Absa Group Limited

Financial results for the interim reporting period ended 30 June 2025

Your story matters

absa

Report overview

This Booklet covers the financial results for the interim period ended 30 June 2025, released alongside Absa Group Limited's ("Absa Group" or "the Group") financial results announcement on 18 August 2025. Additional disclosures, including the Group's Stock Exchange News Service of the JSE Limited ('JSE') ('SENS') announcement and the interim financial results presentation supplement this Booklet. The full set of documents is available on www.absa.africa.

Business portfolio changes

- The Group has undergone a restructuring of the reportable segments, which resulted in the integration of Product Solutions Cluster, Everyday Banking and Private Wealth Banking (previously part of Relationship Banking) into a single business unit – Personal and Private Banking (PPB). Furthermore, Relationship Banking has been renamed Business Banking.
- As a result of this restructuring, all affected prior periods have been retrospectively restated to accurately represent the integration of these segments into PPB.
- In addition to the aforementioned, certain income and expense items have been reallocated from Head office to the business units to more accurately represent the commercial reality for those units.
- These reallocations led to adjustments to the related asset and liability line items, specifically loans to and from group companies, included in 'Other assets' and 'Other liabilities'.
- These changes led to the restatement of the business units financial results for the comparative period without impacting the overall financial position or net earnings of the Group.

Change in presentation

- In the prior interim reporting period, the Group presented a condensed version of the consolidated Statement of cash flows (SOCF), as permitted by IAS 34. Following a review, a more detailed classification of cash flows from operating, investing and financing activities has been presented, in order to enhance the usefulness and transparency of the information reported to users.
- Therefore, the condensed consolidated Statement of cash flows has been restated to expand the presentation format for the prior interim reporting period ended 30 June 2024.

Correction of prior period errors

The Group conducted a comprehensive review of the Statement of cash flows which has led to the following restatements:

- The Statement of cash flows was adjusted to exclude restricted mandatory reserve balances from 'Cash and cash equivalents' of R368m, which was restated to 'Other assets' within 'Net increase in operating assets' of the SOCF.
- The Statement of cash flows was adjusted to exclude loans and advances to banks which do not meet the definition of cash and cash equivalents. This led to a restatement of R955m from 'Cash and cash equivalents' to 'Loans and advances' within 'Net increase in operating assets' of the SOCF.
- The Statement of cash flows was adjusted to include highly liquid treasury bills which meet the definition of a cash equivalent, which resulted in a restatement of R61m to 'Cash and cash equivalents' from 'Investment securities' within 'Net increase in operating assets' of the SOCF.
- The aforementioned corrections resulted in a restatement of cash and cash equivalents for the interim reporting period ended 30 June 2024 of R2 419m, which consisted of a restatement of cash and cash equivalents at the beginning of the interim reporting period ended 30 June 2024 of R1 893m.
- These errors have no impact on the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity or Earnings per share of the Group.

Financial director statement

These interim financial results for the reporting period ended 30 June 2025 were prepared by Absa Group Financial Control under the direction and supervision of the Group Financial Director, D Raju CA (SA) CFA. The Group Financial Director, who leads finance, reports directly to the Group Chief Executive Officer, K Fihla.

The Group Financial Director has regular unrestricted access to the Board of Directors and to the Group Audit and Compliance Committee (GACC). Finance is responsible for establishing a strong control environment over the Group's financial reporting processes and serves as an independent control function advising business management, escalating identified risks, and establishing policies or processes to manage risk.

Board approval

The Board of Directors oversees the Group's activities and holds management accountable to the risk governance framework. They review reports, exercise independent judgement, and challenge management decisions.

The Board, along with the GACC, has reviewed and approved the financial results announcement released on 18 August 2025.

Absa Group Limited (1986/003934/06)

The term Absa Group or the Group refers to Absa Group Limited and its subsidiaries.

Absa Group Financial Control prepared these interim financial results for the period ended 30 June 2025, under the supervision of the Group Financial Director, Deon Raju CA (SA) CFA.

Dividend per share	785 cents
Key dates	
Dividend payment:	Monday, 15 September 2025
Financial results announcement:	Tuesday, 10 March 2026
Shareholders communications	
Shareholder information	page 150
Contact details:	page 159

The full set of documents is available on **www.absa.africa**

Icons used with this report Positive Negative Unchanged Marginal

Contents

Absa Group at a glance – our story and presence

Who we are

Absa is a purpose-driven, pan-African financial services group operating in 12 African markets. Guided by our purpose, **Empowering Africa's tomorrow, together... one story at a time,** we provide trusted, innovative financial solutions to over 12 million customers. Our ambition is to be a leading pan-African bank that creates value by enabling inclusive growth, building financial resilience, and driving sustainable development across the continent.

Our strategy is anchored on five pillars

A diversified franchise with deliberate, returns-focused growth
Balancing scale and profitability across products, segments and geographies

The primary partner for our clients
Delivering end-to-end financial solutions that build loyalty and deepen relationships

A digitally powered business
Scaling through automation, data, and digital channels to improve efficiency and reach

A winning, talented and diverse team
Attracting and developing talent to drive performance and business transformation

An active force for good in everything that we do
Embedding sustainability, inclusion, and shared value across our business

Our diversified, full-service, financial services model

Our integrated approach spans corporate, business, and retail banking. We serve our customers by delivering solutions through deep client relationships, local expertise, and digital innovation across our markets.

Corporate & Investment Banking	Business Banking	Absa Regional Operations Retail & Business Banking	Personal & Private Banking

Corporates | Businesses | Retail

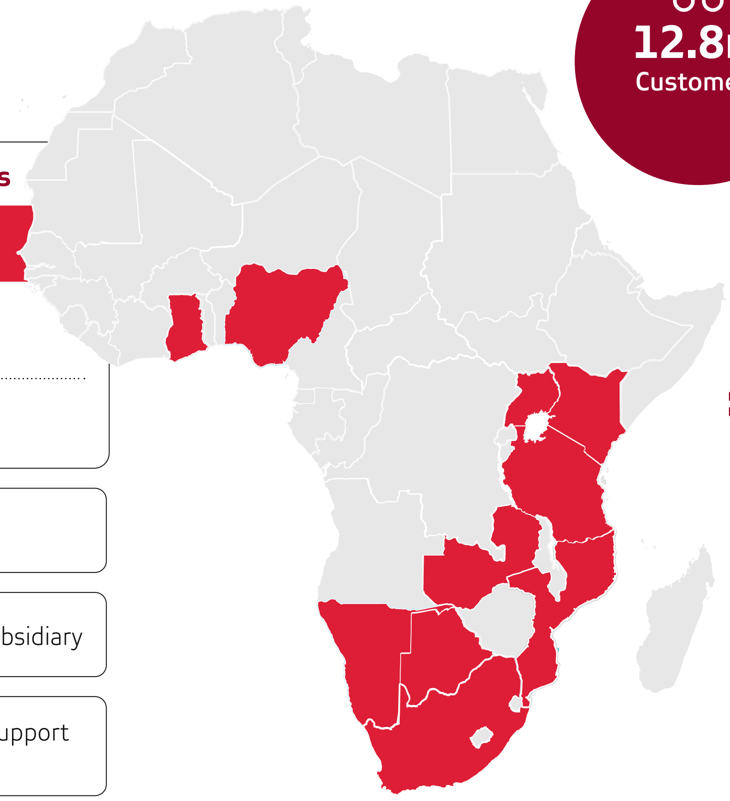
We are a financial service provider with an extensive distribution footprint, diversified income streams, and deep relevance across customer segments.

Our banking activities and services

Underpinned by our strategy and market presence, our fully integrated business offering is delivered through our customer-first digital solutions, ecosystems of financial services, and offerings.

1. Providing payment services and a safe place to save and invest
2. Providing funds for purchases and growth
3. Managing business and financial risks
4. Providing financial and business support
5. Protecting against risks (insurance)

Our presence



Global presence in **16 countries**

Operating in **12 African markets**

>130 years of operation on the African continent

Primary listing on **JSE Limited** since 1986

UK & USA: Securities entities

China: Non-banking advisory subsidiary

Czech Republic: Technology support service office

12.8m Customers

5.0m Digitally-active customers

R142bn Sustainable finance mobilised since 2021

37 272 Employees | **1 021** Outlets | **6 322** ATMs

We are a pan-African financial services provider with scale, relevance, and execution strength, well-positioned for long-term, capital-efficient growth.

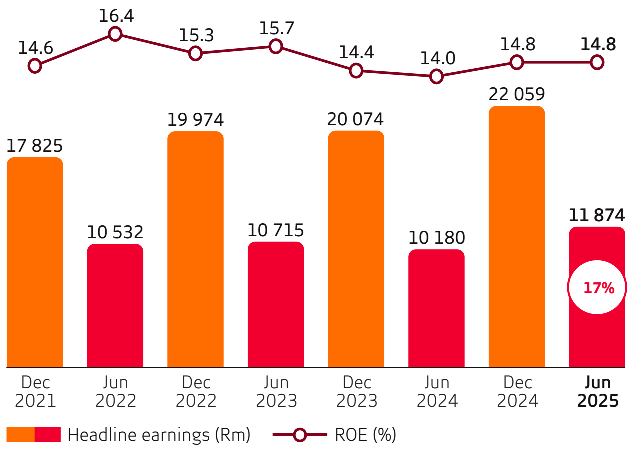
This page has been left blank intentionally

Group performance

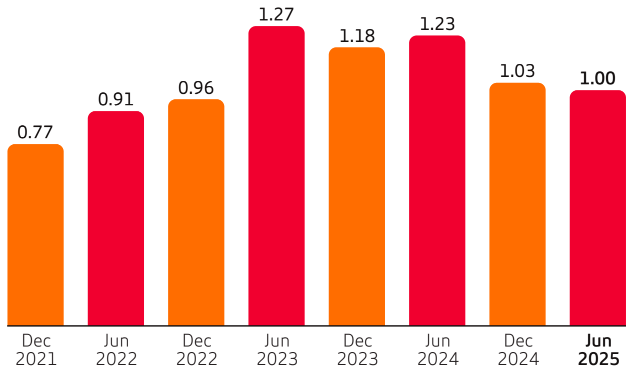
Group performance overview

for the reporting period ended

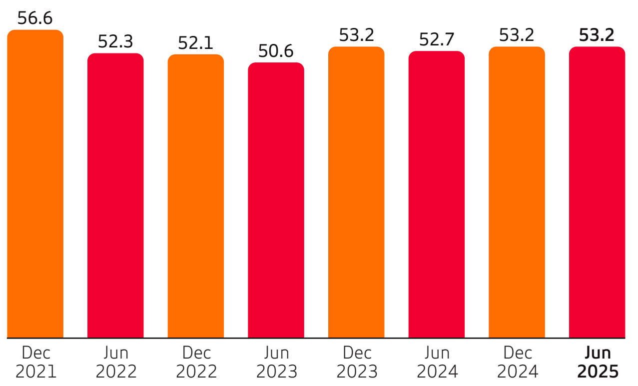
Headline earnings (Rm), RoE and change (%)



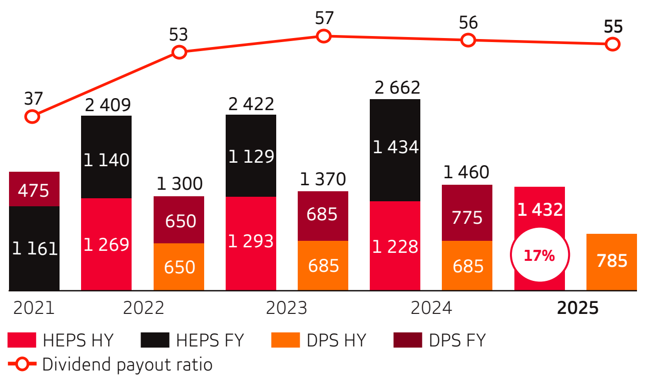
Credit loss ratio (%)



Cost-to-income ratio (%)



Headline earnings per share (cents), dividends per share (cents) dividend pay out ratio (%), and change (%)



Key metrics

Pre-provision profit	JAWS	Net asset value per share	Dividends per share	Common Equity Tier 1
R26.4bn 4%	(1%)	20 048 cents 11%	785 cents 15%	12.5%
June 2024: R25.4bn (Dec 2024: R51.4bn)	June 2024: (5%) (Dec 2024: 0%)	June 2024: 18 014 cents (Dec 2024: 19 310 cents)	June 2024: 685 cents (Dec 2024: 1 460 cents)	June 2024: 12.7% (Dec 2024: 12.6%)

Consolidated salient features

for the reporting period ended

	Note	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Statement of comprehensive income (Rm)					
Income		**56 487**	53 708	5	109 949
Operating expenses		**(30 044)**	(28 326)	6	(58 508)
Pre-provision profit		**26 443**	25 382	4	51 441
Credit impairment charges		**(7 173)**	(8 309)	(14)	(14 304)
Profit attributable to ordinary equity holders		**11 231**	9 845	14	21 537
Headline earnings	1	**11 874**	10 180	17	22 059
Statement of financial position					
Net asset value (NAV) (Rm)		**166 282**	149 298	11	160 174
Gross loans and advances (Rm)	8	**1 464 828**	1 358 983	8	1 402 568
Total assets (Rm)		**2 159 759**	1 953 354	11	2 068 695
Deposits (Rm)		**1 578 217**	1 395 345	13	1 506 927
Gross loans to deposits and debt securities ratio (%)		**82.5**	83.9	(2)	81.6
Average loans to deposits and debt securities ratio (%)		**79.3**	81.9	(3)	80.9
Financial performance (%)					
Return on equity (RoE)		**14.8**	14.0		14.8
Return on average assets (RoA)		**1.14**	1.04		1.11
Return on risk-weighted assets (RoRWA)		**2.03**	1.91		2.02
Stage 3 loans ratio on gross loans and advances		**5.90**	6.14		6.12
Operating performance (%)					
Net interest margin on average interest-bearing assets		**4.58**	4.69		4.63
Credit loss ratio on loans and advances		**1.00**	1.23		1.03
Non-interest as a percentage of total income		**35.7**	34.3		35.3
Cost-to-income ratio		**53.2**	52.7		53.2
Jaws		**(1)**	(5)		0
Effective tax rate		**25.9**	23.8		25.0
Share statistics (million)					
Number of ordinary shares in issue		**894.4**	894.4		894.4
Number of shares in issue (excluding treasury shares)		**829.4**	828.8		829.5
Weighted average number of ordinary shares in issue		**829.4**	828.7		828.6
Diluted weighted average number of ordinary shares in issue		**834.5**	829.2		830.0
Share statistics (cents)					
Basic earnings per ordinary share (EPS)		**1 354.1**	1 188.0	14	2 599.2
Diluted basic earnings per ordinary share (DEPS)		**1 345.8**	1 187.3	13	2 594.8
Headline earnings per ordinary share (HEPS)	1	**1 431.6**	1 228.4	17	2 662.2
Diluted headline earnings per ordinary share (DHEPS)	1	**1 422.9**	1 227.7	16	2 657.7
NAV per ordinary share		**20 048**	18 014	11	19 310
Tangible NAV per ordinary share		**18 122**	16 206	12	17 380
Dividend per ordinary share		**785**	685	15	1 460
Dividend payout ratio (%)		**55**	56	(1)	55
Capital adequacy (%)					
Absa Group Limited		**15.2**	15.9		15.8
Absa Bank Limited		**16.0**	16.0		17.1
Common Equity Tier 1 (%)					
Absa Group Limited		**12.5**	12.7		12.6
Absa Bank Limited		**12.2**	11.8		12.6

Salient features by segment

for the reporting period ended

	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Headline earnings (Rm)				
Personal and Private Banking	**3 168**	2 578	23	6 978
Business Banking	**1 712**	1 936	(12)	4 067
Absa Regional Operations-Retail and Business Banking	**1 092**	810	35	1 615
Corporate and Investment Banking	**6 440**	5 863	10	11 680
Head Office, Treasury and other operations	**(538)**	(1 007)	(47)	(2 281)
Return on average risk-weighted assets (%)				
Personal and Private Banking	**2.25**	1.91		2.52
Business Banking	**2.39**	2.75		2.85
Absa Regional Operations-Retail and Business Banking	**1.75**	1.48		1.42
Corporate and Investment Banking	**2.72**	2.74		2.67
Return on regulatory capital (%)				
Personal and Private Banking	**14.8**	12.7		16.8
Business Banking	**19.1**	22.1		22.9
Absa Regional Operations-Retail and Business Banking	**14.5**	12.2		11.8
Corporate and Investment Banking	**21.8**	21.8		21.2
Credit loss ratio (%)				
Personal and Private Banking	**1.93**	2.34		1.89
Business Banking	**0.64**	0.54		0.43
Absa Regional Operations-Retail and Business Banking	**1.69**	1.61		1.81
Corporate and Investment Banking	**0.18**	0.33		0.29
Gross loans and Advances (Rm)				
Personal and Private Banking	**557 214**	545 290	2	549 818
Business Banking	**158 365**	152 124	4	153 277
Absa Regional Operations-Retail and Business Banking	**98 689**	91 121	8	98 865
Corporate and Investment Banking	**613 025**	550 011	11	581 429
Head Office, Treasury and other operations	**37 535**	20 438	84	19 177
Deposits (Rm)				
Personal and Private Banking	**363 051**	339 071	7	355 560
Business Banking	**234 709**	216 484	8	233 862
Absa Regional Operations-Retail and Business Banking	**149 809**	128 457	17	147 831
Corporate and Investment Banking	**659 362**	558 505	18	606 625
Head Office, Treasury and other operations	**171 286**	152 828	12	163 049

Profit commentary

The following commentary reflects the year-on-year (YoY) change in the Group's financial results for the six months ended 30 June 2025 versus the six months ended 30 June 2024. Any forward-looking financial information included is the sole responsibility of the Board and has not been reviewed or reported on by the Group's external auditors.

Salient features

- Diluted headline earnings per share (DHEPS) increased 16% to 1 422.9 cents.
- Declared a 15% higher ordinary dividend per share (DPS) of 785 cents.
- In terms of divisional headline earnings, Personal and Private Banking (PPB) increased 23% to R3 168m, Business Banking (BB) declined 12% to R1 712m, while Absa Regional Operations – Retail and Business Banking (ARO RBB) grew 35% to R1 092m and Corporate and Investment Banking (CIB) rose 10% to R6 440m. The loss in Head Office, Treasury and other operations decreased 47% to R538m.
- Return on equity (RoE) improved to 14.8% from 14.0%.
- Revenue grew 5% to R56.5bn and operating expenses rose 6% to R30.0bn, producing a slightly higher cost-to-income ratio of 53.2%.
- Pre-provision profit increased 4% to R26.4bn.
- Credit impairment charges declined 14% to R7.2bn, resulting in a 1.00% credit loss ratio from 1.23%.
- The Group's common equity tier 1 (CET 1) capital ratio decreased to 12.5% from 12.7%, remaining well above regulatory requirements and at the top end of the Board's target range of 11.0% to 12.5%.
- The Group's net asset value (NAV) per share grew 11% to 20 048 cents.

Basis of preparation of constant currency financial information

The constant currency (CCY) financial information presented in this section is considered pro forma financial information in terms of the JSE Limited Listings Requirements.

Constant currency pro forma financial information is presented to illustrate the impact of changes in the Group's major foreign currencies. The CCY pro forma financial information has been prepared for illustrative purposes only and, because of its nature, may not fairly present the Group's financial position, changes in equity, results of operations or cash flows. In determining the CCY pro forma financial information, amounts denoted in foreign currencies for the current period and prior period have been converted to Rand using the appropriate exchange rates as at 31 December 2024. The CCY pro forma financial information is the responsibility of the directors. This information has not been reviewed or reported on by the Group's external auditors.

Operating environment

The global economy entered 2025 on an uncertain footing, as the new US administration heralded an unprecedented flurry of highly consequential US domestic and global policy announcements, including dramatic increases in tariffs on goods entering the US. Though tariff discussions remain ongoing between the US and many countries, including South Africa, early fears of much higher US inflation and unemployment or much lower US or global growth have been largely absent in the first half economic data. Risks remain evident, however, particularly as the impact of the frequent, arbitrary, and often temporary changes in tariff rates on inflation, economic activity and investment may only reveal themselves later in the year. The US Federal Reserve left policy rates on hold through end-July, whereas policymakers in the UK, the EU and in many other western countries cut rates, while China introduced several measures to support economic growth. In addition, geopolitical tensions remained significant, as the conflicts in Ukraine and the Middle East continued.

In South Africa, economic data has generally disappointed, as a weak finish to 2024 left real GDP growth at 0.5% and first quarter GDP grew just 0.1%. Business and consumer confidence slipped early in the year, given significant tension within the government of national unity, with two failed attempts to agree a national budget, and as trade tensions with the US ratcheted higher. On a positive note, consumer inflation remained very low through the first half of the year, often below 3%, and this provided space for the Reserve Bank to continue reducing rates, which declined to 7.0% at the July MPC meeting. The Reserve Bank announced in late July that it will target inflation of 3%.

Economic growth was mixed across our other African markets so far this year. Ghana's economy has strengthened further, with strong gold export revenues supporting the sharp rally in the Cedi, which resulted in rapidly decelerating inflation and a large policy rate cut. Zambia's economy is also rebounding from last year's devastating drought, while East African markets continued to perform strongly even as fiscal concerns remain for Kenya on the back of lingering social tensions and the inability to raise tax revenues. Meanwhile, the crisis in the global diamond industry has further impacted Botswana's economy, deepening the country's fiscal challenges. Moreover, the fiscal crisis in Mozambique also continues to weigh on the economy, although authorities are in talks with the IMF on a new funded program.

Overview of results

The Group's headline earnings grew 17% to R11 874m and DHEPS increased 16% to 1 422.9 cents. The ordinary DPS rose 15% to 785 cents, a payout ratio of 55%. The Group's RoE improved to 14.8% from 14.0% and its return on average assets rose to 1.14% from 1.04%.

Revenue grew 5% to R56 487m, as net interest income rose 3% to R36 307m and non-interest income increased 10% to R20 180m. The Group's net interest margin on average interest-bearing assets reduced to 4.58% from 4.69%, largely due to a decline in deposit margin. Net loans and advances grew 8% to R1 412bn, while deposits rose 13% to R1 578bn. Operating expenses increased 6% to R30 044m resulting in a slightly higher cost-to-income ratio of 53.2% from 52.7%. Pre-provision profit grew 4% to R26 443m. Credit impairment charges fell 14% to R7 173m, producing a 1.00% credit loss ratio from 1.23%.

PPB headline earnings increased 23% to R3 168m, while BB declined 12% to R1 712m. ARO RBB's headline earnings grew 35% to R1 092m and CIB increased 10% to R6 440m. The loss in Head Office, Treasury and other operations decreased 47% to R538m.

On a geographic basis, South African headline earnings increased 19% to R7 828m, while Africa regions increased 13% to R4 046m. Africa regions contributed 32% of total revenue and 34% of Group earnings.

Group performance

Statement of financial position

Total assets rose 11% to R2 160bn, driven by 8% growth in net loans and advances, a 13% increase in cash, cash balances and balances with central banks, and 20% higher trading portfolio assets.

Loans and advances

Total net loans and advances grew 8%, to R1 412bn, reflecting 7% higher net loans and advances to customers to R1 319bn, while net loans and advances to banks increased 27% to R93bn. Excluding 75% higher reverse repurchase agreements, total net loans grew 4% to R1 290bn. PPB net loans and advances to customers rose 3% to R517bn, as Home Loans grew 2% to R313bn and Vehicle and Asset Finance increased 5% to R122bn. BB net loans and advances to customers grew 5% to R154bn, driven by growth in commercial property finance and working capital. ARO RBB net loans and advances to customers grew 9% to R91bn or 8% in CCY, with strong growth in mortgages, card and mobile lending. CIB net loans and advances to customers increased 12% to R553bn. CIB SA net loans and advances to customers grew 12% to R462bn, given 59% higher reverse repurchase agreements, excluding which it rose 6%. CIB ARO net loans and advances to customers grew 9% to R91bn, also up 9% in CCY.

Funding

Total deposits rose 13% to R1 578bn, with deposits due to customers up 11% and the same in CCY to R1 402bn. Total deposits from banks grew 32% to R176bn. Excluding 63% higher reverse repurchase agreements, total deposits increased 10% to R1 442bn. Total deposits constituted 89% of Group funding. PPB customer deposits grew 7% to R363bn, with fixed deposits up 3% to R93bn and savings and transmission deposits 10% higher to R197bn, while cheque account deposits grew 6% to R41bn. BB customer deposits rose 8% to R235bn, as savings and transmission deposits grew 16% to R98bn, fixed deposits decreased 6% to R34bn and cheque account deposits rose 9% to R79bn. ARO RBB customer deposits grew 17%, or 15% in CCY, to R150bn. Total CIB deposits rose 18%, to R659bn, with customer deposits up 15% to R539bn, while bank deposits grew 36% to R120bn. Average CIB customer deposits rose 14%. CIB SA deposits due to customers grew 17% to R420bn, with cheque deposits increasing 10%. CIB ARO deposits due to customers rose 8% to R119bn, or 7% in CCY.

Net asset value

The Group's NAV increased 11% to R166bn and NAV per share grew 11% to 20 048 cents. Other reserves contributed to the growth, more than doubling to R9.9bn, given substantial positive YoY swings in the cash flow hedging reserve and foreign currency translation reserve. During the first half of 2025 the group generated R11.2bn of attributable profit and paid dividends of R6.4bn.

Capital to risk-weighted assets (RWA)

Group RWA grew 14% to R1 222bn, given 11% higher credit risk RWA, while market risk and operational risk rose 48% and 22% respectively. The Group remains well capitalised, comfortably above minimum regulatory capital requirements. The Group CET 1 ratio decreased slightly to 12.5% from 12.7% although it remains at the top end of the Board target range of 11.0% to 12.5%. The Group Tier 1 ratio declined to 14.0% from 14.6%, while the total capital adequacy ratio decreased to 15.2% from 15.9%.

Statement of comprehensive income

Net interest income

Net interest income increased 3% to R36 307m, with average interest-bearing assets up 5%. The Group's net interest margin decreased to 4.58% from 4.69%, largely due to deposit margin compression. South Africa's net interest margin reduced to 3.77% from 3.93% and Africa regions narrowed to 7.80% from 7.85%. Customer loans and advances had a 6bps negative impact on the Group margin, mostly from tighter pricing plus higher suspended interest in Business Banking. Loan mix had a 1bp negative impact given faster loan growth in CIB than Unsecured Lending in PPB.

Group performance

Statement of comprehensive income *continued*

Customer deposits reduced the overall margin by 17bps, reflecting pricing pressure, particularly in Corporate Banking SA and ARO RBB on lower policy rates across most markets. Deposit composition improved the NIM by 4bps, on lower wholesale funding and faster growth in higher margin deposits in ARO RBB, while PPB high-margin deposits decreased and lower margin deposits grew faster in BB and CIB. Lower policy rates reduced the deposit endowment by 6bps. South Africa's equity endowment reduced the margin by 3bps, given lower rates. ARO's equity endowment added 6bps due to growth in equity.

In South Africa, the structural hedge released a R313m charge to the income statement, 8bps less than the R923m charge in 1H24. The average structural rate earned on the programme increased 14bps to 7.25%. The after-tax cash flow hedging reserve relating to the programme reflected a credit balance of R1.2bn as at 30 June 2025, from a debit of R1.1bn at 30 June 2024. The total YoY endowment impact after hedging in South Africa added 5bps to the Group margin.

Non-interest income

Non-interest income increased 10%, or 9% in CCY, to R20 180m and accounted for 36% of Group revenue from 34%. Net fee and commission income grew 5% to represent 65% of total non-interest income. Fee and commission income rose 7%, as transactional fees and commissions increased 4% on increased customer numbers. Fee and commission expense increased by 18%, driven by new fund management agreements entered into in June 2024, as well as higher transactional volumes and price increases. Merchant income grew 27% to R1 788m on 7% turnover growth.

