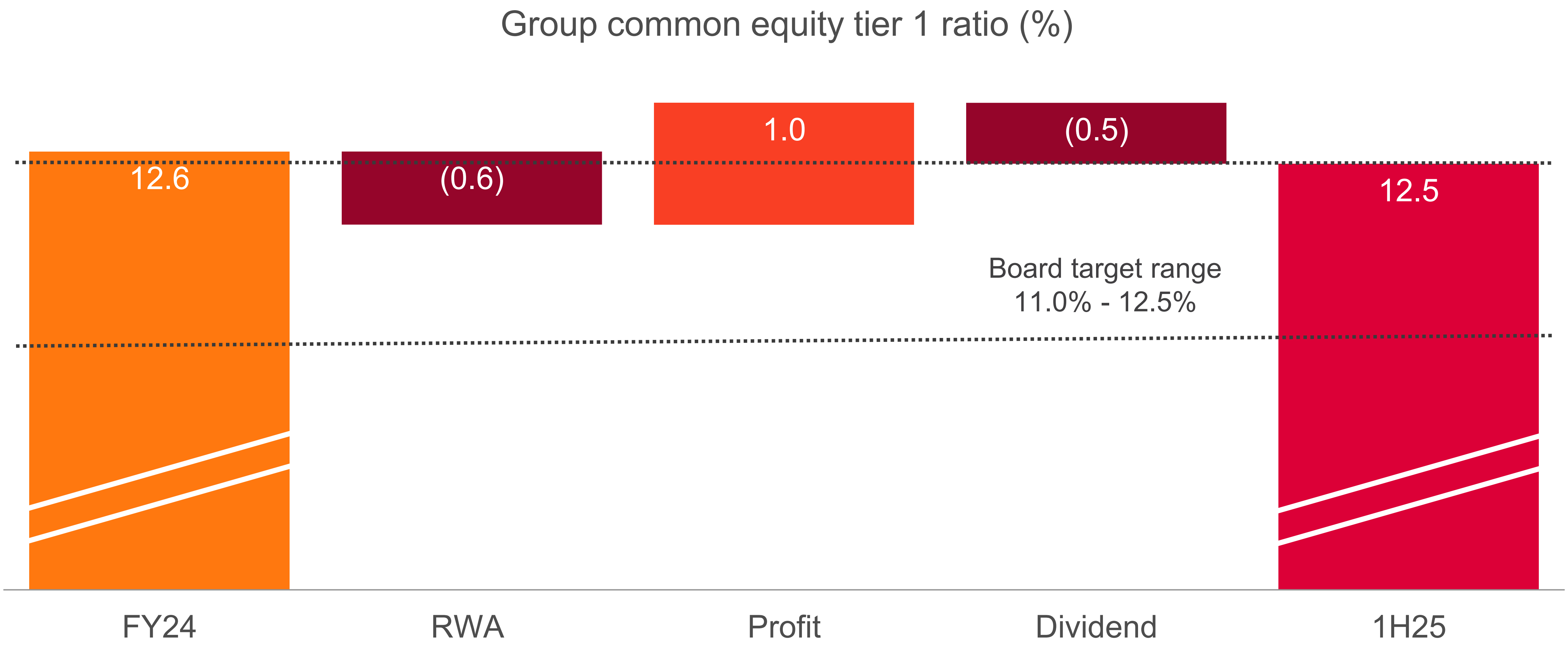
Total loan coverage (%)



Head Office loss improved significantly in 1H25



CET1 ratio at top end of our Board target range



2025 outlook

Revenue	Mid-single digit revenue growth with stronger growth in non-interest revenue than net interest income.
Balance sheet	Mid- to high single digit customer loan growth and mid-single digit customer deposit growth.
Credit impairments	Credit loss ratio expected to improve to top end of through-the-cycle target range of 75 to 100bps.
Operating expenses	Mid-single digit growth in operating expenses, producing a slightly higher cost-to-income ratio from 53.2% in 2024 and low to mid-single digit pre-provision profit growth.
Returns	RoE around 15%, from 14.8% in 2024. Other reserves a modest drag on RoE.
Capital	Group CET1 ratio expected to finish 2025 at top end of 11.0% to 12.5% Board target range. Dividend payout ratio around 55%.
Geographic split	Weaker Rand a slight earnings underpin in 2025 and Africa regions earnings growth should be noticeably stronger than South Africa.

Kenny Fihla

Group Chief Executive

Disclaimer

Certain statements (words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘believes’, ‘intends’, ‘plans’, ‘may’, ‘will’ and ‘should’ and similar expressions in this document are forward looking. These relate to, among other things, the plans, objectives, goals, strategies, future operations and performance of Absa Group Limited and its subsidiaries. These statements are not guarantees of future operating, financial or other results and involve certain risks, uncertainties and assumptions and so actual results and outcomes may differ materially from these expressed or implied by such statements. We make no express or implied representation or warranty that the results we anticipated by such forward-looking statements will be achieved. These statements represent one of many possible scenarios and should not be viewed as the most likely or standard scenario. We are not obligated to update the historical information or forward looking statements in this document.

Appendix: Divisional RoRC restatement FY24

	As previously reported (%)	Reportable segment changes[1] (%)	Business portfolio[2] (%)	Revised capitalisation rate[3] (%)	Restated (%)
Personal and Private Banking		19.3	(1.3)	(1.2)	16.8
Business Banking (previously Relationship Banking)	24.9	0.3	-	(2.3)	22.9
ARO RBB	12.4		0.6	(1.2)	11.8
CIB	22.5		0.6	(1.9)	21.2

[1] Reportable segment changes relates to the combination of Everyday Banking, Product Solutions Cluster and Private Wealth Banking into PPB

[2] Business portfolio changes relates to revised cost allocation and the allocation of minority interest to ARO RBB and ARO CIB

[3] Revised capitalisation rates relates to the increase in rate from 11% to 12% on RWAs. Note that PPB includes non-banking equity pertaining to Insurance SA

Appendix: Head Office reallocations FY24

Rm	PPB	BB	ARO RBB	CIB	Head Office
Depositor insurance	(120)	(70)		(6)	196
B-BBEEE costs	(190)	(60)	(140)	(70)	460
Other (mainly recharges)	(126)	(65)	(107)	7	291
Headline earnings impact	(368)	(159)	(165)	(60)	752
Net change in regulatory capital	2 774	1 442	(612)	2 822	
Rise in capital allocation to 12% from 11% of RWAs	2 774	1 442	1 283	4 441	
Impact of minority interest relief applied to Africa regions business units			(1 895)	(1 619)	