Net trading income excluding the impact of hedge accounting increased 36% to R5 108m. Global Markets income rose 29%, or 28% in CCY, to R5 438m, with Markets SA increasing 54% to R2 699m and Markets ARO growing 12% to R2 739m. In aggregate, the net insurance income grew 5% to R1 539m, with the insurance service result up 4%. Insurance SA rose 3%, due to 16% higher Non-Life Insurance, as Life Insurance decreased 2% because of lower unsecured loan production. ARO Insurance total non-interest income declined 17% reflecting the sale of three entities. Other operating income fell 55% to R213m mainly due to lower income from unallocated funds and losses on disposal of assets and liabilities held for sale under IFRS 5.

Credit impairment charges

Credit impairment charges declined 14%, or 13% in CCY, to R7 173m, as lower credit charges in PPB and CIB outweighed increases in BB and ARO RBB. The credit loss ratio improved to 100bps, at the top end of the through-the-cycle target range of 75bps to 100bps, from 123bps.

PPB credit impairments fell 16% to R5 307m, improving its credit loss ratio to 1.93% from 2.34%. Within this, Home Loans fell 3% to R747m, resulting in a credit loss ratio of 0.47%. The improvement reflects improved trends in the pre-legal book. Vehicle and Asset Finance credit impairments fell 26% to R1 044m, due to revised credit policies, exiting specific higher risk segments and collections actions. Its credit loss ratio improved to 1.66% from 2.32%. Unsecured Lending credit impairments declined 11% to R3 289m, resulting in a 7.66% credit loss ratio, driven by proactive risk management, enhanced collections and late stage portfolio sales.

BB credit impairments grew 23% to R494m, resulting in a 0.64% credit loss ratio, slightly above its through-the-cycle range, from 0.54%. The increase is primarily due to provisions for single names.

ARO RBB credit impairments increased 15%, or 14% in CCY, to R818m, largely due to higher retail charges, partially offset by improved macros in some markets and collections in Business Banking. Its credit loss ratio rose to 1.69% from 1.61%, which remains below its through-the-cycle range.

CIB credit impairments fell 44% to R516m, driven by lower single name charges. Its credit loss ratio improved to 0.18%, slightly below its through-the-cycle range, from 0.33%. CIB SA credit impairments fell 58% to R358m, resulting in a 0.15% credit loss ratio from 0.37%. CIB ARO credit impairments increased to R158m charge from R62m, producing a credit loss ratio of 0.32%.

Non-performing loans (NPLs) decreased to 5.90% of gross loans and advances from 6.14% (and 6.12% as at 31 December 2024), given lower BB and flat PPB NPLs.

Total Group coverage declined to 3.99% from 4.21%, and 4.13% as at 31 December 2024. Stage 1 coverage reduced slightly to 0.59% from 0.64%, mostly due to improved new business performance in PPB. Stage 2 coverage decreased to 5.74% from 6.66%, driven by PPB (across all portfolios), while CIB, ARO RBB and BB all increased. Stage 3 coverage declined to 46.9% from 47.1% because of single name write-offs with high coverage in CIB and BB, which offset higher PPB coverage due to pressure on late stage NPLs in the secured books.

Operating expenses

Operating expenses grew 6% to R30 044m, increasing the cost-to-income ratio to 53.2%. Staff costs rose 7% to R17 294m to account for 58% of total operating expenses, largely reflecting inflationary salary increases. Deferred cash and share-based payments grew 3%, while bonuses rose 9%.

Non-staff costs grew 5% to R12 750m. Within this, IT costs increased 7% to R3 581m, given continued investment in new digital capabilities and increased cybersecurity spend. Amortisation of intangible assets grew 3% to R1 429m, although excluding the impact of separation from Barclays PLC, the increase was 29% due to further investment in digital, automation and data capabilities that increased goodwill and intangible assets to R16bn. Total IT spend, including staff, amortisation, and depreciation, increased 5% to R8 190m, or 27% of Group expenses. Marketing costs rose 6% to R1 169m with higher brand, campaigns and sponsorship spend. Professional fees grew 6% to R1 435m given spend on strategic projects.

Group performance

Statement of comprehensive income *continued*

Property costs increased 1% to R981m and depreciation rose 2% to R1 583m as continued optimisation of the Group's property portfolio offset investment into retail branch upgrades. Equipment costs grew 25%, largely due to investment in merchant devices. Cash transportation costs reduced 18% to R506m, due to lower charges in part supported by cash optimisation projects.

Other expenses

Other expenses declined 5% to R1 961m, driven by no longer applying hyperinflationary accounting to the results of Absa Bank Ghana and 4% lower indirect taxation.

Taxation

The taxation expense increased 26% to R4 530m, higher than profit before tax that grew 16%, as capital losses on the sale of three Africa regions insurance entities were not deductible and 5% lower exempt dividend income. The resulting effective tax rate rose to 25.9% from 23.8%.

Segment performance

The Group's operating segments changed during the period, with Product Solutions Cluster, Everyday Banking and Private Wealth Banking (previously part of Relationship Banking) combined into Personal and Private Banking. Relationship Banking was renamed Business Banking. Moreover, central costs were allocated to the business units, including the Group's Broad-Based Black Economic Empowerment and staff incentivisation transaction, as well as depositor insurance costs. These costs were previously reported in Head Office, Treasury and other operations. In addition, business unit and geographic return on regulatory capital (RoRC) calculations now use a 12% capitalisation rate versus 11% previously. Consequently, the interim and prior year segmental financial results have been restated.

Corporate and Investment Banking

Headline earnings grew 10%, or 9% in CCY, to R6 440m, driven by 5% pre-provision profit growth and lower credit impairments. Revenue increased 7% to R17 578m. Net interest income grew 3%, with customer loans and advances and deposits up 12% and 15% respectively, partially offset by 20bps net interest margin compression. Non-interest income rose 14%, with Global Markets revenue up 29% outweighing favourable non-recurring private equity revaluations in the base. Net fee and commission income was flat due to volume and pricing pressure in Corporate. Operating expenses grew 9% to R7 819m, resulting in a cost-to-income ratio of 44.5% from 43.5%. The cost growth reflected higher amortisation, inflationary pressure across key markets and continued investment in people and technology. Credit impairments fell 44% to R516m, reducing the credit loss ratio to 0.18% from 0.33%, due to lower single name charges. CIB's RoRC was unchanged at 21.8%. It contributed 52% of Group headline earnings, excluding Head Office, Treasury and other operations.

Within CIB, Corporate Bank headline earnings fell 7% to R2 128m, as pre-provision profit decreased 9%, partially offset by credit impairments declining 85%. Investment Bank headline earnings grew 20% to R4 312m, as pre-provision profit grew 15% on 13% revenue growth and credit impairments decreased 30%.

CIB SA headline earnings grew 16% to R3 606m, as 4% pre-provision profit growth combined with 58% lower credit impairments. CIB ARO headline earnings rose 3%, or 2% in CCY, to R2 834m, reflecting 7% growth in pre-provision profit while credit impairments rose significantly off a low base.

Personal and Private Banking

Headline earnings increased 23% to R3 168m, due to credit impairments decreasing 16% to R5 307m. Pre-provision profit declined 3% to R10 109m. Revenue rose 1% to R21 784m, driven by 4% higher non-interest income, with net fee and commission income up 5%. Net interest income decreased 1% due to modest 3% growth in net customer loans and margin compression. Operating expenses grew 5% to R11 675m on continued investment in digital capabilities and technology, increasing the cost-to-income ratio to 53.6% from 51.7%. PPB generated a RoRC of 14.8% from 12.7% and contributed 26% of Group headline earnings excluding Head Office, Treasury and other operations.

Within PPB, Transactions and Deposits headline earnings declined 2% to R1 492m, as 46% lower credit impairments partially offset 8% lower pre-provision profits. Home Loans headline earnings grew 8% to R775m, as credit impairments fell 3% and pre-provision profit increased 2% due to 3% revenue growth and 6% higher operating expenses. Vehicle and Asset Finance headline earnings grew significantly to R332m from R39m, driven by 26% lower credit impairments, while pre-provision profit declined 2% on 8% higher costs exceeding 2% revenue growth. Unsecured Lending headline earnings more than doubled to R269m, because of 11% lower credit impairments, while pre-provision profit decreased 6% due to 1% lower revenue and 8% higher costs. Within Unsecured Lending, Card headline earnings grew 93% to R316m, while Personal Loans decreased 1% to R41m. Insurance SA headline earnings rose 12% to R614m, improving its RoE to 21.4%. Life profits increased 5% to R440m, while Non-Life profits grew 25% to R179m mostly due to improved claims.

Business Banking

Headline earnings decreased 12% to R1 712m, due to 23% higher credit impairments and 7% lower pre-provision profit at R3 048m. Revenue was flat at R7 528m. Net interest income grew 1% on the back of 5% growth in customer loans and 8% higher customer deposits, mostly offset by margin compression. Non-interest income decreased 3%, due to the classification of processing costs. Excluding this, it grew 2% reflecting 9% growth in acquiring, partially offset by lower cash volumes and transactional revenue. Operating expenses grew 5% to R4 480m, resulting in a 59.5% cost-to-income ratio from 56.7%. Excluding the change in cash processing costs, costs increased 5%, due to several once-off items. Credit impairments rose 23% to R494m, producing a 0.64% credit loss ratio, given single name provisions. BB generated a RoRC of 19.1% from 22.1% and contributed 14% of Group headline earnings excluding Head Office, Treasury and other operations.

Segment performance

Absa Regional Operations- Retail and Business Banking

Headline earnings grew 35% to R1 092m, up 28% in CCY. Within this, Banking operation headline earnings rose 42% or 36% in CCY to R1 108m, given 22% higher pre-provision profit. Banking revenue grew 14%, or 13% in CCY, with net interest income up 15%, reflecting balance sheet growth and margin expansion. Non-interest income increased 11%, driven by 15% growth in transactionally active customers. Operating expenses grew 9% and 9% in CCY, resulting in a cost-to-income ratio of 63.4%. Credit impairments increased 15%, due to a higher retail charge, but remains below its through-the-cycle target. ARO Insurance headline earnings fell materially to a R16m loss, reflecting the sale of three entities. ARO RBB generated a RoRC of 14.5% from 12.2% and contributed 9% of Group headline earnings excluding Head Office, Treasury and other operations.

Head office, Treasury and other operations

The headline earnings loss fell 47% to R538m, largely reflecting two items. Firstly, higher earnings in Treasury South Africa due to asset and liability management and prime-Jibar remarks. Secondly, discontinuing hyperinflationary accounting in Ghana this year versus a R253m loss in the base.

Geographic split

South Africa

Headline earnings increased 19% to R7 828m, although pre-provision profit was flat at R17 377m. Revenue grew 3% to R38 269m, constituting 68% of Group revenue. Net interest income was flat as margin compression offset customer loan and deposit growth of 7% and 10% respectively. Non-interest revenue increased 9%, mostly due to significant growth in Markets SA. Operating expenses rose 6% to R20 892m, resulting in a 54.6% cost-to-income ratio from 53.3%. Credit impairments fell 18% to R6 157m, producing a credit loss ratio of 1.03% from 1.31%, as reductions in PPB and CIB outweighed BB's higher charge. South Africa contributed 66% of Group earnings and its RoRC improved to 14.3% from 12.6%.

Africa regions

Headline earnings increased 13% to R4 046m, including a 4% uplift from the weaker Rand. Pre-provision profit grew 12% to R9 066m, as revenue increased 9% and the same in CCY, to R18 218m. Net interest income grew 9% in line with 9% customer loan growth. The net interest margin reduced slightly as CIB's decline offset ARO RBB's increase. Non-interest income rose 10%, driven by 11% growth in ARO RBB Banking operations. Expenses grew 7% and the same in CCY, to R9 152m, producing a 50.2% cost-to-income ratio from 51.5%. Credit impairments grew 33% to R1 016m, increasing its credit loss ratio to 0.86% from 0.77%. Africa regions contributed 34% of Group earnings and its RoRC declined to 16.9% from 18.2%.

Prospects

The global economic environment is likely to remain very uncertain, largely due to the sweeping and volatile changes being announced by the US administration. That said, as of early August global forecasters have cautiously upgraded their world GDP forecasts compared to forecasts just after the first tariff announcements were made in the first quarter. The IMF forecasts global GDP growth of 3.0% for 2025, rising to 3.1% in 2026. Compared to 2024 outcomes, it forecasts significantly slower growth for the US, for China's slowdown to be larger in 2026 than in 2025, and for EU growth to be largely unaffected by trade tensions. Financial markets expect the US Federal Reserve to recommence a cutting cycle before the end of 2025 and to reduce the policy rate further into 2026, while monetary policy conditions across other major economies that reduced rates earlier in the year are likely at or near their trough.

For South Africa, we have reduced our 2025 GDP growth forecast somewhat. Given the weak start to the year and the negative impact of the US trade tariffs, we expect the economy to grow just 0.9% in 2025. Continued focus on structural reform and the lagged impact of lower rates are expected to enable GDP growth to improve to 1.4% in 2026. Although inflation is likely to increase during the second half of 2025, the rise is not expected to place undue further pressure on consumers, or cause the Reserve Bank to raise rates, even as the MPC seeks to gain credibility for its push to a 3% preference rate for inflation. Prime is likely to remain unchanged well into 2026, while financial markets are pricing in an even chance for a further 25bp reduction over the coming months.

Our baseline forecast for our Africa region countries is that GDP will rise slightly to 4.8% in 2025 and 5.1% in 2026. Botswana is an outlier, where we expect a second year of contraction. Although heightened global uncertainties have increased downside risks for all our markets, lower inflation and policy rates, ongoing infrastructure investment, favourable weather conditions, multilateral support and a strong focus on reform across the region continue to support the longer-term outlook.

Based on these assumptions, and excluding further major unforeseen political, macroeconomic, or regulatory developments, our guidance for 2025 is largely unchanged and as follows:

We expect mid-single digit revenue growth, with stronger growth in non-interest income than net interest income. We expect mid- to high single digit customer loan growth and mid-single digit customer deposit growth.

The Group's credit loss ratio is expected to improve to the top end of our through-the-cycle target range of 75 to 100bps.

We expect mid-single digit growth in operating expenses, producing a slightly higher cost-to-income ratio from the 53.2% in 2024 and low to mid-single digit growth in pre-provision profit.

Consequently, we expect an RoE of around 15%, from 14.8% in 2024. Other reserves have increased our equity more than we expected, reducing our RoE while supporting our NAV.

We expect the Group CET 1 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 weaker Rand to underpin earnings slightly in 2025, and Africa regions earnings growth should be noticeably stronger than South Africa.

Finally, we reiterate our RoE target of 16% for 2026.

Basis of presentation

IFRS reporting

The Group's financial results have been prepared in accordance with IFRS® Accounting Standards, the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, and the provisions of the South African Companies Act, 71 of 2008.

The Group's regulatory capital and risk exposures have been prepared in accordance with the Basel Committee on Banking Supervision Pillar 3 disclosure requirements and Regulation 43 of the Regulations relating to Banks, issued in terms of the Banks Act, 1990 (Act No. 94 of 1990), where not superseded by the Pillar 3 disclosure requirements.

The preparation of financial information requires the use of estimates and assumptions about future conditions. Use of available information and application of judgement are inherent in the formation of estimates. The accounting policies that are deemed critical to the Group's results and financial position, in terms of the materiality of the items to which the policies are applied, and which involve a high degree of judgement include impairment of financial assets measured at amortised cost; capitalisation; amortisation and impairment of internally generated intangible assets; fair value measurements; consolidation of structured or sponsored entities; post-retirement benefits; provisions; income taxes; share-based payments; translation of foreign currencies; offsetting of financial assets and liabilities; and liabilities arising from claims made under short and long-term insurance contracts.

During the reporting period ended 30 June 2025, the Ghanaian economy ceased to be considered hyperinflationary in terms of the requirements of IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29). As a result, the Group discontinued accounting for the effects of hyperinflation from 1 January 2025. No loss on net monetary position has therefore been recognised in the statement of comprehensive income during the current period.

The Directors assess the Group's future performance and financial position on an ongoing basis and have no reason to believe that the Group will not be a going concern in the reporting period ahead. For this reason, these consolidated financial results are prepared on a going concern basis.

Accounting policies

The accounting policies applied in preparing the Group's interim financial results are consistent with those in place for the Group's annual consolidated financial statements for the reporting period ended 31 December 2024.

Standards, amendments to standards and circulars adopted for the first time in the current reporting period

No new standards, amendments or circulars were effective in the current reporting period.

New standards and interpretations not yet adopted

A number of new standards and amendments to existing standards, applicable to Absa Group Limited, have been issued but not yet effective for the reporting period. These have not been applied in preparing these interim financial results. Unless specifically noted to the contrary, these amendments are not expected to have a material impact on the Group.

- **Amendments resulting from annual improvements for the following standards**
  - Initial measurement of trade receivables – The amendment removes the conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers (IFRS 15) over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price, for example, when the transaction price is variable. Conversely, IFRS 9 requires that entities initially measure trade receivables without a significant financing component at the transaction price. IFRS 9 has been amended to require entities to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.
  - Accounting for the derecognition of a lease liability by a lessee – The amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. The amendment applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied. The amendment is effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.
  - Minor amendments to IFRS 1, IFRS 10 and IAS 7. These amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

Accounting policies

New standards and interpretations not yet adopted *continued*

- **Settlement of financial liabilities by electronic payments – IFRS 9**

  The amendments clarify when a financial asset or financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. The exception allows entities to derecognise their financial liabilities before the settlement date when it uses an electronic payment system that meets specific criteria. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

- **Classification of financial assets with a contingent feature – IFRS 9 and IFRS 7**

  Following the post-implementation review of the classification and measurement requirements, IFRS 9 includes guidance on the classification of financial assets, including those with contingent features. Additional disclosures in terms of IFRS 7 will also need to be provided on financial assets and financial liabilities that have certain contingent features. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

- **Equity instruments designated at fair value through other comprehensive income – IFRS 7**

  The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

- **Non-recourse assets and contractually linked instruments – IFRS 9**

  The amendments clarify the treatment of non-recourse assets and contractually linked instruments. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

- **Contracts Referencing Nature-dependent Electricity – IFRS 9 and IFRS 7**

  To allow companies to better reflect the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs), amendments have been made to IFRS 9 and IFRS 7. These amendments provide guidance on the 'own-use' exemption for purchasers of electricity under PPAs, hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs and new disclosure requirements to enable investors to better understand the effects of PPAs. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

- **Presentation and disclosure in financial statements – IFRS 18**

  IFRS 18 promotes a more structured income statement and introduces a newly defined "operating profit" subtotal and a requirement for all income and expenses to be classified into three new distinct categories based on an entity's business activities. The new standard requires an entity to analyse their operating expenses directly on the face of the income statement – either by nature, by function or on a mixed basis. In addition, the standard defines "management-defined performance measures" (MPMs) and requires that an entity provide disclosures regarding its MPMs in order to enhance transparency. The standard further provides enhanced guidance on aggregation and disaggregation of information, which will apply to both the primary financial statements and the notes. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and applies retrospectively with early adoption permitted. The impact of this standard on the Group is currently being assessed.

Events after the reporting period

On 3 June 2025, at a Scheme Meeting of Absa Bank preference shareholders, a special resolution was passed to implement a scheme of arrangement in which all outstanding preference shares would be acquired by Absa Bank Limited. As a result, all non-redeemable, non-cumulative, non-participating preference shares were repurchased on 21 July 2025, returned to Absa Bank Limited's authorised but unissued share capital, and delisted from the JSE Main Board. This transaction resulted in the derecognition in July 2025 of the Group's non-controlling interest relating to preference shares, with a gain of R31m being recognised directly in equity.

Sello Moloko, Chairman of Absa Group Limited, has stepped down from his role as Chairman and an Independent Non-Executive Director, effective 15 July 2025. René van Wyk, an Independent Non-Executive Director of Absa Group Limited, assumed the position of Chairman of the Board, with effect from 15 July 2025.

Other than the aforementioned, the directors are not aware of any events (as defined per IAS 10 Events after the Reporting Period) after the reporting date of 30 June 2025 and the date of authorisation of these financial results.

On behalf of the Board

René van Wyk
Group Chairman

D Raju
Group Financial Director

Johannesburg
18 August 2025

Dividend announcement

Declaration of interim ordinary dividend number 76

Shareholders are advised that an ordinary dividend of 785 cents per ordinary share was declared on 18 August 2025, for the interim reporting period ended 30 June 2025. The ordinary dividend is payable to shareholders recorded in the register of members of the Company at the close of business on Friday, 12 September 2025. The directors of Absa Group Limited confirm that the Group will satisfy the solvency and liquidity test immediately after completion of the dividend distribution, and for the next 12 months.

The dividend will be subject to local dividends withholding tax at a rate of 20%. In accordance with paragraphs 11.17 (a) (i) to (ix) and 11.17 (c) of the JSE Listings Requirements, the following additional information is disclosed:

- The dividend has been declared out of income reserves.
- The local dividend tax rate is 20%.
- The gross local dividend amount is 785 cents per ordinary share for shareholders exempt from the dividend tax.
- The net local dividend amount is 628 cents per ordinary share for shareholders liable to pay the dividend tax.
- Absa Group Limited currently has 894 376 907 ordinary shares in issue (includes 65 074 525 treasury shares).
- Absa Group Limited's income tax reference number is 9150116714.

In compliance with the requirements of Strate, the electronic settlement and custody system used by the JSE Limited, the following salient dates for the payment of the dividend are applicable:

Last day to trade cum dividend	Tuesday, 09 September 2025
Shares commence trading ex-dividend	Wednesday, 10 September 2025
Record date	Friday, 12 September 2025
Payment date	Monday, 15 September 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 10 September 2025 and Friday, 12 September 2025, both dates inclusive. On Monday, 15 September 2025, the dividend will be electronically transferred to the bank accounts of certificated shareholders. The accounts of those shareholders who have dematerialised their shares (which are held at their participant or broker) will also be credited on Monday, 15 September 2025.

On behalf of the Board

N R Drutman
Company Secretary

Johannesburg
18 August 2025

Absa Group Limited is a company domiciled in South Africa.
Its registered office is 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg, 2001.

Consolidated statement of comprehensive income

for the reporting period ended

	Note	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Net interest income	2	**36 307**	35 310	3	71 105
Interest and similar income		**81 007**	84 419	(4)	167 856
Effective interest income		**79 630**	82 908	(4)	164 957
Other interest income		**1 377**	1 511	(9)	2 899
Interest expense and similar charges		**(44 700)**	(49 109)	(9)	(96 751)
Non-interest income	3	**20 180**	18 398	10	38 844
Net fee and commission income		**13 189**	12 536	5	25 901
Fee and commission income	3.1	**15 229**	14 269	7	29 659
Fee and commission expense	3.1	**(2 040)**	(1 733)	18	(3 758)
Insurance service result		**956**	921	4	2 131
Insurance revenue	3.2	**6 063**	5 921	2	11 852
Insurance service expenses		**(4 673)**	(4 610)	1	(9 242)
Net expense from reinsurance contracts		**(434)**	(390)	11	(479)
Net finance expense from insurance contracts		**(173)**	(81)	>100	(220)
Net finance expense from reinsurance contracts		**(3)**	(1)	>100	–
Changes in investment contract liabilities		**(788)**	(465)	69	(1 083)
Gains and losses from banking and trading activities	3.3	**5 221**	3 899	34	8 719
Gains and losses from investment activities	3.4	**1 565**	1 113	41	2 527
Other operating income	3.5	**213**	476	(55)	869
Total income		**56 487**	53 708	5	109 949
Credit impairment charges	4	**(7 173)**	(8 309)	(14)	(14 304)
Operating income before operating expenditure		**49 314**	45 399	9	95 645
Operating expenditure	5	**(30 044)**	(28 326)	6	(58 508)
Other expenses		**(1 961)**	(2 072)	(5)	(4 196)
Other impairments		**(769)**	(577)	33	(914)
Indirect taxation	6	**(1 192)**	(1 240)	(4)	(2 592)
Loss on net monetary position		**–**	(255)	(100)	(690)
Share of post-tax results of associates and joint ventures		**164**	113	45	282
Operating profit before income tax		**17 473**	15 114	16	33 223
Taxation expense	7	**(4 530)**	(3 600)	26	(8 320)
Profit for the reporting period		**12 943**	11 514	12	24 903
Profit attributable to:					
Ordinary equity holders		**11 231**	9 845	14	21 537
Non-controlling interest – ordinary shares		**981**	960	2	1 858
Non-controlling interest – preference shares		**195**	203	(4)	408
Other equity: Additional Tier 1 capital		**536**	506	6	1 100
		12 943	11 514	12	24 903
Earnings per share:					
Basic earnings per share (cents)	1	**1 354.1**	1 188.0	14	2 599.2
Diluted earnings per share (cents)	1	**1 345.8**	1 187.3	13	2 594.8

Consolidated statement of comprehensive income

for the reporting period ended

	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Profit for the reporting period	**12 943**	11 514	12	24 903
Other comprehensive income				
Items that will not be reclassified to profit or loss	**(174)**	(10)	>100	(219)
Movement on equity instruments designated at fair value through other comprehensive income (FVOCI)	**21**	1	>100	(36)
Fair value movements	**27**	1	>100	(36)
Deferred tax	**(6)**	–	100	–
Movement on liabilities designated at FVTPL due to changes in own credit risk	**(139)**	(59)	>100	(200)
Fair value movements	**(190)**	(81)	>100	(274)
Deferred tax	**51**	22	>100	74
Movement in retirement benefit fund assets and liabilities	**(56)**	48	<(100)	17
Decrease in retirement benefit surplus	**(36)**	(37)	(3)	(42)
(Increase)/Decrease in retirement benefit deficit	**(29)**	109	<(100)	56
Deferred tax	**9**	(24)	<(100)	3
Items that are or may be subsequently reclassified to profit or loss	**1 263**	839	51	5 968
Movement in foreign currency translation reserve	**9**	(92)	<(100)	1 774
Differences in translation of foreign operations	**9**	(92)	<(100)	1 774
Movement in cash flow hedging reserve	**898**	223	>100	1 795
Fair value movements	**965**	(640)	<(100)	827
Amounts transferred within other comprehensive income	**(80)**	49	<(100)	11
Amount released from other comprehensive income and recognised in profit or loss	**346**	897	(61)	1 621
Deferred tax	**(333)**	(83)	>100	(664)
Movement in fair value of debt instruments measured at FVOCI	**258**	564	(54)	2 223
Fair value movements	**229**	568	(60)	2 508
Release to profit or loss	**15**	-	100	(2)
Deferred tax	**14**	(4)	<(100)	(283)
Movement in Insurance finance reserve	**98**	144	(32)	176
Finance income from insurance contracts	**230**	185	24	283
Finance (expense) from reinsurance contracts	**(22)**	(5)	>100	(47)
Deferred tax	**(15)**	(9)	61	5
Current tax	**(95)**	(27)	>100	(65)
Total comprehensive income for the reporting period	**14 032**	12 343	14	30 652
Total comprehensive income attributable to:				
Ordinary equity holders	**12 854**	10 217	26	26 395
Non-controlling interest – ordinary shares	**447**	1 417	(68)	2 749
Non-controlling interest – preference shares	**195**	203	(4)	408
Other equity: Additional Tier 1 capital	**536**	506	6	1 100
	14 032	12 343	14	30 652

Consolidated statement of financial position

as at reporting period ended

	Note	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Assets					
Cash, cash balances and balances with central banks		**102 857**	91 259	13	124 557
Investment securities		**268 592**	241 613	11	270 444
Trading portfolio assets		**251 412**	209 452	20	226 182
Hedging portfolio assets		**2 720**	5 176	(47)	4 055
Other assets		**48 881**	30 812	59	23 195
Current tax assets		**1 646**	1 429	15	689
Non-current assets held for sale		**3 684**	3 202	15	2 111
Loans and advances	8	**1 412 147**	1 306 110	8	1 349 588
Insurance contract assets		**1 016**	665	53	793
Reinsurance contract assets		**485**	686	(29)	1 003
Investments linked to investment contracts		**24 964**	21 850	14	23 370
Investments in associates and joint ventures		**3 092**	2 691	15	2 990
Investment property		**315**	224	41	225
Property and equipment		**15 786**	15 635	1	16 250
Goodwill and intangible assets		**15 982**	14 990	7	16 010
Deferred tax assets		**6 180**	7 560	(18)	7 233
Total assets		**2 159 759**	1 953 354	11	2 068 695
Liabilities					
Trading portfolio liabilities		**68 029**	58 519	16	66 020
Hedging portfolio liabilities		**1 253**	1 454	(14)	1 258
Other liabilities		**71 777**	50 758	41	40 291
Provisions		**4 657**	3 689	26	5 807
Current tax liabilities		**670**	619	8	706
Non-current liabilities held for sale		**3 275**	2 083	57	1 064
Deposits	9	**1 578 217**	1 395 345	13	1 506 927
Debt securities in issue	10	**196 479**	224 429	(12)	211 291
Liabilities under investment contracts		**25 219**	22 236	13	23 547
Insurance contract liabilities		**4 071**	5 704	(29)	6 630
Reinsurance contract liabilities		**150**	110	36	312
Borrowed funds	11	**18 006**	16 699	8	21 188
Deferred tax liabilities		**263**	352	(25)	378
Total liabilities		**1 972 066**	1 781 997	11	1 885 419
Equity					
Capital and reserves					
Attributable to ordinary equity holders:					
Share capital	11	**1 658**	1 657	0	1 658
Share premium	11	**10 492**	10 461	0	10 562
Retained earnings		**144 281**	134 009	8	139 199
Other reserves		**9 851**	3 171	>100	8 755
		166 282	149 298	11	160 174
Non-controlling interest – ordinary shares		**8 471**	7 642	11	8 784
Non-controlling interest – preference shares		**4 642**	4 644	(0)	4 644
Other equity: Additional Tier 1 capital		**8 298**	9 773	(15)	9 674
Total equity		**187 693**	171 357	10	183 276
Total liabilities and equity		**2 159 759**	1 953 354	11	2 068 695

Consolidated statement of changes in equity

for the reporting period ended

	30 June 2025					30 June 2025												
	Number of ordinary shares '000	Share capital Rm	Share premium Rm	Retained earnings Rm	Total other reserves Rm	General credit risk reserve Rm	Fair value through other compre-hensive income reserve Rm	Cash flow hedging reserve Rm	Foreign currency trans-lation reserve Rm	Foreign insurance subsidiary regulatory reserve Rm	Insurance finance reserve Rm	Share-based payment reserve Rm	Associates and joint ventures reserve Rm	Capital and reserves attribu-table to ordinary equity holders Rm	Non-controlling interest - ordinary shares Rm	Non-controlling interest - preference shares Rm	Other equity: Additional Tier 1 Capital Rm	Total equity Rm
Balance at the beginning of the reporting period	**829 457**	**1 658**	**10 562**	**139 199**	**8 755**	**1 538**	**874**	**516**	**1 496**	**44**	**64**	**2 002**	**2 221**	**160 174**	**8 784**	**4 644**	**9 674**	**183 276**
Total comprehensive income	–	–	–	11 057	1 797	–	190	898	568	–	141	–	–	12 854	447	195	536	14 032
Profit for the period	–	–	–	11 231	–	–	–	–	–	–	–	–	–	11 231	981	195	536	12 943
Other comprehensive income	–	–	–	(174)	1 797	–	190	898	568	–	141	–	–	1 623	(534)	–	–	1 089
Dividends paid during the reporting period	–	–	–	(6 444)	–	–	–	–	–	–	–	–	–	(6 444)	(760)	(195)	–	(7 399)
Distributions paid during the reporting period	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(536)	(536)
Transaction cost incurred in anticipation of redemption of preference shares	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(2)	–	(2)
Redemption of Additional Tier 1 capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(1 376)	(1 376)
Purchase of Group shares in respect of equity-settled share-based payment arrangements	–	–	(776)	(49)	–	–	–	–	–	–	–	–	–	(825)	–	–	–	(825)
Elimination of the movement in treasury shares held by Group entities	(155)	–	(70)	–	–	–	–	–	–	–	–	–	–	(70)	–	–	–	(70)
Movement in share-based payment reserve	–	–	776	–	(183)	–	–	–	–	–	–	(183)	–	593	–	–	–	593
Transfer from share-based payment reserve	–	–	776	–	(776)	–	–	–	–	–	–	(776)	–	–	–	–	–	–
Value of employee services	–	–	–	–	609	–	–	–	–	–	–	609	–	609	–	–	–	609
Deferred tax	–	–	–	–	(16)	–	–	–	–	–	–	(16)	–	(16)	–	–	–	(16)
Movement in general credit risk reserve	–	–	–	25	(25)	(25)	–	–	–	–	–	–	–	–	–	–	–	–
Share of post-tax results of associates and joint ventures	–	–	–	(164)	164	–	–	–	–	–	–	–	164	–	–	–	–	–
Transfers between reserves	–	–	–	657	(657)	–	(615)	–	–	–	–	(42)	–	–	–	–	–	–
Balance at the end of the reporting period	**829 302**	**1 658**	**10 492**	**144 281**	**9 851**	**1 513**	**449**	**1 414**	**2 064**	**44**	**205**	**1 777**	**2 385**	**166 282**	**8 471**	**4 642**	**8 298**	**187 693**

Consolidated statement of changes in equity

for the reporting period ended

Consolidated statement of changes in equity
for the reporting period ended

30 June 2024

	Number of ordinary shares '000	Share capital Rm	Share premium Rm	Retained earnings Rm	Total other reserves Rm	General credit risk reserve Rm	Fair value through other compre-hensive income reserve Rm	Cash flow hedging reserve Rm	Foreign currency translation reserve Rm	Foreign insurance subsidiary regulatory reserve Rm	Insurance finance reserve Rm	Share-based payment reserve Rm	Associates and joint ventures reserve Rm	Capital and reserves attributable to ordinary equity holders Rm	Non-controlling interest - ordinary shares Rm	Non-controlling interest - preference shares Rm	Other equity: Additional Tier 1 Capital Rm	Total equity Rm
Balance at the beginning of the reporting period	829 055	1 657	10 464	130 308	2 157	895	(1 200)	(1 279)	501	44	(140)	1 399	1 939	144 586	6 905	4 644	8 262	164 397
Total comprehensive income	–	–	–	9 838	379	–	521	223	(541)	–	176	–	–	10 217	1 417	203	506	12 343
Profit for the period	–	–	–	9 845	–	–	–	–	–	–		–	–	9 845	960	203	506	11 514
Other comprehensive income	–	–	–	(7)	379	–	521	223	(541)	–	176	–	–	372	457	–	–	829
Dividends paid during the reporting period	–	–	–	(5 685)	–	–	–	–	–	–	–	–	–	(5 685)	(680)	(203)	–	(6 568)
Distributions paid during the reporting period	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(506)	(506)
Issuance of Additional Tier 1 capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1 511	1 511
Purchase of Group shares in respect of equity-settled share-based payment arrangements	–	–	(395)	(8)	–	–		–	–	–	–	–	–	(403)	–	–	–	(403)
Elimination of the movement in treasury shares held by Group entities	(281)	–	(3)	–	–	–	–	–	–	–	–	–	–	(3)	–	–	–	(3)
Movement in share-based payment reserve	–	–	395	–	189	–	–	–	–	–	–	189	–	584	–			584
Transfer from share-based payment reserve	–	–	395	–	(395)	–	–	–	–	–	–	(395)	–	–	–	–	–	–
Value of employee services	–	–	–	–	612	–	–	–	–	–	–	612	–	612	–	–	–	612
Deferred tax	–	–	–	–	(28)	–	–	–	–	–		(28)	–	(28)	–	–	–	(28)
Transfer to retained earnings- non-vested shares	–	–	–	17	(17)	–	–	–	–	–	–	(17)	–	–	–	–	–	–
Movement in general credit risk reserve	–	–	–	(348)	348	348	–	–	–	–	–	–	–	–	–	–	–	–
Share of post-tax results of associates and joint ventures	–	–	–	(113)	113	–	–	–	–	–	–	–	113	–	–	–	–	–
Balance at the end of the reporting period	828 774	1 657	10 461	134 009	3 171	1 243	(679)	(1 056)	(40)	44	36	1 571	2 052	149 298	7 642	4 644	9 773	171 357

Consolidated statement of changes in equity
for the reporting period ended

Consolidated statement of changes in equity
for the reporting period ended

31 December 2024

	Number of ordinary shares '000	Share capital Rm	Share premium Rm	Retained earnings Rm	Total other reserves Rm	General credit risk reserve Rm	Fair value through other comprehensive income reserve Rm	Cash flow hedging reserve Rm	Foreign currency translation reserve Rm	Foreign insurance subsidiary regulatory reserve Rm	Insurance finance reserve Rm	Share-based payment reserve Rm	Associates and joint ventures reserve Rm	Capital and reserves attributable to ordinary equity holders Rm	Non-controlling interest - ordinary shares Rm	Non-controlling interest - preference shares Rm	Other equity: Additional Tier 1 Capital Rm	Total equity Rm
Balance at the beginning of the reporting period	829 054	1 657	10 464	130 308	2 157	895	(1 200)	(1 279)	501	44	(140)	1 399	1 939	144 586	6 905	4 644	8 262	164 397
Total comprehensive income	–	–	–	21 327	5 068	–	2 074	1 795	995	–	204	–	–	26 395	2 749	408	1 100	30 652
Profit for the period	–	–	–	21 537	–	–	–	–	–	–	–	–	–	21 537	1 858	408	1 100	24 903
Other comprehensive income	–	–	–	(210)	5 068	–	2 074	1 795	995	–	204	–	–	4 858	891	–	–	5 749
Dividends paid during the reporting period	–	–	–	(11 366)	–	–	–	–	–	–	–	–	–	(11 366)	(870)	(408)	–	(12 644)
Distributions paid during the reporting period	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(1 100)	(1 100)
Issuance of Additional Tier 1 capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3 090	3 090
Redemption of Additional Tier 1 capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(1 678)	(1 678)
Purchase of Group shares in respect of equity-settled share-based payment arrangements	–	–	(755)	(145)	–	–	–	–	–	–	–	–	–	(900)	–	–	–	(900)
Elimination of the movement in treasury shares held by Group entities	404	1	98	–	–	–	–	–	–	–	–	–	–	99	–	–	–	99
Movement in share-based payment reserve	–	–	755	–	559	–	–	–	–	–	–	559	–	1 314	–	–	–	1 314
Transfer from share-based payment reserve	–	–	755	–	(755)	–	–	–	–	–	–	(755)	–	–	–	–	–	–
Value of employee services	–	–	–	–	1 289	–	–	–	–	–	–	1 289	–	1 289	–	–	–	1 289
Deferred tax	–	–	–	–	25	–	–	–	–	–	–	25	–	25	–	–	–	25
Non-vested shares due to market condition	–	–	–	–	44	–	–	–	–	–	–	44	–	44	–	–	–	44
Movement in general credit risk reserve	–	–	–	(643)	643	643	–	–	–	–	–	–	–	–	–	–	–	–
Share of post-tax results of associates and joint ventures	–	–	–	(282)	282	–	–	–	–	–	–	–	282	–	–	–	–	–
Balance at the end of the reporting period	829 458	1 658	10 562	139 199	8 755	1 538	874	516	1 496	44	64	2 002	2 221	160 174	8 784	4 644	9 674	183 276

Consolidated statement of cash flows

for the reporting period ended

	Note	30 June 2025 Rm	Restated 30 June 2024 Rm	31 December 2024 Rm
Cash flow from operating activities				
Profit before tax		**17 473**	15 114	33 223
Adjustment of non-cash items				
Depreciation and amortisation	5	**3 012**	2 950	5 853
Other impairments		**769**	577	914
Share of post-tax results of associates and joint ventures		**(164)**	(113)	(282)
Loss on net monetary position		**–**	255	690
Other non-cash items included in profit before tax		**799**	496	1 122
Dividends received from investing activities		**(65)**	–	(249)
Cash flow from operating activities before changes in operating assets and liabilities		**21 824**	19 279	41 271
Net increase in operating assets		**(133 990)**	(78 229)	(139 621)
Net increase in operating liabilities		**117 231**	88 471	168 586
Income taxes paid		**(4 706)**	(3 499)	(7 673)
Net cash generated from operating activities		**359**	26 022	62 563
Cash flow from investing activities				
Proceeds from disposal of non-current assets held for sale		**1 851**	–	126
Dividends received from investment activities		**156**	278	260
Purchase of property and equipment		**(1 243)**	(1 516)	(4 320)
Purchase of investment properties		**(93)**	–	(1)
Proceeds from disposal of properties and equipment		**251**	287	1 519
Purchase of intangible assets		**(1 559)**	(1 942)	(4 832)
Proceeds from disposal of business		**237**	–	–
Proceeds on the acquisition of business		**–**	–	4 472
Proceeds from disposal of intangible assets		**20**	–	336
Investments in associates and joint ventures		**–**	–	(24)
Net cash (utilised in) investing activities		**(380)**	(2 893)	(2 464)
Cash flow from financing activities				
(Purchase)/Sale of own shares		**(70)**	(3)	99
Purchase of Group shares in respect of equity settled share-based payment schemes		**(901)**	(403)	(900)
Transaction costs in anticipation of preference shares redemption		**(2)**	–	–
Issue of Additional Tier 1 capital		**–**	1 511	3 090
Redemption of Additional Tier 1 capital		**(1 376)**	–	(1 678)
Proceeds from borrowed funds	11	**–**	–	5 304
Repayment of borrowed funds	11	**(2 761)**	(1 690)	(3 120)
Repayment of lease liabilities		**(649)**	(599)	(1 212)
Distributions paid to Tier 1 Capital holders		**(536)**	(506)	(1 100)
Dividends paid		**(7 399)**	(6 567)	(12 644)
Net cash (utilised in) financing activities		**(13 694)**	(8 257)	(12 161)
Net (decrease)/increase in cash and cash equivalents		**(13 715)**	14 872	47 938
Cash and cash equivalents at the beginning of the reporting period		**137 797**	90 347	90 347
Effect of exchange rate movement/hyperinflation on cash and cash equivalents		**(72)**	(225)	(488)
Cash and cash equivalents at the end of the reporting period		**124 010**	104 994	137 797

The Statement of cash flows presentation has been expanded and 'cash and cash equivalents' has been restated for the interim reporting period ended 30 June 2024. Refer to notes 14.1 and 14.2 for further information on these restatements.

Notes to the consolidated statement of cash flows

1. Net increase in operating assets

	30 June 2025 Rm	30 June 2024 Rm	31 December 2024 Rm
Trading and hedging portfolio assets	**(22 566)**	(17 172)	(31 227)
Loans and advances	**(72 623)**	(33 126)	(63 199)
Other assets	**(39 811)**	(20 641)	(12 503)
Investment securities	**2 590**	(6 384)	(30 390)
Insurance and reinsurance contract assets	**14**	(95)	23
Investments linked to investment contracts	**(1 594)**	(811)	(2 325)
	(133 990)	(78 229)	(139 621)

Certain working capital movements on the Statement of cash flows, including loans and advances, other assets and investment securities have been restated for the interim reporting period ended 30 June 2024. Refer to note 14.2 for more information on these restatements.

2. Net increase in operating liabilities

	30 June 2025 Rm	30 June 2024 Rm	31 December 2024 Rm
Trading and hedging portfolio liabilities	**1 859**	(4 216)	2 531
Liabilities under investment contracts	**1 671**	989	2 300
Insurance and reinsurance contract liabilities	**318**	310	368
Other liabilities	**28 745**	31 996	11 048
Deposits	**84 638**	59 392	152 339
	117 231	88 471	168 586

3. Cash and cash equivalents

	30 June 2025 Rm	30 June 2024 Rm	31 December 2024 Rm
Mandatory reserve and other balances with the SARB and other central banks	**70 547**	59 386	89 282
Coins and bank notes	**10 804**	10 144	12 425
Loans and advances to banks	**29 240**	26 213	25 907
Money market assets	**3 327**	2 268	3 377
Mobile money balances	**2 036**	1 517	2 207
Investment securities	**8 056**	5 466	4 599
	124 010	104 994	137 797

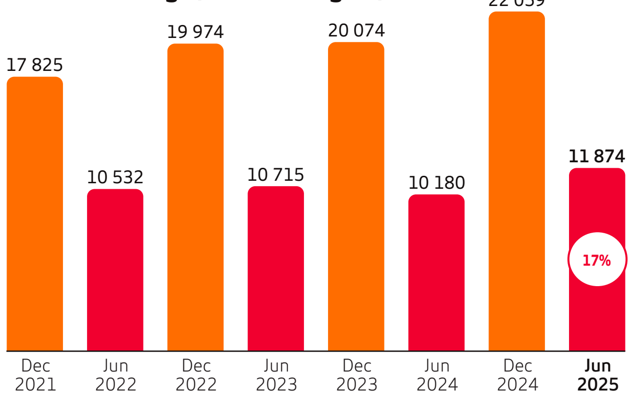
'Mandatory reserve and other balances with the SARB and other central banks', 'Loans and advances to banks' and 'Investment securities' have been restated for the interim reporting period ended 30 June 2024. Refer to note 14.2 for more information on these restatements.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended

1. Headline earnings and earnings per ordinary share

Headline earnings (Rm and change %)



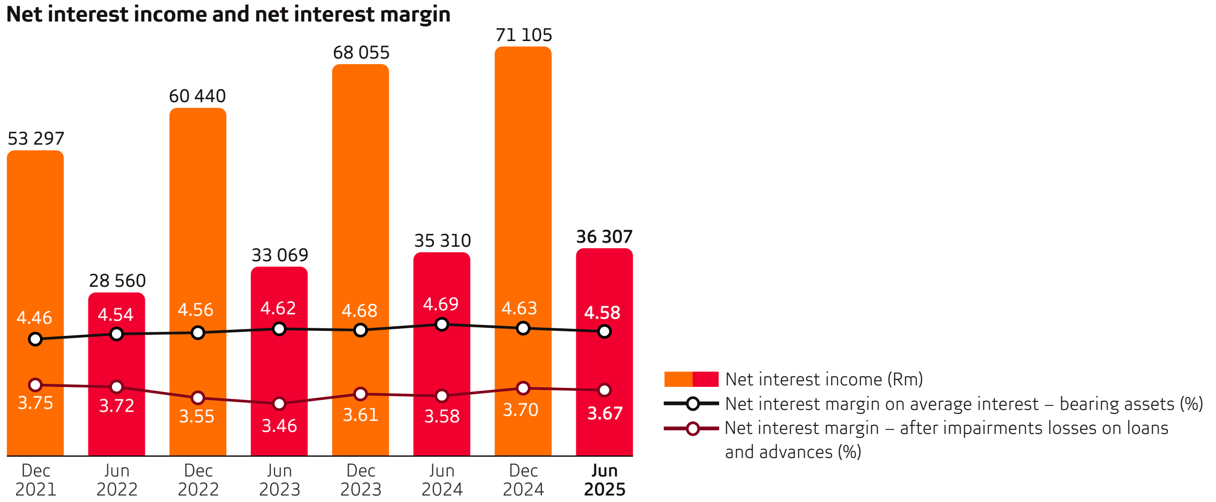
	30 June				31 December	
	2025		2024		2024	
	Gross Rm	Net Rm	Gross Rm	Net Rm	Gross Rm	Net Rm
Headline earnings is determined as follows:						
Profit attributable to ordinary equity holders of the Group		**11 231**		9 845		21 537
Total headline earnings adjustment:		**643**		335		522
IFRS 3 – Goodwill impairment	**36**	**36**	–	–	–	–
IFRS 3 – Gain on bargain purchase	**–**	**–**	-	-	(69)	(69)
IFRS 5 – Profit on disposal of non–current assets held for sale	**(5)**	**(4)**	(25)	(25)	(46)	(35)
IFRS 5 – Loss on disposal of non-current assets held for sale	**60**	**60**	–	–	–	–
IFRS 5 – Re–measurement of non-current assets held for sale	**9**	**9**	–	–	10	10
IFRS 10 – Profit on disposal of Subsidiary	**–**	**–**	–	–	(25)	(25)
IAS 16 – Profit on disposal of property and equipment	**2**	**1**	(168)	(115)	(150)	(102)
IAS 36 – Impairment of property and equipment	**556**	**391**	576	473	631	511
IAS 36 – Impairment of other non–financial assets	**94**	**94**	–	–	10	10
IAS 36 – Impairment of intangible assets	**74**	**55**	2	2	185	153
IAS 36 – Impairment of goodwill	**–**	**–**	–	–	68	68
IAS 38 – Loss on disposal of intangible assets	**1**	**1**	–	–	2	1
Headline earnings/diluted headline earnings		**11 874**		10 180		22 059

The net headline earnings amounts reflected above are after the effects of taxation and non-controlling interest.

	30 June			31 December
	2025 Rm	2024 Rm	Change %	2024 Rm
Basic earnings per ordinary share				
Basic earnings attributable to ordinary equity holders (Rm)	**11 231**	9 845	14	21 537
Weighted average number of ordinary shares in issue (million)	**829.4**	828.7	0	828.6
Issued shares at the beginning of the reporting period (million)	**894.4**	894.4	–	894.4
Treasury shares held by group entities (million)	**(65.0)**	(65.7)	(1.1)	(65.8)
Basic earnings per ordinary share (cents)	**1 354.1**	1 188.0	14	2 599.2
Diluted basic earnings per ordinary share				
Diluted basic earnings attributable to ordinary equity holders (Rm)	**11 231**	9 845	14	21 537
Diluted weighted average number of ordinary shares in issue (million)	**834.5**	829.2	0.6	830.0
Weighted average number of ordinary shares in issue (million)	**829.4**	828.7	0	828.6
Adjustments for share options issued at no value (million)	**5.1**	0.5	>100	1.4
Diluted basic earnings per ordinary share (cents)	**1 345.8**	1 187.3	13	2 594.8
Headline earnings per ordinary share				
Headline earnings attribute to ordinary equity holders (Rm)	**11 874**	10 180	17	22 059
Weighted average number of ordinary shares in issue (million)	**829.4**	828.7	0	828.6
Headline earnings per ordinary share (cents)	**1 431.6**	1 228.4	17	2 662.2
Diluted headline earnings per ordinary share				
Headline earnings attribute to ordinary equity holders (Rm)	**11 874**	10 180	17	22 059
Diluted weighted average number of ordinary shares in issue (million)	**834.5**	829.2	1	830.0
Diluted Headline earnings per ordinary share (cents)	**1 422.9**	1 227.7	16	2 657.7

2. Net interest income

Net interest income and net interest margin



	30 June						31 December		
	2025			2024			2024		
	Average balance Rm	Average rate %	Interest income/ (expense) Rm	Average Balance Rm	Average rate %	Interest income/ (expense) Rm	Average balance Rm	Average rate %	Interest income/ (expense) Rm
Assets									
Cash, cash balances and balances with central banks	**23 176**	**0.04**	**5**	1 703	0.34	3	1 770	0.29	5
Investment securities	**245 233**	**8.87**	**10 792**	212 678	9.49	10 032	222 477	9.26	20 601
Loans and advances to banks and customers	**1 330 304**	**10.64**	**70 210**	1 300 696	11.50	74 384	1 309 891	11.24	147 250
Interest-bearing assets	**1 598 713**	**10.22**	**81 007**	1 517 077	11.21	84 419	1 534 137	10.94	167 856
Non-interest-bearing assets	**507 552**		**–**	444 946	–	–	460 149		–
Total assets	**2 106 265**	**–**	**81 007**	1 963 023	–	84 419	1 994 286	–	167 856
Liabilities									
Deposits due to banks and customers	**1 218 870**	**(6.27)**	**(37 908)**	1 093 174	(7.63)	(41 454)	1 180 514	(6.87)	(81 153)
Debt securities in issue	**155 246**	**(7.89)**	**(6 072)**	168 939	(8.21)	(6 894)	151 637	(9.16)	(13 895)
Borrowed funds	**21 581**	**(6.73)**	**(720)**	19 324	(7.93)	(762)	19 375	(8.79)	(1 703)
Interest-bearing liabilities	**1 395 696**	**(6.46)**	**(44 700)**	1 281 437	(7.71)	(49 110)	1 351 526	(7.16)	(96 751)
Non-interest-bearing liabilities	**519 906**		**–**	514 668			444 676		–
Total liabilities	**1 915 602**	**–**	**(44 700)**	1 796 105	–	(49 110)	1 796 202	–	(96 751)
Net interest margin on average interest-bearing assets		**4.58**			4.69			4.63	

Average balances are calculated based on daily weighted average balances.

The interest income/(expense) for December 2024 has been reallocated between product lines, resulting in a restatement of the average rate. This restatement does not impact the Group's net interest margin.

2. Net interest income

	30 June		31 December
	2025 bps	2024 bps	2024 bps
Net interest margin at the end of the previous reporting period	**469**	462	468
Loans and advances to customers (i)	**(6)**	9	(3)
Change in rates (pricing)	**(5)**	10	(2)
Change in composition	**(1)**	(1)	(1)
Deposits due to customers (ii)	**(17)**	(3)	(10)
Change in rates (pricing)	**(15)**	(3)	(9)
Change in composition	**4**	3	1
Endowment	**(6)**	(3)	(2)
Equity endowment (iii)	**3**	2	1
SA	**(3)**	–	(2)
Absa Regional Operations	**6**	2	3
Interest rate risk management (hedging strategy) (iv)	**8**	(4)	–
Other (v)	**1**	3	7
Change in net interest margin	**(11)**	7	(5)
Net interest margin at the end of the current reporting period	**458**	469	463

Performance

The Group's net interest margin of **458bps** (30 June 2024: 469bps) is 11bps lower than the previous reporting period reflecting deposits and advances margin contraction in both SA **377bps** (30 June 2024: 393bps) and Africa Regions **780bps** (30 June 2024: 785bps). This outcome mainly reflects tighter pricing on both deposits and advances. The detailed year-on-year movement reflects the following:

(i) Loans and advances to customers

- Negative pricing impact mainly reflects tighter pricing in Home Loans, Investment Banking ARO and Business Banking and higher suspended interest on Term loans and Working Capital in SA Business Banking.
- Composition had a small adverse impact mainly from slower growth in high margin Unsecured Lending products in Personal and Private Banking SA and faster growth in Corporate ARO and Investment Banking.

(ii) Deposits due to customers

- Negative pricing is mainly reflective of competitive pricing, particularly in Corporate Banking SA and ARO RBB mainly due to lower interest rates across markets.
- Composition had a positive impact on margin due to a decline in wholesale funding and faster growth of high margin balances ARO RBB. This was partially offset by a decrease in high-margin deposits in Personal and Private Banking and faster growth in low margin deposits in Business Banking and Corporate SA and Investment Banking.
- The impact of liability endowment in SA was -6 bps reflecting a decrease in average endowment balances, as well as the impact of lower average prime interest rates.

(iii) Equity endowment

- The impact of endowment on equity in SA was slightly negative (-3bps) due to the impact of lower average prime interest rates, partially offset by the increase in average equity balances.
- The impact of endowment on equity in ARO was positive (+6bps) driven by higher equity volumes and structural rates across ARO markets.

2. Net interest income

Performance *continued*

(iv) Hedging strategy and equity endowment

Hedging impact on net interest margin[1] (%)

- Absa Bank Limited employs a governed interest rate strategy (hedging programme) through the interest rate cycle to reduce margin volatility associated with structural balances (i.e. rate insensitive liabilities as well as the endowment associated with equity).
- Qualification criterion for balances to be treated as structural is well defined and tested. As at 30 June 2025 an aggregate of **11%** (30 June 2024: 12%) of Absa Bank Limited's total capital and liabilities constituted structural balances.
- Cash flow hedge accounting is applied to account for the interest rate swaps executed as part of the hedging programme in South Africa. The after-tax 'cash flow hedging reserve' relating to the hedging programme reflected a credit balance of **R1.2bn** (30 June 2024: R1.1bn debit). The structural hedge released a charge of **R313m** to the income statement, 8bps less than the R923m charge in 30 June 2024.
- The average structural rates earned on the programme was up **c.14bps** (30 June 2025: **7.25%**; 30 June 2024: 7.11%)
- The impact of total endowment after hedging in South Africa year-on-year was a positive 5bps.

(v) Other

- Other items had a cumulative 1 bps positive impact mainly representing:
  - The positive impact of the 3-month average prime JIBAR basis and
  - Positive mix impact of higher structural rates and higher investment portfolio balances in (Ghana, Kenya, Uganda and Offshore), partially offset by
  - Composition had a negative impact due to increased placement of surplus cash with the SARB
  - The negative impact of a reset loss due to cumulative 50 bps cuts of the repo rate in 2025

1 Absa Bank Limited hedging strategy:
- The hedging programme provides greater margin stability from an interest rate risk perspective over the entire cycle.
- In a decreasing rate scenario, the hedging programme enhances the net interest margin while the opposite is true for an increasing rate scenario.
- Basis risk still remains between prime assets and the three-month Johannesburg Interbank Agreed Rate (JIBAR) reporting liabilities after hedging.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

3. Non-interest income

3.1. Net fee and commission income

	30 June			31 December
	2025 Rm	2024 Rm	Change %	2024 Rm
Consulting and administration fees	**282**	241	17	501
Insurance commission received	**516**	523	(1)	952
Investment, markets execution and investment banking fees	**172**	223	(23)	542
Merchant income	**1 788**	1 404	27	3 262
Other fee and commission income	**334**	294	14	558
Transactional fees and commissions	**11 756**	11 278	4	23 173
Cheque accounts	**2 614**	2 670	(2)	5 246
Credit cards (includes card issuing fees)	**1 766**	1 611	10	3 336
Electronic banking	**3 237**	3 406	(5)	6 926
Service charges	**2 785**	2 379	17	5 165
Other (includes exchange commissions and guarantees)	**763**	662	15	1 378
Savings accounts	**591**	550	7	1 122
Trust and other fiduciary services fees	**381**	306	25	671
Portfolio and other management fees	**196**	124	58	290
Trust and estate income	**185**	182	2	381
Fee and commission income	**15 229**	14 269	7	29 659
Fee and commission expense	**(2 040)**	(1 733)	18	(3 758)
Brokerage fees	**(81)**	(51)	59	(107)
Cheque processing fees	**(1)**	(1)	–	(3)
Clearing and settlement charges	**(843)**	(826)	2	(1 800)
Notification fees	**(122)**	(113)	8	(228)
Other	**(942)**	(692)	36	(1 520)
Valuation fees	**(51)**	(50)	2	(100)
	13 189	12 536	5	25 901
Segment split				
Personal and Private Banking	**7 501**	7 154	5	14 846
Business Banking	**2 167**	2 099	3	4 451
Absa Regional Operations-Retail and Business Banking	**1 983**	1 711	16	3 453
Corporate and Investment Banking	**2 204**	2 206	(0)	4 456
Head Office, Treasury and other operations	**(666)**	(634)	5	(1 305)
	13 189	12 536	5	25 901

Transactional fees and commissions – Other includes exchange commission of **R433m** (30 June 2024: R454m; 31 December 2024: R898m) and guarantee fees received of **R330m** (30 June 2024: R208m; 31 December 2024: R481m).

The majority of these items are accounted for as revenue recognised at a point in time in accordance with the requirements of IFRS 15.

The segment split numbers have been restated, refer to the reporting changes overview in note 14.3.

3. Non-interest income

3.2. Insurance revenue

	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Contracts not measured under the PAA	**2 632**	2 520	4	5 071
Life insurance contracts	**2 632**	2 520	4	5 071
Contracts measured under the PAA	**3 431**	3 401	1	6 781
Life insurance contracts	**506**	516	(2)	1 020
Non-life insurance contracts	**2 925**	2 885	1	5 761
	6 063	5 921	2	11 852
Segment split				
Personal and Private Banking	**4 599**	4 427	4	9 074
Business Banking	**43**	44	(2)	88
Absa Regional Operations-Retail and Business Banking	**1 421**	1 450	(2)	2 690
	6 063	5 921	2	11 852

3.3. Gains and losses from banking and trading activities

	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Net gains on investments	**61**	337	(82)	527
Debt instruments designated at fair value through profit or loss	**57**	100	(43)	160
Equity instruments at fair value through profit or loss	**19**	237	(92)	365
Unwind from reserves for debt instruments at fair value through other comprehensive income	**(15)**	–	100	2
Net trading result	**5 296**	3 665	45	8 211
Net trading income excluding the impact of hedge accounting	**5 108**	3 748	36	8 055
Ineffective portion of hedges	**188**	(83)	<(100)	156
Cash flow hedges	**182**	(100)	<(100)	64
Fair value hedges	**6**	17	(65)	92
Other (losses)	**(136)**	(103)	32	(19)
	5 221	3 899	34	8 719
Segment split				
Business Banking	**0**	17	(100)	18
Absa Regional Operations-Retail and Business Banking	**483**	458	5	890
Corporate and Investment Banking	**4 438**	3 546	25	7 523
Head Office, Treasury and other operations	**300**	(122)	<(100)	288
	5 221	3 899	34	8 719

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

3. Non-interest income

3.4. Gains and losses from investment activities

	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Net gains on investments from insurance activities	**1 548**	1 090	42	2 491
Insurance contracts	**436**	299	46	693
Investment contracts	**870**	522	67	1 219
Shareholder funds	**242**	269	(10)	579
Other	**17**	23	(26)	36
	1 565	1 113	41	2 527
Segment split				
Personal and Private Banking	**1 318**	917	44	2 147
Absa Regional Operations-Retail and Business Banking	**240**	184	30	366
Head Office, Treasury and other operations	**7**	12	(42)	14
	1 565	1 113	41	2 527

One of the main drivers to the movement of the Group's 'Liabilities under investment contracts' is the underlying performance of the related assets. 'Net gains on investments from insurance activities: Investment contracts' should therefore be read in conjunction with 'Changes in investment contract liabilities' reported in the Consolidated statement of comprehensive income.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

3. Non-interest income

3.5. Other operating income

	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Property-related income	**18**	167	(89)	191
Income from investment properties	**–**	1	(100)	2
Rentals	**0**	1	(100)	2
Property-related income arising from contracts with customers	**18**	166	(89)	189
(Loss)/ profit on disposal of property and equipment	**(2)**	148	<(100)	150
Profit on sale of developed properties	**10**	1	>100	5
Loss on sale of repossessed properties	**(12)**	(1)	>100	–
Rental income	**22**	18	22	34
Other operating income	**195**	309	(37)	678
Foreign exchange differences, including recycle from other comprehensive income	**108**	(29)	<(100)	(23)
Income from maintenance contracts	**4**	–	100	–
Loss on disposal of intangible assets	**(1)**	–	100	(2)
Sundry income	**84**	338	(75)	703
	213	476	(55)	869
Segment split			–	
Property-related income	**18**	167	(89)	190
Personal and Private Banking	**4**	2	100	5
Business Banking	**0**	2	(100)	3
Absa Regional Operations-Retail and Business Banking	**10**	96	(90)	108
Corporate and Investment Banking	**–**	65	(100)	69
Head Office, Treasury and other operations	**4**	2	100	5
Other operating income	**195**	309	(37)	678
Personal and Private Banking	**60**	165	(64)	340
Business Banking	**74**	191	(61)	318
Absa Regional Operations-Retail and Business Banking	**(36)**	20	<(100)	82
Corporate and Investment Banking	**10**	29	(66)	36
Head Office, Treasury and other operations	**87**	(96)	<(100)	(98)
	213	476	(55)	869

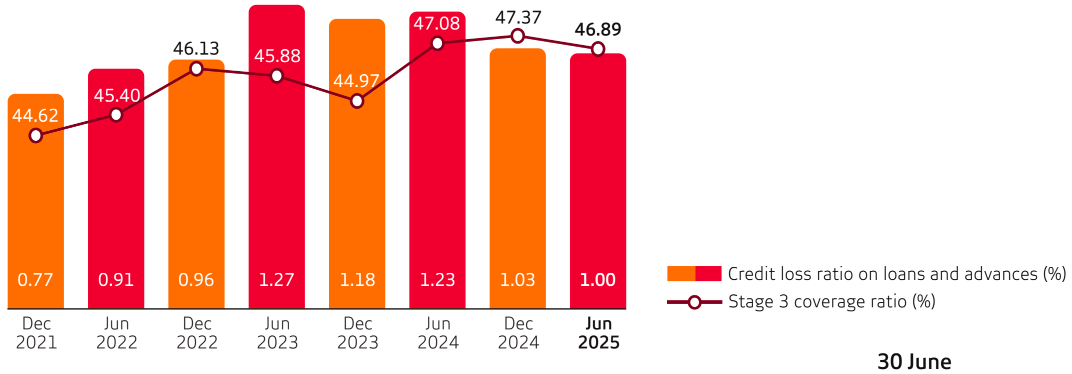
Sundry income includes income from unclaimed funds of **R20m** (30 June 2024: R146m; 31 December 2024: R271m), Profit from disposal of secondhand vehicles of **R43m** (30 June 2024: R113m; 31 December 2024: R170m) and (losses)/gains on disposal of assets and liabilities held for sale under IFRS 5 of **(R55m)** (30 June 2024: R45m; 31 December 2024: R71m).

The segment split numbers have been restated, refer to the reporting changes overview in note 14.3.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

4. Credit impairment charges

4.1. Total charge to the statement of comprehensive income by market segment



Charge to the statement of comprehensive income by market segment	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Personal and Private Banking				
Transactions and Deposits	**227**	419	(46)	692
Unsecured Lending	**3 289**	3 700	(11)	6 381
Personal Loans	**1 024**	1 292	(21)	2 018
Card	**2 265**	2 408	(6)	4 363
Home Loans	**747**	771	(3)	1 223
Vehicle and Asset Finance	**1 044**	1 408	(26)	1 993
Total charge	**5 307**	6 298	(16)	10 289
Credit loss ratio (%)	**1.93**	2.34		1.89
Business Banking	**494**	401	23	639
Credit loss ratio (%)	**0.64**	0.54		0.43
Absa Regional Operations – Retail and Business Banking	**818**	711	15	1 680
Credit loss ratio (%)	**1.69**	1.61		1.81
Corporate and Investment Banking				
Corporate and Investment Banking SA	**358**	853	(58)	1 221
Corporate and Investment Banking ARO	**158**	62	>100	314
Total charge	**516**	915	(44)	1 535
Credit loss ratio (%)	**0.18**	0.33		0.29
Head Office, Treasury and other operations				
Total charge	**38**	(16)	<(100)	161
Total charge to the statement of comprehensive income	**7 173**	8 309	(14)	14 304

The segment split numbers have been restated, refer to the reporting changes overview in note 14.3.

	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Charge to the statement of comprehensive income by product type				
Comprising:				
Credit impairment charges raised	**7 353**	8 262	(11)	14 306
Loans and advances to customers and undrawn facilities	**7 323**	8 301	(12)	14 364
Loans and advances to banks	**13**	(16)	<(100)	(20)
Other financial instruments subject to credit impairment	**34**	(7)	<(100)	60
Guarantees and letters of credit	**(17)**	(16)	6	(98)
Recoveries of financial instruments subject to credit impairment previously written off	**(370)**	(378)	(2)	(881)
Modifications	**190**	425	(55)	879
Total charge to the statement of comprehensive income	**7 173**	8 309	(14)	14 304

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

4. Credit impairment charges

4.2. ECL analysis by market segment and class of credit exposure

4. Credit impairment charges

4.2. ECL analysis by market segment and class of credit exposure *continued*

30 June 2025

	Carrying amount of financial assets measured at fair value through profit or loss Rm	Stage 1 Gross carrying amount Rm	Stage 1 ECL Allowance Rm	Stage 1 ECL Coverage %	Stage 2 Gross carrying amount Rm	Stage 2 ECL Allowance Rm	Stage 2 ECL Coverage %	Stage 3 Gross carrying amount Rm	Stage 3 ECL Allowance Rm	Stage 3 ECL Coverage %	Net carrying amount Rm
Personal and Private Banking	–	452 040	4 042	0.89	43 277	3 399	7.85	55 417	26 603	48.01	516 690
Transactions and Deposits	–	9 178	291	3.17	1 277	141	11.04	1 353	735	54.32	10 641
Unsecured Lending	–	63 296	2 206	3.49	7 990	1 593	19.94	13 742	10 306	75.00	70 923
Personal Loans	–	16 927	681	4.02	2 916	355	12.17	5 041	3 888	77.13	19 960
Card	–	46 369	1 525	3.29	5 074	1 238	24.40	8 701	6 418	73.76	50 963
Home Loans	–	272 896	647	0.24	20 385	563	2.76	30 579	9 992	32.68	312 658
Vehicle and Asset Finance	–	106 670	898	0.84	13 625	1 102	8.09	9 691	5 518	56.94	122 468
Retail Other	–	–	–	–	–	–	–	52	52	100.00	–
Business Banking	–	139 598	538	0.39	9 631	588	6.11	8 507	2 982	35.05	153 628
Absa Regional Operations – Retail and Business Banking	–	84 309	1 117	1.32	5 973	837	14.01	7 878	5 303	67.31	90 903
Corporate and Investment Banking	121 520	392 821	1 112	0.28	31 316	658	2.10	14 610	5 644	38.63	552 853
Corporate and Investment Banking SA	121 520	317 229	639	0.20	17 327	212	1.22	9 752	2 949	30.24	462 028
Corporate and Investment Banking ARO	–	75 592	473	0.63	13 989	446	3.19	4 858	2 695	55.48	90 825
Head Office, Treasury and other operations	–	4 878	(118)	–	2	(57)	–	–	(16)	–	5 071
Loans and advances to customers	–	4 878	–	–	2	–	–	–	–	–	4 880
Reclassification to provisions	–	–	(118)	–	–	(57)	–	–	(16)	–	191
Loans and advances to customers	121 520	1 073 646	6 691	0.62	90 199	5 425	6.01	86 412	40 516	46.89	1 319 145
Loans and advances to banks	24 026	64 705	44	0.07	4 320	5	0.12	–	–	–	93 002
Total loans and advances	145 546	1 138 351	6 735	0.59	94 519	5 430	5.74	86 412	40 516	46.89	1 412 147

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

4. Credit impairment charges

4.2. ECL analysis by market segment and class of credit exposure *continued*

4. Credit impairment charges
4.2. ECL analysis by market segment and class of credit exposure *continued*

30 June 2024		Stage 1			Stage 2			Stage 3			
	Carrying amount of financial assets measured at fair value through profit or loss Rm	Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage %	Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage %	Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage %	Net carrying amount Rm
Personal and Private Banking	–	431 435	3 987	0.92	51 103	4 782	9.36	55 492	25 413	45.80	503 848
Transactions and Deposits	–	8 140	240	2.95	2 240	337	15.04	1 198	761	63.52	10 240
Unsecured Lending	–	61 327	2 232	3.64	9 605	2 324	24.20	14 595	10 851	74.35	70 120
Personal Loans	–	17 247	767	4.45	3 792	718	18.93	5 796	4 492	77.50	20 858
Card	–	44 080	1 465	3.32	5 813	1 606	27.63	8 799	6 359	72.27	49 262
Home Loans	–	262 157	527	0.20	25 876	748	2.89	29 331	8 833	30.11	307 256
Vehicle and Asset Finance	–	99 811	988	0.99	13 382	1 373	10.26	10 316	4 916	47.65	116 232
Retail Other	–	–	–	–	–	–	–	52	52	100.00	–
Business Banking	–	130 905	666	0.51	10 952	632	5.77	9 296	3 413	36.71	146 442
Absa Regional Operations – Retail and Business Banking	–	75 873	1 277	1.69	7 019	769	10.96	7 496	4 796	63.98	83 546
Corporate and Investment Banking	87 033	373 086	1 047	0.28	30 747	623	2.03	11 146	5 675	50.92	494 667
Corporate and Investment Banking SA	87 033	301 586	584	0.19	20 140	386	1.92	7 069	3 384	47.87	411 474
Corporate and Investment Banking ARO	–	71 500	463	0.65	10 607	237	2.23	4 077	2 291	56.19	83 193
Head Office, Treasury and other operations	–	4 203	(185)	–	18	(79)	–	–	(17)	–	4 502
Loans and advances to customers	–	4 203	–	–	18	–	–	–	–	–	4 221
Reclassification to provisions	–	–	(185)	–	–	(79)	–	–	(17)	–	281
Loans and advances to customers	87 033	1 015 502	6 792	0.67	99 839	6 727	6.74	83 430	39 280	47.08	1 233 005
Loans and advances to banks	15 327	56 203	39	0.07	1 649	35	2.12	–	–	–	73 105
Total loans and advances	102 360	1 071 705	6 831	0.64	101 488	6 762	6.66	83 430	39 280	47.08	1 306 110

The segment split numbers have been restated, refer to reporting changes overview in note 14.3.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

4. Credit impairment charges

4.2. ECL analysis by market segment and class of credit exposure *continued*

4. Credit impairment charges
4.2. ECL analysis by market segment and class of credit exposure *continued*

31 December 2024

		Stage 1			Stage 2			Stage 3			
	Carrying amount of financial assets measured at fair value through profit or loss Rm	Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage Rm	Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage Rm	Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage Rm	Net carrying amount Rm
Personal and Private Banking	–	445 611	4 049	0.91	42 760	3 640	8.51	55 106	26 584	48.24	509 204
Transactions and Deposits	–	9 312	321	3.45	1 110	177	15.95	1 399	829	59.26	10 494
Unsecured Lending	–	62 179	2 125	3.42	8 178	1 720	21.03	15 301	11 540	75.42	70 273
Personal Loans	–	16 754	627	3.74	3 202	479	14.96	5 730	4 414	77.03	20 166
Card	–	45 425	1 498	3.30	4 976	1 241	24.94	9 571	7 126	74.45	50 107
Home Loans	–	271 464	634	0.23	20 244	618	3.05	28 859	9 199	31.88	310 116
Vehicle and Asset Finance	–	102 656	969	0.94	13 228	1 125	8.50	9 495	4 964	52.28	118 321
Retail Other	–	–	–	–	–	–	–	52	52	100.00	–
Business Banking		135 206	632	0.47	8 487	490	5.77	8 710	2 880	33.07	148 401
Absa Regional Operations – Retail and Business Banking	–	84 383	1 105	1.31	5 911	871	14.74	7 897	5 155	65.28	91 060
Corporate and Investment Banking	103 374	383 815	1 119	0.29	30 705	580	1.89	14 054	6 023	42.86	524 226
Corporate and Investment Banking SA	103 374	304 876	583	0.19	18 093	256	1.41	8 945	3 411	38.13	431 038
Corporate and Investment Banking ARO	–	78 939	536	0.68	12 612	324	2.57	5 109	2 612	51.13	93 188
Head Office, Treasury and other operations	–	4 038	(117)	–	4	(47)	–	–	(18)	–	4 224
Loans and advances to customers	–	4 038	–	–	4	–	–	–	–	–	4 042
Reclassification to provisions	–	–	(117)	–	–	(47)	–	–	(18)	–	182
Loans and advances to customers	103 374	1 053 053	6 788	0.64	87 867	5 534	6.30	85 767	40 624	47.37	1 277 115
Loans and advances to banks	15 434	52 180	24	0.05	4 893	10	0.20	–	–	–	72 473
Total loans and advances	118 808	1 105 233	6 812	0.62	92 760	5 544	5.98	85 767	40 624	47.37	1 349 588

The segment split numbers have been restated, refer to reporting changes overview in note 14.3.

4. Credit impairment charges

4.3 Reconciliation of ECL allowance

The following tables set out the breakdown of the ECL for loans and advances and undrawn facilities, by market segment:

30 June 2025

	Personal and Private Banking Rm	Business Banking Rm	Absa Regional Operations – Retail and Business Banking Rm	Corporate and Investment Banking SA Rm	Corporate and Investment Banking ARO Rm	Head Office, Treasury and other operations Rm	Total expected credit losses Rm
Loans and Advances	**34 044**	**4 108**	**7 257**	**3 840**	**3 614**	**(182)**	**52 681**
Stage 1	**4 042**	**538**	**1 117**	**677**	**473**	**(112)**	**6 735**
Stage 2	**3 399**	**588**	**837**	**214**	**446**	**(54)**	**5 430**
Stage 3	**26 603**	**2 982**	**5 303**	**2 949**	**2 695**	**(16)**	**40 516**
Undrawn Facilities	**–**	**–**	**36**	**–**	**72**	**186**	**294**
Stage 1	**–**	**–**	**23**	**–**	**65**	**113**	**201**
Stage 2	**–**	**–**	**13**	**–**	**7**	**57**	**77**
Stage 3	**–**	**–**	**–**	**–**	**–**	**16**	**16**
Total loans and advances and undrawn facilities	**34 044**	**4 108**	**7 293**	**3 840**	**3 686**	**4**	**52 975**

30 June 2024

	Personal and Private Banking Rm	Business Banking Rm	Absa Regional Operations – Retail and Business Banking Rm	Corporate and Investment Banking SA Rm	Corporate and Investment Banking ARO Rm	Head Office, Treasury and other operations Rm	Total expected credit losses Rm
Loans and Advances	34 182	4 711	6 842	4 390	3 004	(256)	52 873
Stage 1	3 987	666	1 277	619	476	(195)	6 830
Stage 2	4 782	632	769	387	237	(44)	6 763
Stage 3	25 413	3 413	4 796	3 384	2 291	(17)	39 280
Undrawn Facilities	–	–	33	–	83	280	396
Stage 1	–	–	18	–	51	184	253
Stage 2	–	–	15	–	12	79	106
Stage 3	–	–	–	–	20	17	37
Total loans and advances and undrawn facilities	34 182	4 711	6 875	4 390	3 087	24	53 269

The segment split numbers have been restated, refer to reporting changes overview in note 14.3.

4. Credit impairment charges

4.3 Reconciliation of ECL allowance *continued*

31 December 2024

	Personal and Private Banking Rm	Business Banking Rm	Absa Regional Operations – Retail and Business Banking Rm	Corporate and Investment Banking SA Rm	Corporate and Investment Banking ARO Rm	Head Office, Treasury and other operations Rm	Total expected credit losses Rm
Loans and Advances	34 273	4 002	7 131	4 282	3 473	(181)	52 980
Stage 1	4 049	632	1 105	605	537	(116)	6 812
Stage 2	3 640	490	871	266	324	(47)	5 544
Stage 3	26 584	2 880	5 155	3 411	2 612	(18)	40 624
Undrawn Facilities	–	–	43	–	79	183	305
Stage 1	–	–	20	–	54	118	192
Stage 2	–	–	23	–	25	47	95
Stage 3	–	–	–	–	–	18	18
Total loans and advances and undrawn facilities	34 273	4 002	7 174	4 282	3 552	2	53 285

The segment split numbers have been restated, refer to reporting changes overview in note 14.3.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

4. Credit impairment charges

4.3 Reconciliation of ECL allowance *continued*

4. Credit impairment charges
4.3 Reconciliation of ECL allowance *continued*

The following tables set out a reconciliation of the opening and closing IFRS 9 ECL allowances for loans and advances, by market segment.

30 June 2025

Loans and advances at amortised cost and undrawn facilities	Personal and Private Banking						Business Banking	Absa Regional Operations – Retail and Business Banking	Corporate and Investment Banking SA	Corporate and Investment Banking ARO	Head Office, Treasury and other operations	Total expected credit losses
	Transactions and Deposits	Unsecured Lending		Home Loans	Vehicle and Asset Finance	Retail Other						
		Personal Loans	Card									
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Balances at the beginning of the reporting period	**1 327**	**5 520**	**9 865**	**10 451**	**7 058**	**52**	**4 002**	**7 174**	**4 282**	**3 552**	**2**	**53 285**
Stage 1	321	627	1 498	634	969	–	632	1 125	605	591	2	7 004
Stage 2	177	479	1 241	618	1 125	–	490	894	266	349	–	5 639
Stage 3	829	4 414	7 126	9 199	4 964	52	2 880	5 155	3 411	2 612	–	40 642
Transfers between stages	–	–	–	–	–	–	–	–	–	–	–	–
Stage 1 net transfers	(8)	24	74	222	7	–	152	195	32	(75)	–	623
Transfers to stage 1	44	139	508	315	172	–	210	238	36	(5)	–	1 657
Transfers (to) stage 2	(18)	(59)	(350)	(63)	(118)	–	(43)	(27)	(3)	(71)	–	(752)
Transfers (to) stage 3	(34)	(56)	(84)	(30)	(47)	–	(15)	(16)	(1)	1	–	(282)
Stage 2 net transfers	(69)	(183)	(774)	60	(71)	–	(163)	(355)	(57)	82	–	(1 530)
Transfers (to) stage 1	(40)	(125)	(466)	(149)	(142)	–	(192)	(217)	(37)	6	–	(1 362)
Transfers to stage 2	29	153	538	451	327	–	74	51	3	69	–	1 695
Transfers (to) stage 3	(58)	(211)	(846)	(242)	(256)	–	(45)	(189)	(23)	7	–	(1 863)
Stage 3 net transfers	77	159	700	(282)	64	–	11	160	25	(7)	–	907
Transfers (to) stage 1	(5)	(14)	(42)	(166)	(31)	–	(17)	(21)	–	–	–	(296)
Transfers (to) stage 2	(10)	(94)	(188)	(388)	(209)	–	(32)	(24)	–	1	–	(944)
Transfers to stage 3	92	267	930	272	304	–	60	205	25	(8)	–	2 147
Credit impairment charges raised	241	1 000	2 144	794	1 072	–	584	956	370	173	2	7 336
Amounts written off	(442)	(2 030)	(3 033)	(609)	(990)	–	(729)	(1 150)	(984)	(53)	–	(10 020)
Net change in interest	41	434	205	566	378	–	251	298	172	30	–	2 375
Foreign exchange movements	–	–	–	–	–	–	–	15	–	(16)	–	(1)
Balances at the end of the reporting period	**1 167**	**4 924**	**9 181**	**11 202**	**7 518**	**52**	**4 108**	**7 293**	**3 840**	**3 686**	**4**	**52 975**
Stage 1	291	681	1 525	647	898	–	538	1 140	677	538	1	6 936
Stage 2	141	355	1 238	563	1 102	–	588	850	214	453	3	5 507
Stage 3	735	3 888	6 418	9 992	5 518	52	2 982	5 303	2 949	2 695	–	40 532

The credit impairment charges raised in the current year arise as a result of, inter alia, increase in the exposures, changes in forward looking information and refinements to various factors that are incorporated in the ECL model.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

4. Credit impairment charges
4.3 Reconciliation of ECL allowance *continued*

4. Credit impairment charges
4.3 Reconciliation of ECL allowance continued

30 June 2024

Loans and advances at amortised cost and undrawn facilities	Personal and Private Banking: Transactions and Deposits Rm	Personal and Private Banking: Unsecured Lending: Personal Loans Rm	Personal and Private Banking: Unsecured Lending: Card Rm	Personal and Private Banking: Home Loans Rm	Personal and Private Banking: Vehicle and Asset Finance Rm	Personal and Private Banking: Retail Other Rm	Business Banking Rm	Absa Regional Operations - Retail and Business Banking Rm	Corporate and Investment Banking SA Rm	Corporate and Investment Banking ARO Rm	Head Office, Treasury and other operations Rm	Total expected credit losses Rm
Balances at the beginning of the reporting period	1 269	6 232	9 093	9 260	7 160	52	4 465	6 076	3 540	2 792	22	49 961
Stage 1	316	806	1 407	505	1 025	–	554	1 103	735	562	17	7 030
Stage 2	298	923	1 484	822	1 118	–	748	923	438	173	5	6 932
Stage 3	655	4 503	6 202	7 933	5 017	52	3 163	4 050	2 367	2 057	–	35 999
Transfers between stages	–	–	–	–	–	–	–	–	–	–	–	–
Stage 1 net transfers	(20)	10	130	186	25	–	399	54	7	(4)	6	793
Transfers to stage 1	40	210	597	243	159	–	449	114	38	1	6	1 857
Transfers (to) stage 2	(28)	(111)	(394)	(43)	(102)	–	(35)	(45)	(31)	(5)	–	(794)
Transfers (to) stage 3	(32)	(89)	(73)	(14)	(32)	–	(15)	(15)	–	–	–	(270)
Stage 2 net transfers	(82)	(405)	(976)	160	(111)		(405)	(294)	(165)	3	(6)	(2 281)
Transfers (to) stage 1	(39)	(197)	(558)	(194)	(147)	–	(407)	(100)	(38)	(1)	(6)	(1 687)
Transfers to stage 2	37	207	564	576	215	–	45	49	31	5	–	1 729
Transfers (to) stage 3	(80)	(415)	(982)	(222)	(179)	–	(43)	(243)	(158)	(1)	–	(2 323)
Stage 3 net transfers	102	395	846	(346)	86	–	6	240	158	1	–	1 488
Transfers (to) stage 1	(2)	(12)	(40)	(49)	(12)	–	(42)	(13)	–	–	–	(170)
Transfers (to) stage 2	(9)	(96)	(170)	(533)	(113)	–	(10)	(5)	–	–	–	(936)
Transfers to stage 3	113	503	1 056	236	211	–	58	258	158	1	–	2 594
Credit impairment charges raised	430	1 260	2 237	785	1 321	–	509	821	834	86	2	8 285
Amounts written off	(394)	(2 070)	(2 159)	(399)	(1 672)	–	(416)	(574)	(149)	–	–	(7 833)
Net change in interest	33	555	259	462	468	–	153	214	165	145	–	2 454
Foreign exchange and hyperinflation movements	–	–	–	–	–	–	–	338	–	64	–	402
Balances at the end of the reporting period	1 338	5 977	9 430	10 108	7 277	52	4 711	6 875	4 390	3 087	24	53 269
Stage 1	240	767	1 465	527	988	–	666	1 295	619	527	(11)	7 083
Stage 2	337	718	1 606	748	1 373	–	632	784	387	249	35	6 869
Stage 3	761	4 492	6 359	8 833	4 916	52	3 413	4 796	3 384	2 311	–	39 317

To enhance disclosure, the information provided in the table above for the Personal and Private Banking business unit has been expanded to a more granular level. In addition, the segment split has been restated, refer to reporting changes overview in note 14.3.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

4. Credit impairment charges

4.3 Reconciliation of ECL allowance *continued*

4. Credit impairment charges
4.3 Reconciliation of ECL allowance continued

31 December 2024

	Personal and Private Banking											
	Transactions and Deposits	Unsecured Lending		Home Loans	Vehicle and Asset Finance	Retail Other	Business Banking	Absa Regional Operations - Retail and Business Banking	Corporate and Investment Banking SA	Corporate and Investment Banking ARO	Head Office, Treasury and other operations	Total expected credit losses
		Personal Loans	Card									
Loans and advances at amortised cost and undrawn facilities	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Balances at the beginning of the reporting period	1 269	6 232	9 093	9 260	7 160	52	4 465	6 076	3 540	2 792	22	49 961
Stage 1	316	806	1 407	505	1 025	–	554	1 103	735	562	17	7 030
Stage 2	298	923	1 484	822	1 118	–	748	923	438	173	5	6 932
Stage 3	655	4 503	6 202	7 933	5 017	52	3 163	4 050	2 367	2 057	–	35 999
Transfers between stages	–	–	–	–	–	–	–	–	168	–	–	168
Stage 1 net transfers	6	(8)	267	573	132	–	317	152	(1)	26	–	1 464
Transfers to stage 1	72	208	985	626	344	–	412	270	50	33	–	3 000
Transfers (to) stage 2	(23)	(80)	(552)	(27)	(121)	–	(64)	(68)	(22)	(6)	–	(963)
Transfers (to) stage 3	(43)	(136)	(166)	(26)	(91)	–	(31)	(50)	(29)	(1)	–	(573)
Stage 2 net transfers	(82)	(284)	(1 375)	127	183	–	(381)	(540)	(172)	(28)	–	(2 552)
Transfers (to) stage 1	(65)	(174)	(885)	(296)	(230)	–	(387)	(223)	(50)	(33)	–	(2 343)
Transfers to stage 2	47	323	962	723	717	–	84	77	23	6	–	2 962
Transfers (to) stage 3	(64)	(433)	(1 452)	(300)	(304)	–	(78)	(394)	(145)	(1)	–	(3 171)
Stage 3 net transfers	76	292	1 108	(700)	(315)	–	64	388	341	2	–	1 256
Transfers (to) stage 1	(7)	(34)	(100)	(330)	(114)	–	(25)	(47)	–	–	–	(657)
Transfers (to) stage 2	(23)	(243)	(410)	(696)	(596)	–	(21)	(9)	–	–	–	(1 998)
Transfers to stage 3	106	569	1 618	326	395	–	110	444	341	2	–	3 911
Credit impairment charges raised	763	1 924	4 037	1 278	1 901	–	903	1 945	1 223	389	(19)	14 344
Amounts written off	(783)	(3 708)	(3 763)	(989)	(2 839)	–	(1 737)	(1 607)	(1 034)	(20)	–	(16 480)
Net change in interest	78	1 072	498	902	836	–	371	132	385	307	–	4 581
Foreign exchange and hyperinflation movements	–	–	–	–	–	–	–	628	–	84	(1)	711
Balances at the end of the reporting period	1 327	5 520	9 865	10 451	7 058	52	4 002	7 174	4 282	3 552	2	53 285
Stage 1	321	627	1 498	634	969	–	632	1 125	605	591	2	7 004
Stage 2	177	479	1 241	618	1 125	–	490	894	266	349	–	5 639
Stage 3	829	4 414	7 126	9 199	4 964	52	2 880	5 155	3 411	2 612	–	40 642

The segment split has been restated, refer to reporting changes overview note 14.3.

4. Credit impairment charges

4.4 Forward-looking assumptions

Macroeconomic scenarios

ECL estimation must reflect an unbiased and probability-weighted estimate of future losses. This is determined by evaluating a range of possible macroeconomic outcomes.

A range of factors are taken into account when developing macroeconomic scenarios, including trends in economic growth or contraction, geopolitical uncertainties (such as anticipated tariffs), projected inflation rates, sector-specific impacts, business confidence levels, property market dynamics, household consumption patterns, currency fluctuations, unemployment rates, and significant monetary and fiscal policy responses by governments and regulatory authorities. Careful consideration is also given to ongoing political and economic instability across the ARO jurisdictions.

Despite the current market conditions being marked by global shocks and high uncertainty, the Group has maintained its probability-weightings of 40%, 30%, and 30% for the baseline, upside, and downside scenarios respectively. However, to address the unprecedented environment, the ranges between the baseline, mild upside, and downside macroeconomic scenarios have been adjusted to cater for the prevailing uncertainty.

The following table shows the key forecast assumptions used for South Africa to calculate the Group's credit impairment charge for the reporting period ended:

30 June 2025

	Baseline				Mild Upside				Mild Downside			
	2025	2026	2027	2028	2025	2026	2027	2028	2025	2026	2027	2028
Real GDP (%)	**1.0**	**1.4**	**1.7**	**1.8**	**1.5**	**1.9**	**2.2**	**2.3**	**(1.5)**	**0.2**	**0.8**	**0.8**
CPI (%)	**3.3**	**4.4**	**4.6**	**4.6**	**3.0**	**3.6**	**4.1**	**4.1**	**4.1**	**5.8**	**5.4**	**5.3**
Average repo rate (%)	**7.2**	**7.0**	**7.0**	**7.0**	**7.1**	**6.3**	**6.3**	**6.3**	**7.8**	**8.4**	**8.3**	**8.3**

30 June 2024

	Baseline				Mild Upside				Mild Downside			
	2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027
Real GDP (%)	0.9	1.7	1.7	1.8	1.5	2.2	2.3	2.3	(1.1)	0.3	0.8	0.9
CPI (%)	5.3	4.7	4.5	4.5	4.9	4.0	3.9	3.9	6.3	6.9	5.5	5.6
Average repo rate (%)	8.2	7.5	7.5	7.5	8.0	6.8	6.5	6.5	8.8	10.4	9.5	9.5

31 December 2024

	Baseline				Mild Upside				Mild Downside			
	2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027
Real GDP (%)	1.0	2.2	2.2	2.3	1.6	2.8	2.8	2.9	(0.5)	(0.2)	1.1	1.2
CPI (%)	4.5	3.8	4.2	4.5	4.4	3.3	3.6	3.9	4.7	5.6	5.7	5.8
Average repo rate (%)	8.1	7.1	7.0	7.0	8.1	6.5	6.0	6.0	8.2	8.6	8.5	8.5

Sensitivity of expected credit losses

For the purposes of the Group's actual weighting of its economic scenarios, a 40% probability weighting is applied to the baseline scenario; with a 30% probability weighting applied to both the upside and downside scenarios. However, given the level of uncertainty required in the determination of ECL, the Group has conducted a sensitivity analysis in order to indicate the impact on the ECL when assigning a probability weighting of 100% to each macroeconomic variable scenario.

4. Credit impairment charges

4.4 Forward-looking assumptions *continued*

The table below reflects the impact of changing the probability assigned to each scenario to 100% and does not include management adjustments required to provide a more appropriate assessment of risk.

30 June 2025

	Rm	% Change
ECL allowance on stage 1 and stage 2 loans and advances	**12 165**	**–**
Baseline	**11 789**	**(3)**
Upside	**10 800**	**(11)**
Downside	**14 078**	**16**

30 June 2024

	Rm	% Change
ECL allowance on stage 1 and stage 2 loans and advances	13 593	–
Baseline	12 963	(5)
Upside	11 981	(12)
Downside	16 086	18

31 December 2024

	Rm	% Change
ECL allowance on stage 1 and stage 2 loans and advances	12 356	–
Baseline	12 027	(3)
Upside	11 050	(11)
Downside	14 248	15

4. Credit impairment charges

4.4 Forward-looking assumptions *continued*

In addition, as at 30 June 2025, the Group assessed what the impact on expected credit losses would be, if 5% of the gross carrying amount of loans and advances to customers in stage 1 experience a SICR and move to stage 2. The ECL changes below include the effect on undrawn committed facilities and guarantees which are reflected as 'provisions' in the statement of financial position. This impact has been presented below:

	30 June 2025	
	Stage 2	
	Increase in gross carrying amount Rm	Increase in expected credit loss Rm
Personal and Private Banking	**22 602**	**1 573**
Business Banking	**6 980**	**399**
Absa Regional Operations – Retail and Business Banking	**4 215**	**535**
Corporate and Investment Banking SA	**15 861**	**162**
Corporate and Investment Banking ARO	**3 780**	**97**

	30 June 2024	
	Stage 2	
	Increase in gross carrying amount Rm	Increase in expected credit loss Rm
Personal and Private Banking	21 572	1 821
Business Banking	6 546	344
Absa Regional Operations – Retail and Business Banking	3 794	352
Corporate and Investment Banking SA	15 079	261
Corporate and Investment Banking ARO	3 575	56

The segment split has been restated, refer to reporting changes overview in note 14.3.

	31 December 2024	
	Stage 2	
	Increase in gross carrying amount Rm	Increase in expected credit loss Rm
Personal and Private Banking	22 275	1 693
Business Banking	6 760	358
Absa Regional Operations – Retail and Business Banking	4 197	527
Corporate and Investment Banking SA	15 244	186
Corporate and Investment Banking ARO	3 947	75

The segment split has been restated, refer to reporting changes overview in note 14.3.

5. Operating Expenses

	30 June			31 December
Breakdown of operating expenses	**2025 Rm**	2024 Rm	Change %	2024 Rm
Amortisation of intangible assets	**1 429**	1 391	3	2 729
Auditors' remuneration	**317**	297	7	596
Cash transportation	**506**	619	(18)	1 242
Depreciation	**1 583**	1 559	2	3 124
Equipment costs	**284**	228	25	510
Information technology	**3 581**	3 336	7	6 848
Marketing costs	**1 169**	1 099	6	2 125
Other operating costs (includes net fraud losses, travel and entertainment costs)	**544**	424	28	851
Printing and stationery	**193**	179	8	359
Professional fees	**1 435**	1 350	6	3 127
Property costs	**981**	975	1	1 969
Staff costs	**17 294**	16 178	7	33 654
Bonuses	**1 359**	1 242	9	3 528
Deferred cash and share-based payments	**814**	790	3	1 643
Other Staff Costs	**580**	513	13	1 115
Salaries and current service costs on post-retirement benefit funds	**14 266**	13 400	6	26 844
Training costs	**275**	233	18	524
Straight line lease expenses on short term leases and low value assets	**93**	84	11	189
Telephone and postage	**635**	607	5	1 185
	30 044	28 326	6	58 508

'Other staff costs' includes recruitment costs, membership fees to professional bodies, staff parking, restructuring costs, study assistance, staff relocation and refreshment costs.

5. Operating Expenses

Breakdown of IT-related spend included in operating expenses	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Amortisation of intangible assets and depreciation of IT equipment	**1 805**	1 759	3	3 469
Information technology	**3 581**	3 336	7	6 848
Staff costs	**2 204**	2 028	9	4 075
of which staff costs pre the capitalisation of project-related resource costs	**2 413**	2 281	6	4 553
Other IT-related spend	**600**	710	(15)	1 400
	8 190	7 833	5	15 792

Operating costs increased by **6%** (CCY 6%) to **R30 044m** (30 June 2024: R28 326m) reflecting an increase in staff costs of **7%** (CCY 7%) whilst non-staff costs increased by **5%** (CCY 5%). Staff cost growth mainly reflects salary inflation and investments in the Absa Regional Operations. Non-staff cost growth mainly reflects continued investments into information technology infrastructure which was partially offset by low growth on depreciation and property costs.

- Amortisation of intangible assets increased by **3%** (CCY 3%) to **R1 429m** as the impact of the amortisation of Separation assets was lower in the current year **R83m** (30 June 2024: R350m). Excluding the impact of Separation, underlying amortisation increased by **29%** (CCY 29%) to **R1 345m** (30 June 2024: R1 041m) as the Group has continued to invest in new digital, data and automation capabilities which has resulted in an increase in Goodwill and intangible assets to **R15 982m** (30 June 2024: R14 990m).
- Cash transportation costs decreased by **18%** (CCY 18%) to **R506m** and reflect lower charges, in part supported by cash optimisation initiatives.
- Depreciation of **R1 583m** increased by **2%** (CCY 2%) as investment into branch retail property upgrades was offset by continued optimisation of the corporate property footprint.
- Equipment costs increase of **25%** (CCY 25%) to **R284m** mainly reflects a change in the merchant device ownership model in Business Banking.
- Information technology costs increased by **7%** (CCY 7%) to **R3 581m** and mainly reflect continuing investment into new digital capabilities resulting in higher cybersecurity, software license and maintenance costs.
- Marketing costs increased by **6%** (CCY 6%) to **R1 169m** reflecting increased brand, campaigns and sponsorship spend.
- Other operating costs increased by **28%** (CCY 30%) to **R544m** and growth reflects higher depositor insurance premiums in ARO RBB as well as other once-off items including expense reclassifications during the period.
- Professional fees increased by **6%** (CCY 6%) to **R1 435m** mainly from higher spend on strategic projects.
- Property costs increased by **1%** (CCY 1%) to **R981m** and mainly reflect ongoing optimisation efforts in both corporate and retail properties.
- Staff costs increased by **7%** (CCY 7%) to **R17 294m** (30 June 2024: R16 178m). Salaries and Other staff costs of **R14 846m** (30 June 2024: R13 913m) increased by **7%** (CCY 7%) and reflects salary inflation and investments in the Absa Regional Operations. Bonuses of **R1 359m** (30 June 2024: R1 242m) increased by **9%** (CCY 10%) reflective of Group year-to-date performance. Deferred cash and share-based payments of **R814m** (30 June 2024: R790m) increased by **3%** (CCY 3%). Training costs increased by **18%** (CCY 18%) to **R275m** reflecting low prior year base spend.
- Telephone and postage costs increased by **5%** (CCY 5%) to **R635m** reflecting higher market data subscription costs, partially offset by lower communication costs.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

6. Indirect taxation

	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Training levy	**150**	135	11	253
Value-added tax net of input credits	**1 042**	1 105	(6)	2 339
	1 192	1 240	(4)	2 592

7. Taxation expense

	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Reconciliation between operating profit before income tax and the taxation expense				
Operating profit before income tax	**17 473**	15 114	16	33 223
Share of post-tax results of associates and joint ventures	**(164)**	(113)	45	(282)
	17 309	15 001	15	32 941
Tax calculated at a tax rate of 27%	**4 673**	4 050	15	8 894
Effect of different rates in other countries	**481**	427	13	704
Expenses not deductible for tax purposes	**450**	478	(6)	769
Assessed losses	**15**	(36)	<(100)	104
Dividend income	**(801)**	(840)	(5)	(1 539)
Non-taxable interest	**(413)**	(353)	17	(613)
Deductible expenditure not recognised in profit and loss	**(145)**	(137)	6	(297)
Other income not subject to tax	**(8)**	(5)	60	(10)
Other	**96**	37	>100	13
Items of a capital nature	**182**	(21)	<(100)	295
	4 530	3 600	26	8 320

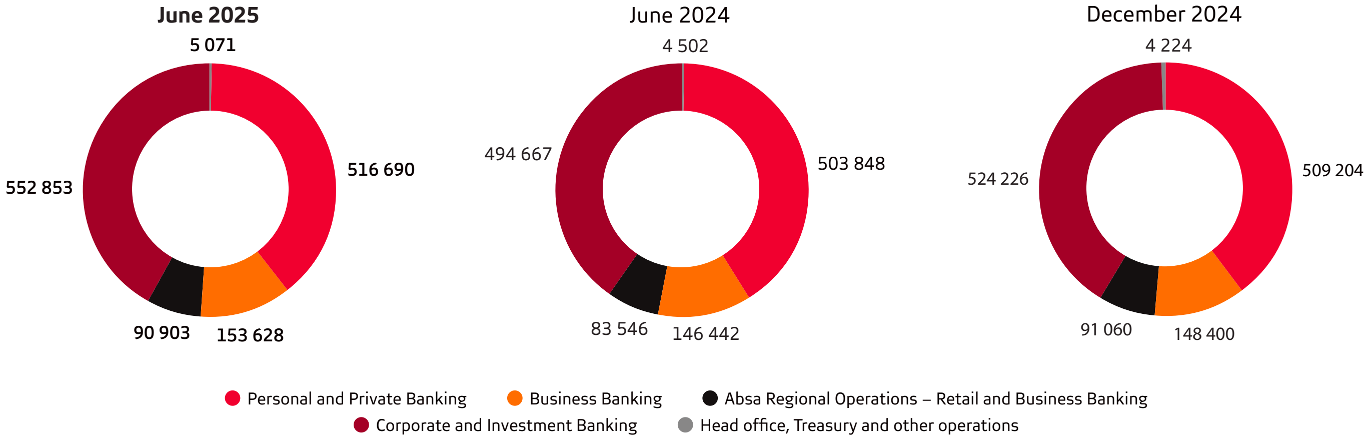
Expenses not deductible for tax purposes include additional tax levies and general non-deductible expenses due to the application of in-country tax legislation.

Assessed losses include reversals of previously recognised tax assets, utilisation of previously unrecognised losses and additional losses incurred where no deferred tax assets were recognised.

Non-taxable interest relates to interest earned from certain governments as well as interest earned on certain capital instruments, which is exempt from tax.

8. Loans and advances

Loans and advances to customers by market segment (Rm)



	30 June 2025 %	30 June 2024 %	31 December 2024 %
Loans and advances to customers	**93.4**	94.4	94.5
Personal and Private Banking	**36.6**	38.6	37.7
Business Banking	**10.9**	11.2	11.0
Absa Regional Operations – Retail and Business Banking	**6.4**	6.4	6.7
Corporate and Investment Banking	**39.1**	37.9	38.8
Head Office, Treasury and other operations	**0.4**	0.3	0.3
Loans and advances to banks	**6.6**	5.6	5.5
	100.0	100.0	100.0

The segment spit numbers have been restated. Refer to the reporting changes overview in note 14.3.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

8. Loans and advances

Loans and advances to customers by segment	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Personal and Private Banking				
Credit cards	**57 869**	56 238	3	57 656
Instalment credit agreements	**98 986**	96 498	3	97 552
Loans to associates and joint ventures	**23 078**	20 623	12	21 228
Mortgages	**322 956**	315 840	2	319 427
Other loans and advances	**8 225**	6 439	28	6 671
Overdrafts	**9 940**	10 623	(6)	10 464
Personal and term loans	**29 680**	31 770	(7)	30 479
Gross loans and advances to customers	**550 734**	538 031	2	543 477
Credit impairment charges on loans and advances to customers	**(34 044)**	(34 183)	0	(34 273)
	516 690	503 848	3	509 204
Business Banking				
Credit cards	**986**	1 000	(1)	893
Instalment credit agreements	**45 954**	43 342	6	44 176
Loans to associates and joint ventures	**3 739**	3 598	4	3 981
Mortgages	**25 136**	24 438	3	24 607
Other loans and advances	**883**	1 045	(16)	1 042
Overdrafts	**28 582**	27 212	5	27 689
Personal and term loans	**52 456**	50 518	4	50 014
Gross loans and advances to customers	**157 736**	151 153	4	152 402
Credit impairment charges on loans and advances to customers	**(4 108)**	(4 711)	(13)	(4 002)
	153 628	146 442	5	148 400
Absa Regional Operations – Retail and Business Banking				
Gross loans and advances to customers	**98 160**	90 388	9	98 191
Credit impairment charges on loans and advances to customers	**(7 257)**	(6 842)	6	(7 131)
	90 903	83 546	9	91 060
Corporate and Investment Banking				
Corporate and Investment Banking SA	**465 828**	415 828	12	435 288
Foreign currency loans	**71 342**	67 509	6	72 476
Mortgages	**70 652**	64 628	9	67 992
Term loans	**140 235**	143 723	(2)	141 441
Overdrafts	**11 828**	12 969	(9)	11 632
Overnight finance	**32 959**	26 732	23	22 074
Preference shares	**36 805**	29 639	24	34 955
Reverse repurchase agreements	**90 566**	57 074	59	72 560
Other loans and advances	**11 441**	13 554	(16)	12 158
Absa Regional Operations loans and advances	**94 439**	86 184	10	96 660
Gross loans and advances to customers	**560 267**	502 012	12	531 948
Credit impairment charges on loans and advances to customers	**(7 414)**	(7 345)	1	(7 722)
	552 853	494 667	12	524 226

8. Loans and advances

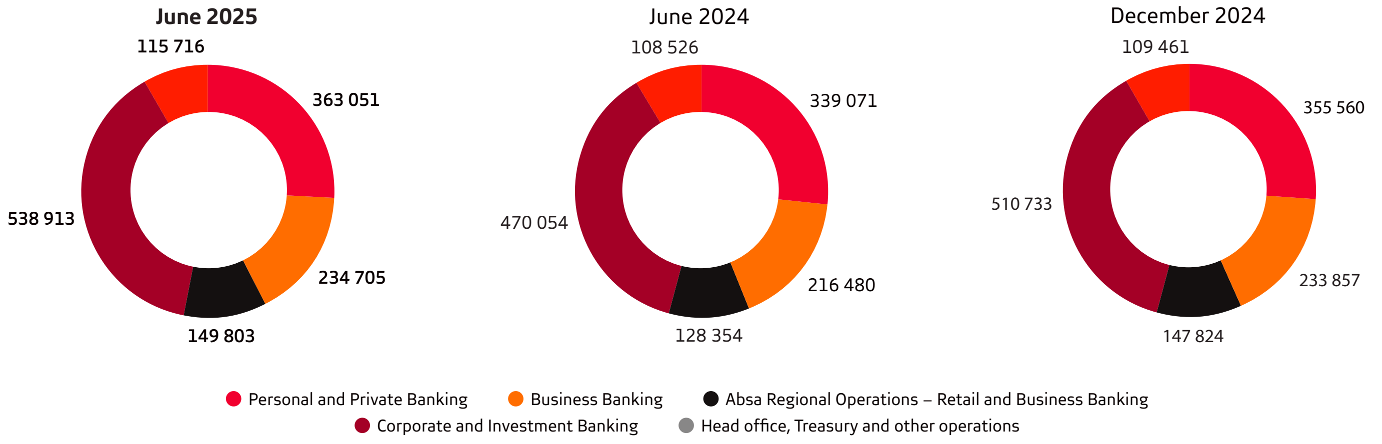
Loans and advances to customers by segment	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Head Office, Treasury and other operations				
Gross loans and advances to customers	**4 880**	4 221	16	4 042
Credit impairment charges on loans and advances to customers	**191**	281	(32)	182
	5 071	4 502	13	4 224
Total loans and advances				
Gross loans and advances to customers	**1 371 777**	1 285 804	7	1 330 061
Gross loans and advances to banks	**93 051**	73 179	27	72 507
Gross loans and advances	**1 464 828**	1 358 983	8	1 402 568
Credit impairment charges on loans and advances	**(52 681)**	(52 873)	0	(52 980)
Credit impairment charges on loans and advances to customers	**(52 632)**	(52 799)	0	(52 946)
Credit impairment charges on loans and advances to banks	**(49)**	(74)	(34)	(34)
Net loans and advances including reverse repurchase agreements	**1 412 147**	1 306 110	8	1 349 588
Less: Reverse repurchase agreements	**(122 282)**	(69 843)	75	(85 397)
Net loans and advances excluding reverse repurchase agreements	**1 289 865**	1 236 267	4	1 264 191

The segment split numbers have been restated. Refer to the reporting changes overview in note 14.3.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

9. Deposits

Deposits due to customers by segment (Rm)



Total funding mix	30 June 2025 %	30 June 2024 %	31 December 2024 %
Deposits due to customers	**79.0**	77.9	79.0
Personal and Private Banking	**20.5**	20.9	20.7
Business Banking	**13.2**	13.4	13.6
Absa Regional Operations-Retail and Business Banking	**8.4**	7.9	8.6
Corporate and Investment Banking	**30.4**	29.0	29.7
Head Office, Treasury and other operations	**6.5**	6.7	6.4
Deposits from banks	**9.9**	8.2	8.7
Debt securities in issue	**11.1**	13.9	12.3
	100.0	100.0	100.0

The segment mix table and graphs has been restated, refer to reporting changes overview in note 14.3.

9. Deposits

Deposits by segment	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Personal and Private Banking	**363 051**	339 071	7	355 560
Call deposits	**631**	842	(25)	894
Cheque account deposits	**40 746**	38 576	6	39 581
Credit card deposits	**1 885**	1 677	12	1 920
Fixed deposits	**93 071**	90 465	3	92 397
Foreign currency deposits	**1 673**	1 295	29	1 432
Notice deposits	**27 421**	27 482	(0)	27 661
Other deposits	**530**	348	52	499
Saving and transmission deposits	**197 094**	178 386	10	191 176
Business Banking	**234 705**	216 480	8	233 857
Call deposits	**13 962**	15 461	(10)	14 781
Cheque account deposits	**79 485**	72 761	9	76 382
Credit card deposits	**164**	127	29	143
Fixed deposits	**33 893**	36 139	(6)	36 105
Notice deposits	**8 814**	7 216	22	8 166
Other deposits	**47**	92	(49)	39
Saving and transmission deposits	**98 340**	84 684	16	98 241
Absa Regional Operations-Retail and Business Banking	**149 803**	128 354	17	147 824
Corporate and Investment Banking	**538 913**	470 054	15	510 733
Corporate and Investment Banking SA deposits	**419 885**	359 724	17	395 538
Call deposits	**79 794**	60 317	32	65 656
Cheque account deposits	**148 091**	135 200	10	132 999
Fixed deposits	**56 256**	59 660	(6)	79 487
Foreign currency deposits	**56 563**	43 727	29	51 834
Notice deposits	**28 586**	23 113	24	25 271
Other deposits	**237**	591	(60)	416
Repurchase agreements	**34 305**	25 236	36	24 779
Saving and transmission deposits	**16 053**	11 880	35	15 096
Corporate and Investment Banking ARO deposits	**119 028**	110 330	8	115 195
Head Office, Treasury and other operations	**115 716**	108 526	7	109 461
Total deposits due to customers including repurchase agreements	**1 402 188**	1 262 485	11	1 357 435
Total deposits from banks including repurchase agreements	**176 029**	132 860	32	149 492
Total deposits including reverse repurchase agreements	**1 578 217**	1 395 345	13	1 506 927
Less: Repurchase agreements	**(136 103)**	(83 435)	63	(103 392)
Total deposits excluding repurchase agreements	**1 442 114**	1 311 910	10	1 403 535

The segment split numbers have been restated, refer to reporting changes overview in note 14.3.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

10. Debt securities in issue

	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Commercial paper	**7 097**	5 616	26	5 244
Credit linked notes	**36 355**	27 066	34	33 409
Floating rate notes	**55 980**	52 391	7	50 632
Negotiable certificates of deposit	**47 973**	89 131	(46)	71 742
Other	**1 913**	1 751	9	1 700
Promissory notes	**198**	974	(80)	837
Senior notes	**46 961**	47 499	(1)	47 726
Structured notes and bonds	**2**	1	100	1
	196 479	224 429	(12)	211 291
Segment split				
Corporate and Investment Banking	**45 145**	34 243	32	40 153
Absa Regional Operations-Retail and Business Banking	**116**	84	38	94
Head Office, Treasury and other operations	**151 218**	190 102	(20)	171 044
	196 479	224 429	(12)	211 291

11. Equity and borrowed funds

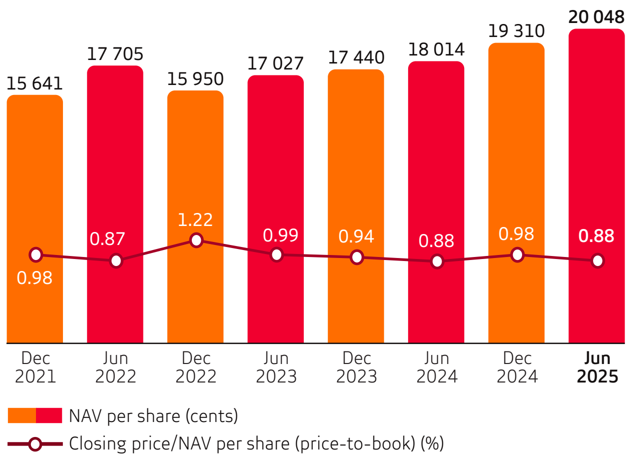
	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Authorised				
950 000 000 (30 June 2024: 950 000 000; 31 December 2024: 950 000 000) ordinary shares of R2.00 each	**1 900**	1 900	0	1 900
Issued				
894 376 907 (30 June 2024: 894 376 907; 31 December 2024: 894 376 907) ordinary shares of R2.00	**1 789**	1 789	0	1 789
65 074 525 (30 June 2024: 65 602 863; 31 December 2024: 64 918 470) treasury shares held by Group entities	**(131)**	(132)	(1)	(131)
	1 658	1 657	0	1 658
Total Issued capital				
Share capital	**1 658**	1 657	0	1 658
Share premium	**10 492**	10 461	0	10 562
	12 150	12 118	0	12 220

Number of ordinary shares in issue (after deductions of treasury shares)	30 June 2025 Number of shares (million)	30 June 2024 Number of shares (million)		31 December 2024 Number of shares (million)
Ordinary shares of R2.00 each	**894.4**	894.4	–	894.4
Treasury shares held by the Group	**(65.0)**	(65.6)	(1)	(64.9)
	829.4	828. 8	0	829. 5

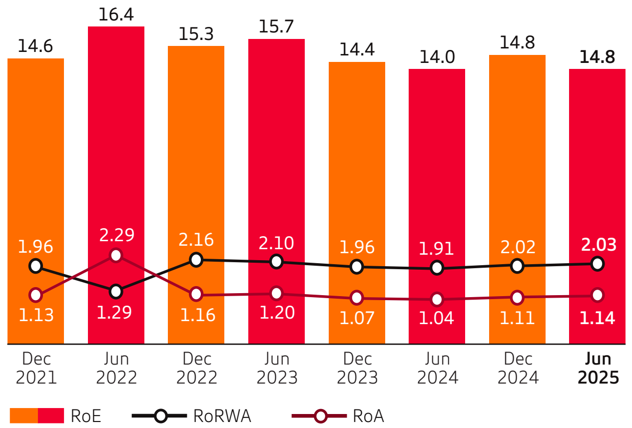
11. Equity and borrowed funds

Borrowed Funds		30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Subordinated callable notes issued by Absa Group Limited					
Interest rate	Final Maturity date				
Three-month JIBAR + 2.10%	16 September 2032	**1 916**	1 916	–	1 916
Three-month JIBAR + 2.13%	17 May 2030	**–**	2 676	(100)	2 676
Three-month JIBAR + 3.85%	14 August 2029	**–**	390	(100)	–
Three-month JIBAR + 3.45%	29 September 2029	**–**	1 014	(100)	–
Three-month JIBAR + 1.72%	26 August 2033	**2 158**	2 158		2 158
Three-month JIBAR + 1.72%	06 August 2034	**1 000**	–		1 000
Three-month JIBAR + 1.75%	21 September 2034	**2 019**	–		2 019
Three-month JIBAR + 1.70%	16 October 2034	**500**	–		500
Three-month JIBAR + 1.62%	12 October 2034	**1 700**	–		1 700
Foreign currency denominated notes					
USD 6.375%	n/a	**6 866**	6 866	–	6 866
Subordinated callable notes issued by other subsidiaries					
National Bank of Commerce 7.5% fixed rate note	10 July 2029	**–**	–	–	85
Other				–	
Accrued interest		**87**	99	(12)	136
Fair value adjustments		**(259)**	(647)	(60)	(442)
Foreign exchange movements		**2 019**	2 227	(9)	2 574
		18 006	16 699	8	21 188

NAV per share and closing price/NAV per share (cents)

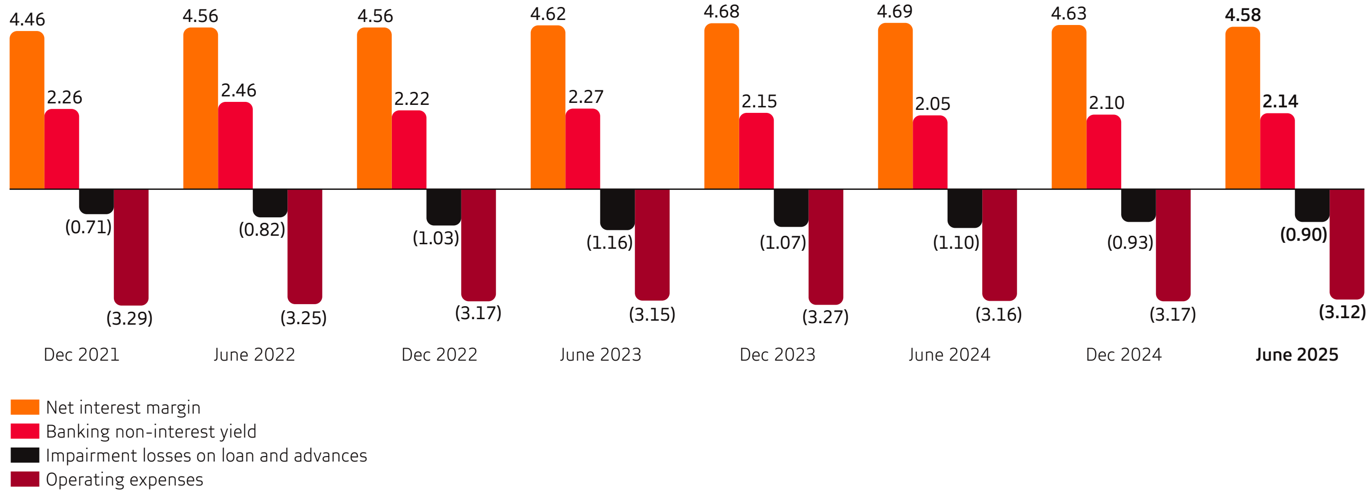


RoE, RoA and RoRWA (%)



12. ROE decomposition

Major drivers of RoE (%)



		30 June 2025 %	30 June 2024 %	31 December 2024 %
	Net interest margin on average interest- bearing assets	**4.58**	4.69	4.63
Less:	Credit impairment charges/average interest-bearing assets	**0.90**	1.10	0.93
Equals:	Net interest margin on average interest bearing assets – after credit impairment charges	**3.68**	3.59	3.70
Multiply:	Average interest-bearing assets/average banking assets	**82.29**	84.11	83.21
Equals:	Banking interest yield	**3.02**	3.02	3.08
Plus:	Banking non-interest yield	**2.14**	2.05	2.10
Equals:	Banking income yield	**5.16**	5.07	5.18
Less:	Operating expenses/average banking assets	**3.12**	3.16	3.17
Equals:	Net banking return	**2.05**	1.91	2.01
Less:	Other[1]	**0.77**	0.77	0.82
Equals:	Banking return	**1.28**	1.14	1.19
Multiply:	Average banking assets/total average assets	**92.24**	91.56	92.47
Equals:	RoA	**1.14**	1.04	1.11
Multiply:	Leverage	**12.96**	13.50	13.32
Equals:	RoE	**14.8**	14.0	14.8

1 Other includes other impairments, indirect taxation, share of post-tax results of associates and joint ventures and taxation expense.

13. Contingencies, commitments and similar items

	30 June			31 December
	2025 Rm	2024 Rm	Change %	2024 Rm
Guarantees	**60 255**	54 955	10	55 716
Irrevocable debt facilities	**155 988**	149 132	5	150 802
Letters of credit	**13 797**	20 489	(33)	19 863
	230 040	224 576	2	226 381
Authorised capital expenditure				
Contracted but not provided for	**970**	1 168	(17)	857

Guarantees include performance guarantee contracts and financial guarantee contracts. This amount represents the maximum off-statement of financial position exposure.

Financial guarantee contracts represent contracts where the Group undertakes to make specified payments to a counterparty, should the counterparty suffer a loss as a result of a specified debtor failing to make payment when due in accordance with the terms of a debt instrument. This amount represents the maximum off-statement of financial position exposure.

Irrevocable facilities are commitments to extend credit where the Group does not have the right to terminate the facilities by written notice.

Irrevocable debt facilities do not include other lending facilities which are revocable but for which an impairment provision has been raised (i.e. revolving products). The above table presents only those gross loan commitments that are contractually committed and are legally irrevocable.

Commitments (Authorised capital expenditure) generally have fixed expiry dates. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

The Group has capital commitments in respect of intangible assets, property and equipment. Management is confident that future net revenues and funding will be sufficient to cover these commitments.

Legal proceedings

Legal matters

The Group is engaged in various legal, competition and regulatory matters both in South Africa and a number of other jurisdictions. It is involved in legal proceedings which arise in the ordinary course of business from time to time, including (but not limited to) disputes in relation to contracts, securities, debt collection, consumer credit, fraud, trusts, client assets, competition, data protection, money laundering, employment, environmental and other statutory and common law issues.

The Group is also subject to enquiries and examinations, requests for information, audits, investigations and legal and other proceedings by regulators, governmental and other public bodies in connection with (but not limited to) consumer protection measures, compliance with legislation and regulation, wholesale trading activity and other areas of banking and business activities in which the Group is or has been engaged.

At the present time, the Group does not expect the ultimate resolution of any of these other matters to have a material adverse effect on its financial position. However, in light of the uncertainties involved in such matters and the matters specifically described in this note, there can be no assurance that the outcome of a particular matter or matters will not be material to the Group's results of operations or cash flow for a particular period, depending on, amongst other things, the amount of the loss resulting from the matter(s) and the amount of income otherwise reported for the reporting period.

The Group has not disclosed the contingent liabilities associated with these matters either because they cannot reasonably be estimated or because such disclosure could be prejudicial to the outcome of the matter. Provision is made for all liabilities which are expected to materialise.

Regulatory developments

The scale of regulatory change remains challenging post the reforms introduced in response to the global financial crisis. These reforms resulted in significant tightening of regulation and changes to regulatory structures globally and locally, especially for companies that are deemed to be of systemic importance. Concurrently, there is continuing political and regulatory scrutiny in the operation of the banking and consumer credit industries globally and locally which, in some cases, is leading to increased regulation.

The nature and impact of future changes in the legal framework, policies and regulatory action, especially in the areas of financial crime, banking and insurance regulation, cannot currently be fully predicted and are beyond the Group's control. We are also awaiting policy positions to be taken by Regulators. Some of these are likely to have an impact on the Group's customers, business lines, systems and earnings.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

13. Contingencies, commitments and similar items

Legal proceedings *continued*

The Group is continuously evaluating its programmes and controls in general relating to compliance with regulation and responding to the same. The Group undertakes monitoring, review and assurance activities, and has also adopted appropriate remedial and/or mitigating steps, where necessary or advisable, and has made disclosures on material findings as and when appropriate. The Group regards the relationship with Regulators as very important and manages such engagements on a continuous basis.

Income taxes disclosed as contingencies

The Group is subject to income taxes in numerous jurisdictions and the calculation of the Group's tax charge and provisions for income taxes necessarily involves a degree of estimation and judgement. As with many large organisations, there are transactions and calculations for which the ultimate tax treatment may be uncertain and accordingly the final tax charge cannot be determined until resolution has been reached with the relevant tax authority.

The Group recognises provisions for anticipated tax audit issues based on estimates of whether additional taxes will be due after considering external advice where appropriate. The carrying amount of any resulting provisions will be sensitive to the manner in which tax legal matters are expected to be resolved, and the stage of negotiations or discussion with the relevant tax authorities. There may be uncertainty around the final outcome of tax proceedings, which in many instances, will only be concluded after several years.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the reporting period in which such determination is made. We manage risks in accordance with the Group's Tax Risk Policy.

14. Reporting changes overview

14.1 Change in presentation

14.1.1 Expansion of previously condensed consolidated statement of cash flows

In the prior interim reporting period, the Group presented a condensed consolidated Statement of cash flows (SOCF), as permitted by IAS 34, which requires at a minimum the inclusion of headings and subtotals from the most recent annual financial statements. However, following a review, the Statement of cash flows has been revised in the current period to present a more detailed classification of cash flows from operating, investing and financing activities, with the objective being to enhance the usefulness and transparency of the information provided to users. This change reflects a revision in the presentation format, which does not affect the Group's previously reported 'Net increase/(decrease) in cash and cash equivalents'.

As required by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8), this restatement has been applied retrospectively to all prior periods affected within the SOCF. This change in presentation has no impact on the Group's Statement of comprehensive income, Statement of financial position, Statement of changes in equity, or Earnings per share of the Group.

14.2 Correction of prior period errors

The Group conducted a comprehensive review of the Statement of cash flows which identified the following misstatements:

14.2.1 Mandatory reserve balances with central banks

A review of the regulatory requirements governing mandatory reserve balances with central banks in various ARO regions revealed that the incorrect percentage was applied in certain jurisdictions to calculate the portion of these balances accessible to the Group in prior years. As a result, for certain ARO regions, the accessible portion of the reserve balances included in cash and cash equivalents was understated whereas for others, it was overstated. The correction of this error has therefore led to a restatement of 'Cash and cash equivalents at the beginning of the reporting period' and 'Cash and cash equivalents at the end of the reporting period' for 30 June 2024.

14.2.2 Loans and advances to banks

It was identified that certain 'Loans and advances to banks' included in the calculation of cash and cash equivalents within the Group's ARO regions comprised items that had an original tenor of longer than 3 months, which hence do not meet the definition of cash and cash equivalents per IAS 7, Statement of Cash Flows (IAS 7). The correction of this error has led to a restatement of 'Cash and cash equivalents at the beginning of the reporting period' for 30 June 2024.

14.2.3 Treasury bills

Included in 'Investment securities' are highly liquid treasury bills with a maturity date of three months or less from date of acquisition, which are readily convertible to known amounts of cash, not subject to significant risk of changes in value and are held for short term cash management purposes. These treasury bills meet the definition of a cash equivalent. Previously these treasury bills were erroneously excluded from cash and cash equivalents. The correction of this error has resulted in a restatement of 'Cash and cash equivalents at the beginning of the reporting period' and 'Cash and cash equivalents at the end of the reporting period' for 30 June 2024.

As required by IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (IAS 8), the afore-mentioned have been applied retrospectively to all prior periods affected within the SOCF. These errors have no impact on the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity or Earnings per share of the Group.

14. Reporting changes overview

14.2 Correction of prior period errors *continued*

The impact of these changes on the prior period SOCF is as follows:

	30 June 2024					
	Change in presentation		Correction of prior period errors			
Statement of cash flows	Condensed view previously published Rm	Disaggregated view Rm	Mandatory reserves Rm	Loans and advances to banks Rm	Treasury bills Rm	Restated Rm
Profit before tax	–	15 114	–	–	–	15 114
Adjustment of non-cash items						
Depreciation and amortisation	–	2 950	–	–	–	2 950
Other impairments	–	577	–	–	–	577
Share of post-tax results of associates and joint ventures	–	(113)	–	–	–	(113)
Loss on net monetary position	–	255	–	–	–	255
Other non-cash items included in profit before tax	–	496	–	–	–	496
Cash flow from operating activities before changes in operating assets and liabilities	–	19 279	–	–	–	19 279
Net (increase) in operating assets	–	(78 755)	(368)	955	(61)	(78 229)
Net increase in operating liabilities	–	88 471	–	–	–	88 471
Income taxes paid	–	(3 499)	–	–	–	(3 499)
Net cash generated from operating activities	25 496	–	(368)	955	(61)	26 022
Dividends received from investment activities	–	278	–	–	–	278
Purchase of property and equipment	–	(1 516)	–	–	–	(1 516)
Proceeds from disposal of properties and equipment	–	287	–	–	–	287
Purchase of intangible assets	–	(1 942)	–	–	–	(1 942)
Net cash utilised in investing activities	(2 893)	–	–	–	–	(2 893)
Sale/(Purchase) of own shares	–	(3)	–	–	–	(3)
Purchase of Group shares in respect of equity settled share-based payment schemes	–	(403)	–	–	–	(403)
Issue of Additional Tier 1 capital	–	1 511	–	–	–	1 511
Repayment of borrowed funds	–	(1 690)	–	–	–	(1 690)
Repayment of lease liabilities	–	(599)	–	–	–	(599)
Distributions paid to Tier 1 Capital holders	–	(506)	–	–	–	(506)
Dividends paid	–	(6 567)	–	–	–	(6 567)
Net cash utilised in financing activities	(8 257)	–	–	–	–	(8 257)
Net increase/(decrease) in cash and cash equivalents	14 346	–	(368)	955	(61)	14 872
Cash and cash equivalents at the beginning of the reporting period	88 454	–	(2 679)	(955)	5 527	90 347
Cash and cash equivalents at the end of the reporting period	102 575	–	(3 047)	–	5 466	104 994

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

14. Reporting changes overview

14.3 Reportable segment changes and business portfolio changes

On 5 December 2024, the Group announced the integration of Product Solutions Cluster, Everyday Banking, and Private Wealth Banking (previously part of Relationship Banking) into a single business unit – Personal and Private Banking (PPB). This restructuring has been implemented in order to enhance the Group's ability to deliver client value, particularly the distribution of value-added services and insurance products across a large customer base. In addition to the above, Relationship Banking has been renamed Business Banking. The impact of this restructuring on the individual business units has been depicted in the **'reportable segment change'** column in the tables below.

Income and expense line items have been re-allocated from Head office to the business units to more accurately represent the commercial reality for those units and mainly pertains to depositor insurance and eKhaya-related costs (employee share scheme). These reallocations resulted in adjustments to the related intergroup asset and liability balances, specifically loans to and from Group companies, which eliminate on consolidation of the Group, but have an impact on the Segment report. These balances are included in 'Total assets' and 'Total liabilities', and are depicted in the **'business portfolio changes'** column in the tables below.

The aforementioned changes resulted in the restatement of the business units' financial results for the comparative periods without an impact on the overall financial position or net earnings of the Group. The below tables summarises the reportable segment changes and business portfolio changes noted above in the Statement of comprehensive income and Statement of financial position for the periods ended 30 June 2024 and 31 December 2024, respectively.

Statement of comprehensive income

	30 June 2024			
	As previously reported Rm	Reportable segment change Rm	Business portfolio changes Rm	Restated Rm
Total income				
Product Solutions Cluster	7 027	(7 027)	–	–
Everyday Banking	14 292	(14 292)	–	–
Personal and Private Banking	–	21 667	(52)	21 615
Business Banking (previously Relationship Banking)	7 856	(348)	25	7 533
Absa Regional Operations – Retail and Business Banking	8 601	–	(71)	8 530
Corporate and Investment Banking	16 426	–	11	16 437
Head Office, Treasury and other operations	(494)	–	87	(407)
Profit for the reporting period				
Product Solutions Cluster	1 316	(1 316)	–	–
Everyday Banking	1 738	(1 738)	–	–
Personal and Private Banking	–	3 097	(194)	2 903
Business Banking (previously Relationship Banking)	2 179	(43)	(35)	2 101
Absa Regional Operations – Retail and Business Banking	1 312	–	(70)	1 242
Corporate and Investment Banking	6 646	–	(29)	6 617
Head Office, Treasury and other operations	(1 677)	–	328	(1 349)
Headline earnings				
Product Solutions Cluster	1 173	(1 173)	–	–
Everyday Banking	1 565	(1 565)	–	–
Personal and Private Banking	–	2 772	(194)	2 578
Business Banking (previously Relationship Banking)	2 005	(34)	(35)	1 936
Absa Regional Operations – Retail and Business Banking	875	–	(65)	810
Corporate and Investment Banking	5 892	–	(29)	5 863
Head Office, Treasury and other operations	(1 330)	–	323	(1 007)

14. Reporting changes overview

14.3 Reportable segment changes and business portfolio changes *continued*

Statement of financial position

	30 June 2024			
	As previously reported Rm	Reportable segment change Rm	Business portfolio changes Rm	Restated Rm
Total assets				
Product Solutions Cluster	515 150	(515 150)	–	–
Everyday Banking	423 118	(423 118)	–	–
Personal and Private Banking	–	956 496	(16 381)	940 115
Business Banking (previously Relationship Banking)	305 808	(18 228)	4 328	291 908
Absa Regional Operations – Retail and Business Banking	149 028	–	31	149 059
Corporate and Investment Banking	1 175 029	–	45	1 175 074
Head Office, Treasury and other operations	(614 779)	–	11 977	(602 802)
Total liabilities				
Product Solutions Cluster	507 936	(507 936)	–	–
Everyday Banking	419 590	(419 590)	–	–
Personal and Private Banking	–	945 712	(16 320)	929 392
Business Banking (previously Relationship Banking)	302 685	(18 186)	4 337	288 836
Absa Regional Operations – Retail and Business Banking	146 586	–	97	146 683
Corporate and Investment Banking	1 163 215	–	47	1 163 262
Head Office, Treasury and other operations	(758 015)	–	11 839	(746 176)

Key metrics

	30 June 2024				
	As previously reported %	Reportable segment change %	Business portfolio changes[1] %	Revised capitalisation rate[2] %	Restated %
Return on Regulatory Capital					
Product Solutions Cluster	10.3	(10.3)	–	–	–
Everyday Banking	22.1	(22.1)	–	–	–
Personal and Private Banking	–	14.6	(0.6)	(1.2)	12.7
Business Banking (previously Relationship Banking)	23.5	1.1	(0.1)	(2.3)	22.1
Absa Regional Operations – Retail and Business Banking	12.6	–	0.8	(1.2)	12.2
Corporate and Investment Banking	23.1	–	0.6	(1.9)	21.8

1 Business portfolio changes includes the allocation of the benefit of minority interests on the regulatory capital positions for ARO RBB and CIB ARO.

2 Revised capitalisation rate relates to the increase in the rate from 11% to 12% on RWAs – note that PPB includes non-banking equity pertaining to Insurance SA that was previously allocated to PSC.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

14. Reporting changes overview

14.3 Reportable segment changes and business portfolio changes *continued*

Statement of comprehensive income

	31 December 2024			
	As previously reported Rm	Reportable segment change Rm	Business portfolio changes Rm	Restated Rm
Total income				
Product Solutions Cluster	14 375	(14 375)	–	–
Everyday Banking	29 049	(29 049)	–	–
Personal and Private Banking	–	44 155	(134)	44 021
Business Banking (previously Relationship Banking)	16 058	(731)	37	15 364
Absa Regional Operations – Retail and Business Banking	17 587	–	(140)	17 447
Corporate and Investment Banking	33 241	–	25	33 266
Head Office, Treasury and other operations	(361)	–	212	(149)
Profit for the reporting period				
Product Solutions Cluster	3 553	(3 553)	–	–
Everyday Banking	4 400	(4 400)	–	–
Personal and Private Banking	–	8 036	(368)	7 668
Business Banking (previously Relationship Banking)	4 631	(83)	(160)	4 388
Absa Regional Operations – Retail and Business Banking	2 523	–	(180)	2 343
Corporate and Investment Banking	13 132	–	(62)	13 070
Head Office, Treasury and other operations	(3 336)	–	770	(2 566)
Headline earnings				
Product Solutions Cluster	3 276	(3 276)	–	–
Everyday Banking	4 004	(4 004)	–	–
Personal and Private Banking	–	7 346	(368)	6 978
Business Banking (previously Relationship Banking)	4 292	(66)	(159)	4 067
Absa Regional Operations – Retail and Business Banking	1 780	–	(165)	1 615
Corporate and Investment Banking	11 740	–	(60)	11 680
Head Office, Treasury and other operations	(3 033)	–	752	(2 281)

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended

14. Reporting changes overview

14.3 Reportable segment changes and business portfolio changes *continued*

Statement of financial position

	31 December 2024			
	As previously reported Rm	Reportable segment change Rm	Business portfolio changes Rm	Restated Rm
Total assets				
Product Solutions Cluster	529 412	(529 412)	–	–
Everyday Banking	443 746	(443 746)	–	–
Personal and Private Banking	–	994 192	(22 524)	971 668
Business Banking (previously Relationship Banking)	332 335	(21 034)	4 626	315 927
Absa Regional Operations – Retail and Business Banking	169 753	–	1	169 754
Corporate and Investment Banking	1 253 768	–	(22)	1 253 746
Head Office, Treasury and other operations	(660 319)	–	17 919	(642 400)
Total liabilities				
Product Solutions Cluster	520 360	(520 360)	–	–
Everyday Banking	437 773	(437 773)	–	–
Personal and Private Banking	–	979 098	(22 391)	956 707
Business Banking (previously Relationship Banking)	326 903	(20 965)	4 738	310 676
Absa Regional Operations – Retail and Business Banking	166 814	–	176	166 990
Corporate and Investment Banking	1 234 587	–	(8)	1 234 579
Head Office, Treasury and other operations	(801 018)	–	17 485	(783 533)

Key metrics

	31 December 2024				
	As previously reported %	Reportable segment change %	Business portfolio changes[1] %	Revised capitalisation rate[2] %	Restated %
Return on Regulatory Capital					
Product Solutions Cluster	14.0	(14.0)	–	–	–
Everyday Banking	27.8	(27.8)	–	–	–
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
Absa Regional Operations – Retail and Business Banking	12.4	–	0.6	(1.2)	11.8
Corporate and Investment Banking	22.5	–	0.6	(1.9)	21.2

1 Business portfolio changes includes the allocation of the benefit of minority interests on the regulatory capital positions for ARO RBB and CIB ARO.
2 Revised capitalisation rate relates to the increase in the rate from 11% to 12% on RWAs – note that PPB includes non-banking equity pertaining to Insurance SA that was previously allocated to PSC.

Segment performance

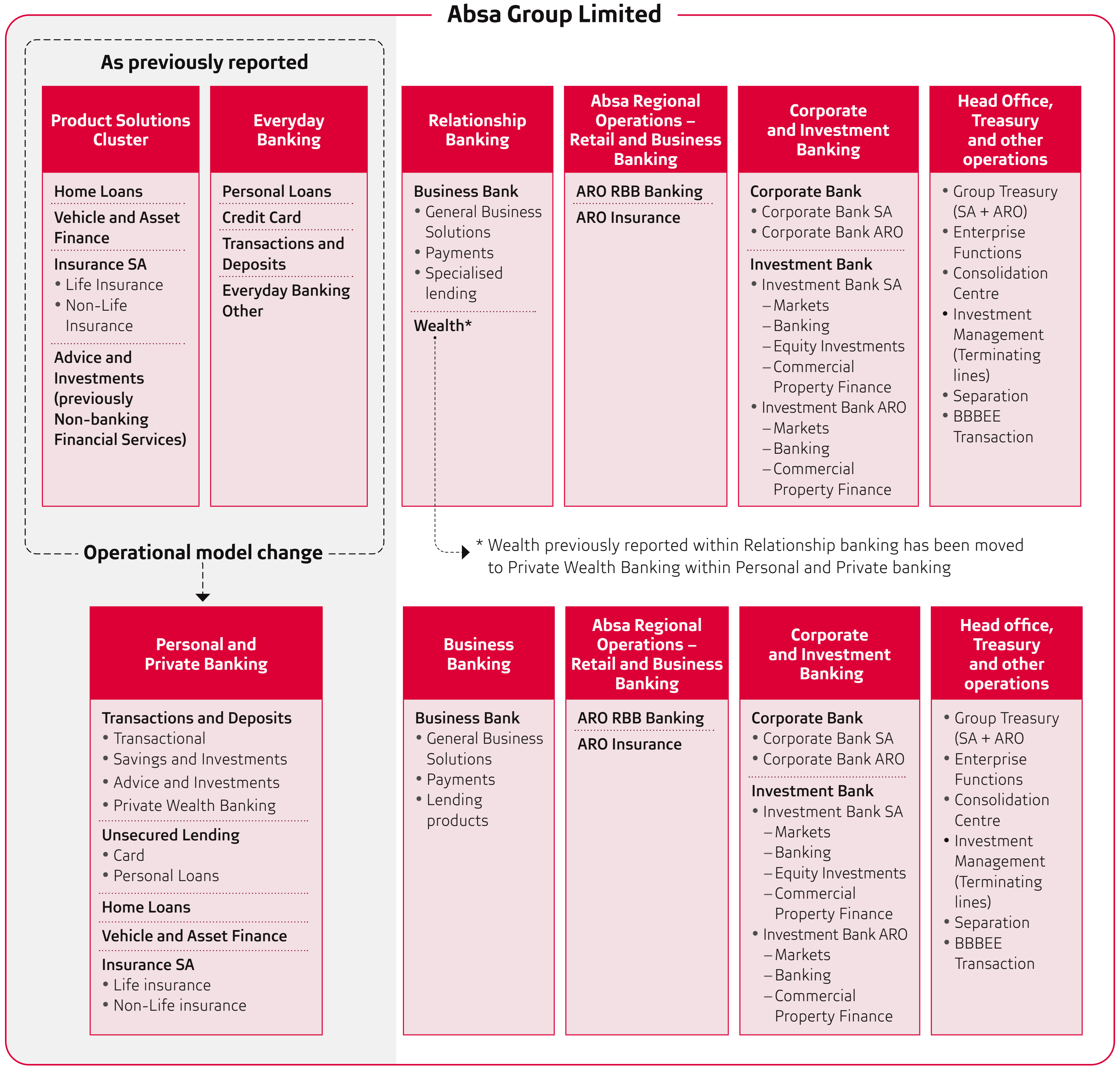
Segment performance overview

for the reporting period ended

Segment reporting structure

The Group has identified its operating model with 'geography' and 'customer' as primary dimensions, creating a platform for increased focus and dedicated management capacity. The identified reportable segments in the following table are disclosed based on how the Group's businesses have been managed and reported at the reporting date to the Group Executive Committee which is seen as the Chief Operating Decision Maker.

The Group announced the integration of Product Solutions Cluster, Everyday Banking, and Private Wealth Banking (previously part of Relationship Banking) into a single business unit – Personal and Private Banking (PPB) – to improve the Group's ability to deliver client value, particularly distribution of value-added services and insurance product across a large customer base. At the same time, Relationship Banking has been repositioned and is now known as Business Banking, with a sharpened focus on serving SME and Commercial clients in targeted sectors.



Operational metrics

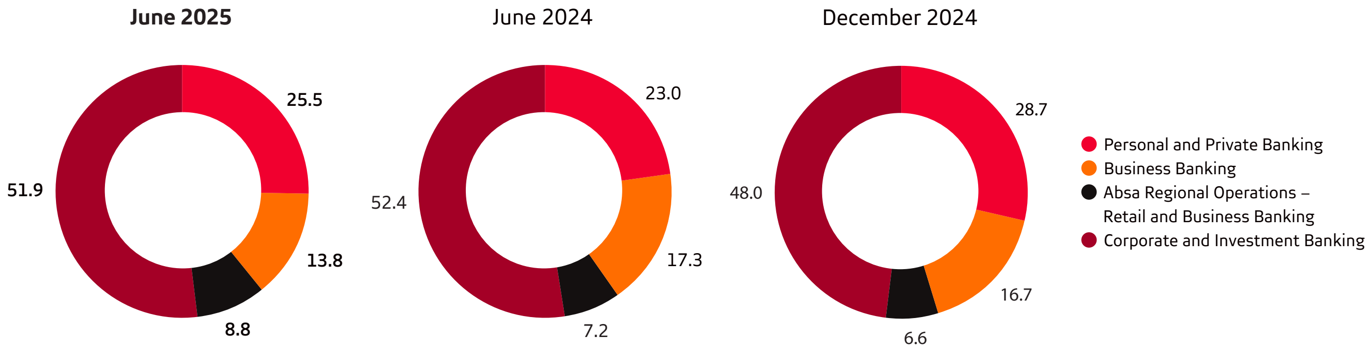
	30 June 2025	30 June 2024	Change %	31 December 2024
Physical footprint				
South Africa				
Outlets (including number of branches and sales centres)	**618**	616	0	616
ATMs	**5 096**	5 175	(2)	5 138
Absa Regional Operations				
Outlets (including number of branches and sales centres)	**403**	400	1	403
ATMs	**1 226**	1 180	4	1 209
Product Holding				
South Africa – PPB and BB (average number)	**2.80**	2.68	4	2.72
Absa Regional Operations – RBB (average number)	**3.03**	2.73	11	2.88
Customer numbers				
South Africa				
Active customers (thousands)	**10 001**	9 999	0	9 985
Digitally active customers (thousands)	**3 626**	3 236	12	3 420
Absa Regional Operations – RBB				
Active customers (thousands)	**2 804**	2 496	12	2 678
Digitally active customers (thousands)	**1 371**	1 036	32	1 193
Number of permanent and temporary employees	**37 272**	37 625	(1)	37 268
South Africa (excludes WFS employees)	**27 002**	27 585	(2)	27 031
Absa Regional Operations	**10 061**	9 832	2	10 037
International operations outside Africa	**209**	208	0	200

Source: BA900

1. Absa Regional Operations customer numbers are calculated based on active customer numbers and not total customers.
2. Absa Regional Operations customer numbers are calculated based on active customer numbers and not total customers. The definition for active customers has been amended from 3 months to 12 months. The PH calculation has been restated to align to the 12 months definition.
3. Headcount as disclosed is in relation to the Group's international offices in the United States, the United Kingdom and the Czech Republic.
4. Effective 1 January 2025, the 'Number of Headcount' will encompass South Africa Financial Advisors (Brokers) and South Africa Learnerships employed by the Group. These categories, which were previously reported separately, will be consolidated to present a unified headcount for all regulatory reporting purposes. The prior periods headcount numbers have been adjusted to reflect the same.

Performance per market segment

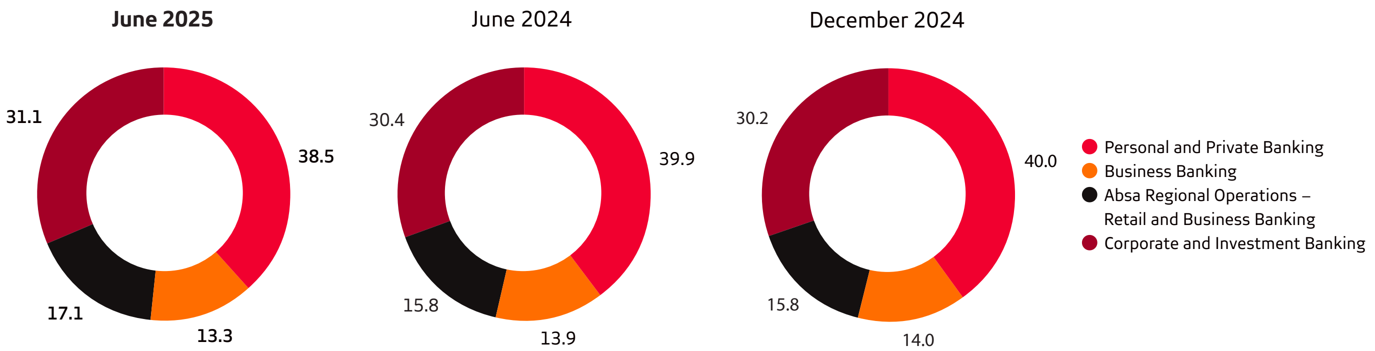
Headline earnings per market segment, excluding Head Office, Treasury and other operations (%)



Headline earnings	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Personal and Private Banking	**3 168**	2 578	23	6 978
Business Banking	**1 712**	1 936	(12)	4 067
Absa Regional Operations – Retail and Business Banking	**1 092**	810	35	1 615
Corporate and Investment Banking	**6 440**	5 863	10	11 680
Head Office, Treasury and other operations	**(538)**	(1 007)	(47)	(2 281)
	11 874	10 180	17	22 059

The segment split numbers have been restated, refer to the reporting changes overview in note 14.3.

Income per market segment, excluding Head Office, Treasury and other operations (%)



Income	30 June 2025 Rm	30 June 2024 Rm	Change %	31 December 2024 Rm
Personal and Private Banking	**21 784**	21 615	1	44 021
Business Banking	**7 528**	7 533	(0)	15 364
Absa Regional Operations – Retail and Business Banking	**9 642**	8 530	13	17 447
Corporate and Investment Banking	**17 578**	16 437	7	33 266
Head Office, Treasury and other operations	**(45)**	(407)	(89)	(149)
	56 487	53 708	5	109 949

The segment split numbers have been restated, refer to the reporting changes overview in note 14.3.

This page has been left blank intentionally

Segment report per market segment

for the reporting period ended

Segment report per market segment
for the reporting period ended

	Personal and Private Banking				Business Banking			
	30 June		Change	31 December	30 June		Change	31 December
	2025	2024	%	2024	2025	2024	%	2024
Statement of comprehensive income (Rm)								
Net interest income	**12 832**	12 977	(1)	25 966	**5 276**	5 218	1	10 547
Non-interest income	**8 952**	8 638	4	18 055	**2 252**	2 315	(3)	4 817
Total income	**21 784**	21 615	1	44 021	**7 528**	7 533	(0)	15 364
Credit impairment charges	**(5 307)**	(6 298)	(16)	(10 289)	**(494)**	(401)	23	(640)
Operating expenses	**(11 675)**	(11 170)	5	(22 836)	**(4 480)**	(4 271)	5	(8 711)
Other expenses	**(213)**	(229)	(7)	(486)	**(51)**	(44)	16	(89)
Operating profit before income tax	**4 589**	3 918	17	10 410	**2 503**	2 817	(11)	5 924
Tax expenses	**(1 149)**	(1 015)	13	(2 742)	**(652)**	(716)	(9)	(1 536)
Profit for the reporting period	**3 440**	2 903	18	7 668	**1 851**	2 101	(12)	4 388
Profit attributable to:								
Ordinary equity holders	**3 114**	2 566	21	6 907	**1 712**	1 963	(13)	4 093
Non-controlling interest – ordinary shares	**45**	65	(31)	184	**–**	–	–	–
Non-controlling interest – preference shares	**75**	78	(4)	157	**37**	39	(5)	80
Other equity: Additional Tier 1	**206**	194	6	420	**102**	99	3	215
	3 440	2 903	18	7 668	**1 851**	2 101	(12)	4 388
Headline earnings	**3 168**	2 578	23	6 978	**1 712**	1 936	(12)	4 067
Operating performance (%)								
Net interest margin on average interest-bearing assets	**2.90**	3.01		2.93	**3.64**	3.83		3.69
Credit loss ratio	**1.93**	2.34		1.89	**0.64**	0.54		0.43
Non-interest income as % of income	**41.1**	40.0		41.0	**29.9**	30.7		31.4
Cost-to-income ratio	**53.6**	51.7		51.9	**59.5**	56.7		56.7
Statement of financial position (Rm)								
Loans and advances	**523 170**	511 107	2	515 545	**154 258**	147 413	5	149 275
Loans and advances to customers	**516 690**	503 848	3	509 204	**153 628**	146 442	5	148 400
Loans and advances to banks	**6 480**	7 259	(11)	6 341	**630**	971	(35)	875
Investment securities	**33 809**	32 521	4	33 105	**6 397**	7 029	(9)	7 091
Other assets	**427 206**	396 487	8	423 018	**154 143**	137 466	12	159 561
Total assets	**984 185**	940 115	5	971 668	**314 798**	291 908	8	315 927
Deposits	**363 051**	339 071	7	355 560	**234 709**	216 484	8	233 862
Deposits due to customers	**363 051**	339 071	7	355 560	**234 705**	216 480	8	233 857
Deposits due to banks	**–**	–	–	–	**4**	4	–	5
Debt securities in issue	**–**	–	–	–	**–**	–	–	–
Other liabilities	**609 072**	590 321	3	601 147	**77 206**	72 352	7	76 814
Total liabilities	**972 123**	929 392	5	956 707	**311 915**	288 836	8	310 676
Financial performance (%)								
RoRWA	**2.25**	1.91		2.52	**2.39**	2.75		2.85
RoA	**0.67**	0.56		0.75	**1.13**	1.36		1.37
RoRC	**14.8**	12.7		16.8	**19.1**	22.1		22.9

	Absa Regional Operations – Retail Business Banking					Corporate and Investment Banking				
	30 June		Change	CCY	31 December	30 June		Change	CCY	31 December
	2025	2024	%	%	2024	2025	2024	%	%	2024
Statement of comprehensive income (Rm)										
Net interest income	**6 979**	6 076	15	14	12 464	**10 925**	10 591	3	4	21 181
Non-interest income	**2 663**	2 454	9	8	4 983	**6 653**	5 846	14	13	12 085
Total income	**9 642**	8 530	13	12	17 447	**17 578**	16 437	7	7	33 266
Credit impairment charges	**(818)**	(711)	15	14	(1 680)	**(516)**	(915)	(44)	(42)	(1 535)
Operating expenses	**(6 115)**	(5 595)	9	9	(11 431)	**(7 819)**	(7 153)	9	9	(14 988)
Other expenses	**(345)**	(312)	11	11	(792)	**(219)**	(216)	1	2	(521)
Operating profit before income tax	**2 364**	1 912	24	22	3 544	**9 024**	8 153	11	10	16 222
Tax expenses	**(863)**	(670)	29	27	(1 201)	**(1 897)**	(1 536)	24	23	(3 152)
Profit for the reporting period	**1 501**	1 242	21	19	2 343	**7 127**	6 617	8	8	13 070
Profit attributable to:										
Ordinary equity holders	**1 028**	867	19	13	1 630	**6 440**	5 908	9	9	11 698
Non-controlling interest – ordinary shares	**466**	369	26	32	701	**382**	416	(8)	(3)	748
Non-controlling interest – preference shares	**2**	2	–	17	3	**81**	83	(2)	(3)	168
Other equity: Additional Tier 1	**5**	4	25	27	9	**224**	210	7	6	456
	1 501	1 242	21	19	2 343	**7 127**	6 617	8	8	13 070
Headline earnings	**1 092**	810	35	28	1 615	**6 440**	5 863	10	9	11 680
Operating performance (%)										
Net interest margin on average interest-bearing assets	**9.22**	8.99			8.74	**2.58**	2.78			2.66
Credit loss ratio	**1.69**	1.61			1.81	**0.18**	0.33			0.29
Non-interest income as % of income	**27.6**	28.8			28.6	**37.8**	35.6			36.3
Cost-to-income ratio	**63.4**	65.6			65.5	**44.5**	43.5			45.1
Statement of financial position (Rm)										
Loans and advances	**91 432**	84 279	8	8	91 734	**605 571**	542 617	12	12	573 675
Loans and advances to customers	**90 903**	83 546	9	8	91 060	**552 853**	494 667	12	12	524 226
Loans and advances to banks	**529**	733	(28)	(28)	674	**52 718**	47 950	10	10	49 449
Investment securities	**101**	1 296	(92)	(83)	1 927	**60 253**	53 829	12	12	56 995
Other assets	**78 879**	63 484	24	24	76 093	**689 266**	578 628	19	18	623 076
Total assets	**170 412**	149 059	14	14	169 754	**1 355 090**	1 175 074	15	15	1 253 746
Deposits	**149 809**	128 457	17	15	147 831	**659 362**	558 505	18	18	606 625
Deposits due to customers	**149 803**	128 354	17	15	147 824	**538 913**	470 054	15	14	510 733
Deposits due to banks	**6**	103	(94)	(95)	7	**120 449**	88 451	36	36	95 892
Debt securities in issue	**116**	84	38	41	94	**45 145**	34 243	32	32	40 153
Other liabilities	**20 471**	18 142	13	18	19 065	**632 428**	570 514	11	11	587 801
Total liabilities	**170 396**	146 683	16	16	166 990	**1 336 935**	1 163 262	15	15	1 234 579
Financial performance (%)										
RoRWA	**1.75**	1.48			1.42	**2.72**	2.74			2.67
RoA	**1.30**	1.08			1.02	**1.01**	1.03			1.00
RoRC	**14.5**	12.2			11.8	**21.8**	21.8			21.2

The segment split numbers have been restated, refer to the reporting changes overview in note 14.3.

Segment report per market segment

for the reporting period ended

Head office, Treasury and other operations					Group				
30 June		Change	CCY	31 December	30 June		Change	CCY	31 December
2025	2024	%	%	2024	**2025**	2024	%	%	2024
295	448	(34)	(43)	947	**36 307**	35 310	3	3	71 105
(340)	(855)	(60)	(60)	(1 096)	**20 180**	18 398	10	9	38 844
(45)	(407)	(89)	(80)	(149)	**56 487**	53 708	5	5	109 949
(38)	16	<(100)	<(100)	(160)	**(7 173)**	(8 309)	(14)	(13)	(14 304)
45	(137)	>100	<(100)	(542)	**(30 044)**	(28 326)	6	6	(58 508)
(969)	(1 158)	(16)	(29)	(2 026)	**(1 797)**	(1 959)	(8)	(15)	(3 914)
(1 007)	(1 686)	(40)	(47)	(2 877)	**17 473**	15 114	16	16	33 223
31	337	(91)	(99)	311	**(4 530)**	(3 600)	26	26	(8 320)
(976)	(1 349)	(28)	(34)	(2 566)	**12 943**	11 514	12	13	24 903
(1 063)	(1 459)	(27)	(35)	(2 791)	**11 231**	9 845	14	14	21 537
88	110	(20)	(18)	225	**981**	960	2	6	1 858
–	1	(100)	<(100)	–	**195**	203	(4)	(4)	408
(1)	(1)	–	(97)	–	**536**	506	6	6	1 100
(976)	(1 349)	(28)	(34)	(2 566)	**12 943**	11 514	12	13	24 903
(538)	(1 007)	(47)	(44)	(2 281)	**11 874**	10 180	17	15	22 059
n/a	n/a			n/a	**4.58**	4.69			4.63
n/a	n/a			n/a	**1.00**	1.23			1.03
n/a	n/a			n/a	**35.7**	34.3			35.3
n/a	n/a			n/a	**53.2**	52.7			53.2
37 716	20 694	82	82	19 359	**1 412 147**	1 306 110	8	8	1 349 588
5 071	4 502	13	13	4 225	**1 319 145**	1 233 005	7	7	1 277 115
32 645	16 192	>100	>100	15 134	**93 002**	73 105	27	28	72 473
168 032	146 938	14	13	171 326	**268 592**	241 613	11	10	270 444
(870 474)	(770 434)	13	13	(833 085)	**479 020**	405 631	18	17	448 663
(664 726)	(602 802)	10	11	(642 400)	**2 159 759**	1 953 354	11	10	2 068 695
171 286	152 828	12	11	163 049	**1 578 217**	1 395 345	13	13	1 506 927
115 716	108 526	7	6	109 461	**1 402 188**	1 262 485	11	11	1 357 435
55 570	44 302	25	25	53 588	**176 029**	132 860	32	32	149 492
151 218	190 102	(20)	(20)	171 044	**196 479**	224 429	(12)	(12)	211 291
(1 141 807)	(1 089 106)	5	5	(1 117 626)	**197 370**	162 223	22	21	167 201
(819 303)	(746 176)	10	10	(783 533)	**1 972 066**	1 781 997	11	10	1 885 419
n/a	n/a			n/a	**2.03**	1.91			2.02
n/a	n/a			n/a	**1.14**	1.04			1.11
n/a	n/a			n/a	**n/a**	n/a			n/a

This page has been left blank intentionally

Segment report per geographical split
for the reporting period ended

Segment report per geographical split

for the reporting period ended

	South Africa				Africa regions					Group Performance				
	30 June		Change	31 December	30 June		Change	CCY	31 December	30 June		Change	CCY	31 December
	2025	2024	%	2024	**2025**	2024	%	%	2024	**2025**	2024	%	%	2024
Statement of comprehensive income (Rm)														
Net interest income	**23 929**	23 947	(0)	47 918	**12 378**	11 363	9	9	23 187	**36 307**	35 310	3	3	71 105
Non-interest income	**14 340**	13 112	9	28 564	**5 840**	5 286	10	9	10 280	**20 180**	18 398	10	9	38 844
Total income	**38 269**	37 059	3	76 482	**18 218**	16 649	9	9	33 467	**56 487**	53 708	5	5	109 949
Credit impairment charges	**(6 157)**	(7 545)	(18)	(12 146)	**(1 016)**	(764)	33	33	(2 158)	**(7 173)**	(8 309)	(14)	(13)	(14 304)
Operating expenses	**(20 892)**	(19 760)	6	(40 930)	**(9 152)**	(8 566)	7	7	(17 578)	**(30 044)**	(28 326)	6	6	(58 508)
Other expenses	**(701)**	(1 300)	(46)	(2 223)	**(1 096)**	(659)	66	46	(1 691)	**(1 797)**	(1 959)	(8)	(15)	(3 914)
Operating profit before income tax	**10 519**	8 454	24	21 183	**6 954**	6 660	4	5	12 040	**17 473**	15 114	16	16	33 223
Tax expenses	**(2 025)**	(1 533)	32	(4 222)	**(2 505)**	(2 067)	21	21	(4 098)	**(4 530)**	(3 600)	26	26	(8 320)
Profit for the reporting period	**8 494**	6 921	23	16 961	**4 449**	4 593	(3)	(2)	7 942	**12 943**	11 514	12	13	24 903
Profit attributable to:														
Ordinary equity holders	**7 725**	6 152	26	15 281	**3 506**	3 693	(5)	(5)	6 256	**11 231**	9 845	14	14	21 537
Non-controlling interest – ordinary shares	**45**	65	(31)	184	**936**	895	5	9	1 674	**981**	960	2	6	1 858
Non-controlling interest – preference shares	**193**	201	(4)	405	**2**	2	–	17	3	**195**	203	(4)	(4)	408
Additional Tier 1	**531**	503	6	1 091	**5**	3	67	27	9	**536**	506	6	6	1 100
	8 494	6 921	23	16 961	**4 449**	4 593	(3)	(2)	7 942	**12 943**	11 514	12	13	24 903
Headline earnings	**7 828**	6 589	19	15 865	**4 046**	3 591	13	9	6 194	**11 874**	10 180	17	15	22 059
Operating performance (%)														
Net interest margin on average interest-bearing assets	**3.77**	3.93		3.87	**7.80**	7.85			7.82	**4.58**	4.69			4.63
Credit loss ratio	**1.03**	1.31		1.04	**0.86**	0.77			0.96	**1.00**	1.23			1.03
Non-interest income as % of income	**37.5**	35.4		37.3	**32.1**	31.7			30.7	**35.7**	34.3			35.3
Cost-to-income ratio	**54.6**	53.3		53.5	**50.2**	51.5			52.5	**53.2**	52.7			53.2
Statement of financial position (Rm)														
Loans and advances	**1 192 030**	1 109 588	7	1 135 691	**220 117**	196 522	12	12	213 897	**1 412 147**	1 306 110	8	8	1 349 588
Loans and advances to customers	**1 137 416**	1 066 145	7	1 092 865	**181 729**	166 860	9	9	184 250	**1 319 145**	1 233 005	7	7	1 277 115
Loans and advances to banks	**54 614**	43 443	26	42 826	**38 388**	29 662	29	30	29 647	**93 002**	73 105	27	28	72 473
Investment securities	**172 438**	159 236	8	179 313	**96 154**	82 377	17	14	91 131	**268 592**	241 613	11	10	270 444
Other assets	**398 462**	332 792	20	361 684	**80 558**	72 839	11	6	86 979	**479 020**	405 631	18	17	448 663
Total assets	**1 762 930**	1 601 616	10	1 676 688	**396 829**	351 738	13	11	392 007	**2 159 759**	1 953 354	11	10	2 068 695
Deposits	**1 271 762**	1 122 890	13	1 206 000	**306 455**	272 455	12	11	300 927	**1 578 217**	1 395 345	13	13	1 506 927
Deposits due to customers	**1 123 451**	1 019 897	10	1 090 864	**278 737**	242 588	15	13	266 571	**1 402 188**	1 262 485	11	11	1 357 435
Deposits due to banks	**148 311**	102 993	44	115 136	**27 718**	29 867	(7)	(7)	34 356	**176 029**	132 860	32	32	149 492
Debt securities in issue	**195 245**	222 128	(12)	207 341	**1 234**	2 301	(46)	(45)	3 950	**196 479**	224 429	(12)	(12)	211 291
Other liabilities	**146 918**	118 258	24	116 853	**50 452**	43 965	15	13	50 348	**197 370**	162 223	22	21	167 201
Total liabilities	**1 613 925**	1 463 276	10	1 530 194	**358 141**	318 721	12	11	355 225	**1 972 066**	1 781 997	11	10	1 885 419
Financial performance (%)														
RoRWA	**2.09**	1.83		2.16	**1.91**	2.08			1.73	**2.03**	1.91			2.02
RoA	**0.92**	0.82		0.97	**2.06**	2.04			1.71	**1.14**	1.04			1.11
RoRC	**14.3**	12.6		14.9	**16.9**	18.2			15.1	**n/a**	n/a			n/a

This page has been left blank intentionally

Personal and Private Banking

for the reporting period ended

Personal and Private Banking delivered headline earnings growth of **23%** in the first half to **R3 168m** (30 June 2024: R2 578m), primarily driven by a **16%** reduction in credit impairments, which helped offset a **3%** decline in pre-provision profits, the latter reflecting the impact of slower topline growth.

Key financial performance highlights for the period include the following:

Net interest income decreased by **1%** to **R12 832m** (30 June 2024: R12 977m), impacted by subdued balance sheet growth due to credit risk measures and low consumer demand. Margins were lower, driven by shifts in the product mix, with a change in growth from Unsecured to Secured Lending, increased Investment Deposit volumes relative to Transactional Deposits and intensified competition for low-risk customers.

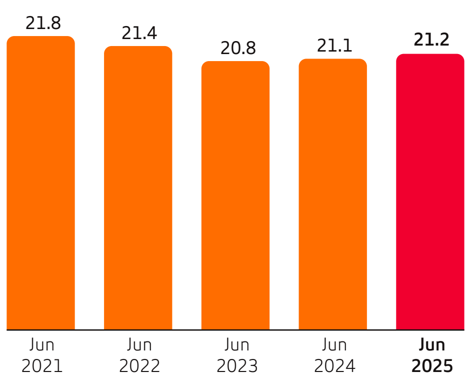
Non-interest income increased by **4%** to **R8 952m** (30 June 2024: R8 638m), driven by net fee and commission income growth of **5%**, while net insurance income increased by **5%**. This was supported by growth in transactional customers and increased usage, particularly on digital channels.

Cost-to-income increased by **1.9%** to **53.6%** (30 June 2024: 51.7%), reflecting negative JAWS of **4%**, as operating expenditure grew by **5%**, while total income increased by **1%**.

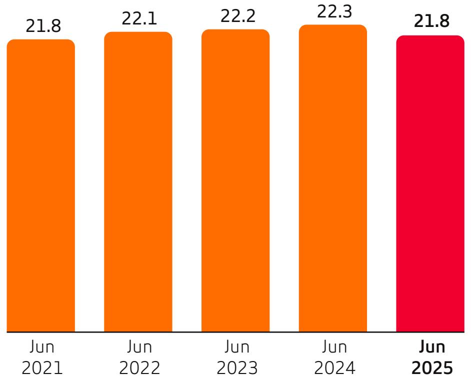
Credit loss ratio decreased by **0.41%** to **1.93%** (30 June 2024: 2.34%), supported by collections and changes to new business lending criteria, with a notable improvement in Vehicle Asset Finance and Unsecured Lending.

Return on Regulatory Capital (RoRC) increased by **2.1%** to **14.8%** (30 June 2024: 12.7%), underpinned by earnings growth of **23%** with average equity growing by **6%** year-on-year.

Deposit market share (%)



Advances market share (%)



Source: BA900

Salient features	30 June 2025	30 June 2024	Change %	31 December 2024
Income (Rm)	**21 784**	21 615	1	44 021
Pre-provision profit (Rm)	**10 109**	10 445	(3)	21 185
Headline earnings (Rm)	**3 168**	2 578	23	6 978
Credit loss ratio (%)	**1.93**	2.34		1.89
Cost-to-income ratio (%)	**53.6**	51.7		51.9
RoRWA (%)	**2.25**	1.91		2.52
RoA (%)	**0.67**	0.56		0.75
RoA net of internal balances (%)	**1.05**	0.88		1.17
RoRC (%)	**14.8**	12.7		16.8

Business profile

Personal and Private Banking offers a comprehensive range of products and services to the retail consumer segments. Customers are served through an extensive integrated channel network across physical and virtual points of presence, including partnerships, and more increasingly through digital. The focus remains on providing a consistently superior experience across multiple channels tailored to each customer's needs and expectations.

Key business areas

- Transactions and Deposits includes, Transactional, Savings and Investments, Advice and Investments and the Private Wealth Banking division:
  - Transactional, Savings and Investments offers a full range of transactional banking, savings and investment products and services offered through multiple channels.
  - Advice and Investments encompasses financial planning, direct insurance sales, investment management, stockbroking, and fiduciary services.
  - Private Wealth Banking serves high-net-worth clients with a full range of local and international banking services, including transactional, lending, savings, investment, and forex solutions. It also offers personalised wealth management strategies tailored to clients' life stages and financial goals.
- Unsecured Lending includes Card and Personal Loans:
  - Card offers credit cards through a mix of Absa-branded and co-branded products. This portfolio also includes partnerships with Woolworths Financial Services, which offers in-store cards, credit cards, personal loans, life and non-life insurance products.
  - Personal Loans offers unsecured loans through the Absa Mobile Banking app, Internet Banking, face-to-face engagements, and the contact centre channels.
- Home Loans offers residential property-related finance solutions directly to customers through personalised services, electronic channels and intermediaries such as estate agents and mortgage originators.
- Vehicle and Asset Finance (VAF) offers funding solutions for passenger and light commercial vehicles to individual customers through approved dealerships and preferred suppliers. VAF also provides wholesale funding solutions (floorplans) to dealers and dealer groups. VAF's joint venture with Ford Financial Services is an extension of the business and reinforces the strategic intent of establishing and harnessing relationships with original equipment manufacturers (OEMs), dealers and customers.
- Insurance SA includes the following:
  - Life insurance covers death, disability, retrenchment, critical illness, funeral and life-wrapped investment products mainly targeted at retail and group life insurance customers, distributed through face-to-face advisors, bank branches, mobile, call centre, partnerships and digital channels.
  - Non-Life insurance provides insurance solutions to the retail and commercial market segments, including motor comprehensive insurance, buildings, legal, pet and value-added products such as extended cover and motor warranty.

Personal and Private Banking
for the reporting period ended

	Transactions and Deposits				Unsecured Lending			
	30 June		Change	31 December	30 June		Change	31 December
	2025	2024	%	2024	**2025**	2024	%	2024
Statement of comprehensive income (Rm)								
Net interest income	**3 375**	3 476	(3)	6 946	**4 709**	4 872	(3)	9 727
Non-interest income	**5 273**	5 117	3	10 633	**1 810**	1 683	8	3 476
Total income	**8 648**	8 593	1	17 579	**6 519**	6 555	(1)	13 203
Credit impairment charges	**(227)**	(419)	(46)	(692)	**(3 289)**	(3 700)	(11)	(6 381)
Operating expenses	**(6 077)**	(5 791)	5	(12 175)	**(2 685)**	(2 493)	8	(4 854)
Other expenses	**(270)**	(209)	29	(474)	**(43)**	(56)	(23)	(147)
Operating profit before income tax	**2 074**	2 174	(5)	4 238	**502**	306	64	1 821
Tax expenses	**(568)**	(595)	(5)	(1 174)	**(128)**	(53)	>100	(476)
Profit for the reporting period	**1 506**	1 579	(5)	3 064	**374**	253	48	1 345
Profit attributable to:								
Ordinary equity holders	**1 439**	1 514	(5)	2 927	**269**	125	>100	1 030
Non-controlling interest – ordinary shares	**–**	–	–	–	**45**	65	(31)	184
Non-controlling interest – preference shares	**18**	19	(5)	37	**16**	18	(11)	36
Other equity – Additional Tier 1 capital	**49**	46	7	100	**44**	45	(2)	95
	1 506	1 579	(5)	3 064	**374**	253	48	1 345
Headline earnings	**1 492**	1 526	(2)	2 988	**269**	125	>100	1 040
Operating performance (%)								
Net interest margin on average interest-bearing assets	**1.99**	2.13		2.04	**9.45**	9.86		9.57
Credit loss ratio	**2.71**	4.69		3.96	**7.66**	8.69		7.43
Non-interest income as % of income	**61.0**	59.5		60.5	**27.8**	25.7		26.3
Cost-to-income ratio	**70.3**	67.4		69.3	**41.2**	38.0		36.8
Statement of financial position (Rm)								
Loans and advances	**14 941**	15 418	(3)	14 495	**71 089**	70 306	1	70 430
Loans and advances to customers	**10 641**	10 240	4	10 494	**70 923**	70 120	1	70 273
Loans and advances to banks	**4 300**	5 178	(17)	4 001	**166**	186	(11)	157
Investment securities	**511**	639	(20)	410	**3 736**	3 603	4	3 638
Other assets	**365 672**	340 177	7	364 234	**13 875**	13 178	5	13 390
Total assets	**381 124**	356 234	7	379 139	**88 700**	87 087	2	87 458
Deposits	**359 721**	335 672	7	352 149	**1 914**	1 871	2	1 948
Deposits due to customers	**359 721**	335 672	7	352 149	**1 914**	1 871	2	1 948
Deposits to banks	**–**	–	–	–	**–**	–	–	–
Other liabilities	**19 117**	17 923	7	22 884	**84 585**	83 347	1	82 700
Total liabilities	**378 838**	353 595	7	375 033	**86 499**	85 218	2	84 648
Financial performance (%)								
RoRWA	**6.37**	6.68		6.45	**0.71**	0.33		1.36
RoA	**0.85**	0.90		0.85	**0.61**	0.29		1.19

The segment split numbers have been restated, refer to the reporting changes overview in note 14.3.

Personal and Private Banking
for the reporting period ended

Personal and Private Banking
for the reporting period ended

Home Loans				Vehicle and Asset Finance				Insurance SA				PPB Other				Personal and Private Banking			
30 June		Change	31 December	30 June		Change	31 December	30 June		Change	31 December	30 June		Change	31 December	30 June		Change	31 December
2025	2024	%	2024	**2025**	2024	%	2024	**2025**	2024	%	2024	**2025**	2024	%	2024	**2025**	2024	%	2024
2 740	2 651	3	5 388	**2 043**	1 994	2	3 940	**–**	3	(100)	6	**(35)**	(19)	84	(41)	**12 832**	12 977	(1)	25 966
275	269	2	564	**370**	380	(3)	766	**1 223**	1 190	3	2 596	**1**	(1)	>100	20	**8 952**	8 638	4	18 055
3 015	2 920	3	5 952	**2 413**	2 374	2	4 706	**1 223**	1 193	3	2 602	**(34)**	(20)	70	(21)	**21 784**	21 615	1	44 021
(747)	(771)	(3)	(1 223)	**(1 044)**	(1 408)	(26)	(1 994)	**–**	–	–	–	**–**	–	–	1	**(5 307)**	(6 298)	(16)	(10 289)
(1 105)	(1 043)	6	(2 105)	**(940)**	(870)	8	(1 751)	**(461)**	(457)	1	(922)	**(407)**	(516)	(21)	(1 029)	**(11 675)**	(11 170)	5	(22 836)
(19)	(15)	27	(36)	**46**	4	>100	95	**62**	28	>100	46	**11**	19	(42)	30	**(213)**	(229)	(7)	(486)
1 144	1 091	5	2 588	**475**	100	>100	1 056	**824**	764	8	1 726	**(430)**	(517)	(17)	(1 019)	**4 589**	3 918	17	10 410
(268)	(279)	(4)	(664)	**(91)**	(11)	>100	(228)	**(210)**	(218)	(4)	(474)	**116**	141	(18)	274	**(1 149)**	(1 015)	13	(2 742)
876	812	8	1 924	**384**	89	>100	828	**614**	546	12	1 252	**(314)**	(376)	(16)	(745)	**3 440**	2 903	18	7 668
775	719	8	1 724	**332**	762	(56)	721	**614**	546	12	1 252	**(315)**	(376)	(16)	(747)	**3 114**	2 566	21	6 907
–	–	–	–	**–**	–	–	–	**–**	–	–	–	**–**	–	–	–	**45**	65	(31)	184
27	27	–	54	**14**	14	–	29	**–**	–	–	–	**–**	–	–	1	**75**	78	(4)	157
74	66	12	146	**38**	36	6	78	**–**	–	–	–	**1**	–	100	1	**206**	194	6	420
876	812	8	1 924	**384**	812	(53)	828	**614**	546	12	1 252	**(314)**	(376)	(16)	(745)	**3 440**	2 903	18	7 668
775	719	8	1 724	**332**	39	>100	720	**614**	546	12	1 252	**(314)**	(377)	(17)	(746)	**3 168**	2 578	23	6 978
1.71	1.70		1.70	**3.24**	3.23		3.12	**n/a**	n/a		n/a	**n/a**	n/a		n/a	**2.90**	3.01		2.93
0.47	0.49		0.39	**1.66**	2.32		1.62	**n/a**	n/a		n/a	**n/a**	n/a		n/a	**1.93**	2.34		1.89
9.1	9.2		9.5	**15.3**	16.0		16.3	**100.0**	99.7		99.8	**n/a**	n/a		n/a	**41.1**	40.0		41.0
36.7	35.7		35.4	**39.0**	36.6		37.2	**37.7**	38.3		35.4	**n/a**	n/a		n/a	**53.6**	51.7		51.9
312 891	307 435	2	310 358	**122 468**	116 232	5	118 321	**1 344**	1 288	4	1 508	**437**	428	2	433	**523 170**	511 107	2	515 545
312 658	307 256	2	310 116	**122 468**	116 232	5	118 321	**–**	–	–	–	**–**	–	–	–	**516 690**	503 848	3	509 204
233	179	30	242	**–**	–	–	–	**1 344**	1 288	4	1 508	**437**	428	2	433	**6 480**	7 259	(11)	6 341
17 136	16 690	3	17 094	**6 348**	5 947	7	6 142	**5 944**	5 471	9	5 607	**134**	171	(22)	214	**33 809**	32 521	4	33 105
11 478	11 283	2	11 404	**6 684**	5 546	21	6 089	**29 314**	26 215	12	27 795	**183**	88	>100	106	**427 206**	396 487	8	423 018
341 505	335 408	2	338 856	**135 500**	127 725	6	130 552	**36 602**	32 974	11	34 910	**754**	687	10	753	**984 185**	940 115	5	971 668
1 380	1 491	(7)	1 433	**26**	27	(4)	21	**–**	–	–	–	**10**	10	–	9	**363 051**	339 071	7	355 560
1 380	1 491	(7)	1 433	**26**	27	(4)	21	**–**	–	–	–	**10**	10	–	9	**363 051**	339 071	7	355 560
–	–	–	–	**–**	–	–	–	**–**	–	–	–	**–**	–	–	–	**–**	–	–	–
339 592	333 402	2	335 898	**133 877**	126 552	6	128 690	**30 835**	28 022	10	29 462	**1 066**	1 075	(1)	1 513	**609 072**	590 321	3	601 147
340 972	334 893	2	337 331	**133 903**	126 579	6	128 711	**30 835**	28 022	10	29 462	**1 076**	1 085	(1)	1 522	**972 123**	929 392	5	956 707
1.57	1.60		1.84	**1.18**	0.14		1.27	**n/a**	n/a		n/a	**n/a**	n/a		n/a	**2.25**	1.91		2.52
0.46	0.43		0.51	**0.51**	0.06		0.57	**n/a**	n/a		n/a	**n/a**	n/a		n/a	**0.67**	0.56		0.75

Business performance

Operating environment

The global economic environment remains uncertain and volatile, with increased trade tensions and geopolitical developments reducing growth expectations. The financial health of the South African consumer remained constrained during the first half of 2025, highlighted by the following:

- Consumers experienced sustained pressure on disposable income, resulting in subdued growth in both consumer spending and household deposits.
- Household deposits grew by **6.6%** in the twelve months leading up to April 2025, compared to 7.9% during the same period in the previous year. Although interest rates declined, the positive impact was offset by household debt increasing at a faster rate than nominal disposable income.
- Household debt as a percentage of nominal disposable income increased from 62.2% in the fourth quarter of 2024 to **62.7%** in the first quarter of 2025. The unemployment rate rose to **32.9%** in Q2 2025, up from 31.9% in Q1 2024.

The strategic context

The Personal and Private Banking (PPB) Cluster is a newly established cluster that consolidates three previously distinct areas: Everyday Banking (EB), the Product Solutions Cluster (PSC) and Private Wealth Banking (PWB). These segments have been integrated into a new Retail segment, now referred to as PPB.

The strategic rationale of PPB is to evolve into a customer-led and holistically integrated retail operating model. This transformation aims to enhance customer experience by aligning services and operations more closely with client needs and expectations. In support of this strategic shift, a new PPB leadership team and operating model were formally announced on the 2nd of June 2025. This marks a significant milestone in the cluster's journey to enhance its focus on delivering integrated solutions through market-leading experiences to the Customer.

Business overview

In the first half of 2025, the EB, PSC and PWB business units have been actively focused on executing on core strategic initiatives. These initiatives were aligned to drive growth and value creation, and included:

- Accelerating growth in revenue by deepening share and increasing usage with customers.
- Driving growth in bancassurance revenues through deeper collaboration within PPB and broader integration within the bank.
- Driving digital transformation to support superior customer experiences.
- Strengthening risk management capabilities, whilst optimising margins and returns.
- Maximizing productivity and efficiencies to unlock operating leverage.

The execution of the previously committed strategic initiatives led to several notable outcomes:

- Transactional Banking introduced Ultimate Banking and expanded digital value-added services (VAS), including grocery vouchers and foreign currency delivery.
- Launched TravelStart in-App functionality on the Absa Rewards platform, enabling members to earn cashback on bookings and payments made with an Absa card.
- Rolled out a new digital advice tool (late 2024 & early 2025) to enhance advisor efficiency.
- Introduced financial coaching tools, including Credit Coach, which provides credit education and real-time repayment updates.
- The launch of Savings Coach using gamification to support customers wanting to save for a goal.
- Life launched Absa Funeral (Enhanced Flexi and Eyenu Nonke products) to Branch Sales consultants, digital and call centres.
- Vehicle and Asset Finance focused on developing strong industry partnerships with new market entrants, including Build Your Dreams (BYD), to promote electric and hybrid vehicle adoption through tailored financial solutions.
- The scaling of the hyper-personalisation engine, which embedded behavioural insights into customer interactions.

External recognition received

The businesses received the following external recognition from the market:

- Best Innovation in Retail Banking SA for ChatWallet, 2025 (International Banker).
- Best New Digital Wallet (Absa ChatWallet) SA 2025 (Global Banking and Finance Review).
- Best Digital Bank, SA, 2025 (Global Banking and Finance Review).
- Absa Life was named among the top five finalists for the Best Customer Experience Deployment Award, alongside global industry leaders (CX Today).
- Private Bank was placed second in the 2025 Krutham Top Private Banks & Wealth Managers Survey.
- The Direct Delivery (DD) team and Absa Insurance & Financial Advisors (AIFA) won three Gold Medals at the 2025 Contact centre world top ranking performers awards.

Business performance *continued*

Client franchise

During the reporting period, the business continued to focus on enhancing digital capabilities and deepening customer relationships, building on a more nuanced understanding of customer needs and behaviours as the cluster pivots to one that is customer-led and more holistically integrated.

	30 June 2025	30 June 2024	Change %	31 December 2024
PPB – South Africa				
Total customers (thousands)	**9 485**	9 417	1	9 442
Active transactional customers (thousands)	**5 998**	5 770	4	5 874
Product Holding per customer (average number)	**2.76**	2.72	1	2.70
Absa rewards membership base (thousands)	**2 364**	1 688	40	2 044
Customer Experience index (out of 150)	**111**	110	1	112
Digital Adoption				
Digitally active customers (thousands)	**3 417**	3 037	13	3 216
Number of App Downloads (thousands)*	**1 066**	803	33	1 100
Digital Engagement and Usage				
Total mobile logins (millions)*	**347.7**	290.0	20	631.7
Physical footprint				
Point of presence (including number of branches and sales centres)	**558**	551	1	556
Sales and Service branches	**122**	99	23	112
Number of ATMs and cash devices	**5 133**	5 175	(1)	5 138
Branch network floor space (000sqm)	**281.9**	288.8	(2)	285.5

* This includes PPB and BB.

A key strategic priority for the newly established Personal and Private Banking (PPB) cluster is the cultivation of a high-quality customer franchise. Although total customer numbers increased modestly by **1%** to **9.5m**, there is improvement to the quality of the franchise in key segments. This is evidenced by several key performance indicators:

- The active transactional customer base expanded by **4%** to reach **6m**. This reflects deliberate efforts to ensure early activation and sustained engagement among new customers. Continued growth in cross-sell ratios has supported enhanced customer value, underpinned by an increase in average product holding per customer, which rose to **2.76** (30 June 2024: 2.72).
- The number of digitally active customers grew by **13%** year-on-year, totalling **3.4m**. Customer engagement deepened substantially, as demonstrated by a marked increase in average monthly logins and a **29%** year-on-year rise in digital transaction volumes, which includes internal transactions as well as external payments. This growth was driven by a **50%** increase in the use of payment features and a **>100%** increase in PayShap users. Furthermore, the launch of Lifestyle Vouchers led to a tenfold increase in voucher volumes, contributing meaningfully to growth in non-interest income.
- Participation in the Absa integrated rewards programme saw substantial growth, with membership increasing by **40%** year-on-year to **2.4m** customers. Since the removal of the monthly membership fee in 2023, membership has grown by over **70%**. This expansion was largely facilitated by enhanced visibility on the app to encourage adoption, and by frontline staff consistently incorporating rewards discussions during customer origination and interactions. The Absa Rewards programme has been repositioned as a strategic lever to influence customer behaviour, rewarding customers not only for product holdings but also for transactional activity and digital engagement.
- Continued investment in customer data capabilities has resulted in the integration of over 3 billion data points into the bank's data asset, significantly enhancing personalisation and customer insights.
- The customer experience score improved to **111** (30 June 2024: 110), achieving a Shared Leadership position. This reflects the positive impact of targeted efforts to enhance service and engagement. Additionally, the bank maintained a consistently high Voice of Customer score, exceeding **90%**.

In parallel, the distribution network is undergoing transformation to support a future-fit operating model:

- The total number of points of presence increased slightly to **558** (30 June 2024:551). Notably, the number of sales and service branches grew by **23%**, enabling deeper customer engagement.
- Sales and service branches now constitute **22%** of the overall distribution network, up from **18%** in the previous reporting period. This reflects a strategic shift away from traditional cash-heavy branches, which declined by **4%**. This transition supports the evolution of the cash operating model, aimed at unlocking greater agility and cost efficiencies across the physical network.
- Despite the slight increase in the branch numbers, the overall real estate footprint was reduced by **2%** to **281,921** square metres, demonstrating progress in operational efficiency and the move towards a more agile, fit-for-purpose branch model. Furthermore, the ATM network was reduced by **1%** to **5 133** devices, as part the ongoing effort to optimise the network.

Business performance *continued*

Risk management overview

	30 June 2025			30 June 2024		
	Stage 1 Distribution %	**Stage 2 Distribution %**	**Stage 3 (NPL) Distribution %**	Stage 1 Distribution %	Stage 2 Distribution %	Stage 3 (NPL) Distribution %
Personal and Private Banking	**82.1**	**7.9**	**10.1**	80.2	9.5	10.3
Transactions and Deposits	**77.7**	**10.8**	**11.5**	70.3	19.3	10.4
Transactional Banking	**74.6**	**11.1**	**14.3**	60.4	24.0	15.5
Private Wealth Banking	**79.8**	**10.6**	**9.6**	78.1	15.7	6.3
Unsecured Lending	**74.4**	**9.4**	**16.2**	71.7	11.2	17.1
Personal Loans	**68.0**	**11.7**	**20.3**	64.3	14.1	21.6
Card	**77.1**	**8.4**	**14.5**	75.1	9.9	15.0
Home Loans	**84.3**	**6.3**	**9.4**	82.6	8.2	9.2
Vehicle and Asset Finance	**82.1**	**10.5**	**7.5**	80.8	10.8	8.4

Given the ongoing pressure on consumer finances, risk management efforts have remained focused on attracting high-quality, new-to-bank customers while also retaining existing clients. The most significant new business initiatives were implemented during the second half of 2023 and the first half of 2024, and these actions have led to improved new business performance, which is contributing to a reduction in loss rates and an improvement in the portfolio construct as seen in the increase in Stage 1 contribution across portfolios.

Collections strategies have continued to prioritise enhancements in pre-delinquency and payment strategies aimed at preventing accounts from falling into arrears. In parallel, tailored repayment and rehabilitation solutions have been offered to customers already in arrears. For cases where rehabilitation is not viable, particularly in the unsecured lending space, recovery efforts, including debt sales, have been actively pursued. Within the secured lending portfolios, which includes Home Loans and Vehicle Finance, asset recovery efforts have centred on assisted sales processes. These approaches have proven to be both faster and more effective, yielding higher recovery rates for both the customer and the bank. The impact of these initiatives is seen in the reduction in Stage 3 contribution across portfolios except for Private Wealth Banking and Home Loans. The increased NPL ratio in these portfolios is driven by the protracted legal recovery process, highlighting the importance of assisted sales processes which are faster and yield higher recovery rates.

Furthermore, the business has strengthened its fraud prevention capabilities through the deployment of advanced fraud detection mechanisms. These enhancements are specifically designed to mitigate risks associated with application fraud and digital banking threats, thereby safeguarding both customers and the business as the volume of online and mobile transactions continues to grow.

Financial performance

Personal and Private Banking delivered headline earnings growth of **23%** to **R3 168m** (30 June 2024: R2 578m). This performance was underpinned by a **1%** growth in overall revenue, a **4%** increase in non-interest revenue, and a **16%** reduction in credit impairments as pre-provision profits reduced by **3%** following slow topline growth. The Return on Regulatory Capital (RoRC) increased by **2.1%** to **14.8%** (30 June 2024: 12.7%), supported by earnings growth and a **6%** year-on-year increase in average equity.

Statement of financial position

	30 June		31 December
	2025	2024	2024
PPB Market share			
SA Retail Deposit market share (%)	**21.2**	21.1	21.3
SA Retail Advances market share (%)	**21.8**	22.3	22.0

Source: BA900, June 2025
June 2024 numbers have been restated.

Business performance *continued*

Customer Deposits increased by **7%** to **R363bn** (30 June 2024: R339bn), driven by strong growth in the Investment Deposits portfolio. This was supported by effective acquisition and retention strategies, targeted marketing, competitive pricing, and enhanced digital onboarding channels.

- Investment Deposits increased by **7%** to **R280bn** (30 June 2024: R262bn), reflecting continued customer confidence and a strategic focus on value-driven offerings.
- Transactional deposits increased by **3%** to **R56bn** (30 June 2024: 54bn), supported by the **4%** growth in the active transactional banking account base. This growth was underpinned by the launch of Ultimate Banking, which offers the most competitively priced solution in the market, in the core middle-market segment, alongside the introduction of new Value-Added Service (VAS) offerings tailored to customer needs.

Gross Loans and Advances to Customers increased by **2%** to **R551bn** (30 June 2024: R538bn). The modest growth reflects the impact of credit risk measures implemented across the portfolio, which prioritised lending to low-risk own customers, compounded by heightened competition in the market.

- Home Loans grew by **2%**, to **R324bn** (30 June 2024: R317bn) driven by a strategic shift towards low-risk own customers.
- Vehicle and Asset Finance (VAF) grew by **5%** reaching **R130bn** (30 June 2024: R124bn), reflecting recovery from reduced production in 2024 and stable back book performance. The business remains focused on driving improved returns and value creation.
- Unsecured Lending decreased by **1%** to **R85bn** (30 June 2024: R86bn), reflecting a deliberate strategic focus on enhancing credit quality rather than pursuing volume growth and within this, Personal Loans book declined by **7%,** while the Credit Card book grew modestly by **2%.**

Statement of comprehensive income

Net Interest Income decreased by **1%** to **R12 832m** (30 June 2024: R12 977m), reflecting modest loan growth of **2%** influenced by prudent risk management measures and intensified market competition. This performance includes lower growth from Unsecured Lending than Secured Lending and a deliberate pivot towards higher-quality own customer segments. Customer deposits increased by **7%**, which included a shift in composition, with increased volumes in investment deposits compared to transactional deposits. This change in the product mix contributed to margin compression resulting in a contraction of Net interest Margin (NIM) by **(– 11bps)** to **2.90%.**

- Net Interest Income on Loans and Advances decreased by **3%**, primarily due to lower book growth coupled with margin contraction in the Unsecured Lending portfolio. Personal Loans NIM declined by **(– 57bps)** to **12.22%** while Card NIM decreased by **(– 21bps)** to **8.44%**. The NII and NIM reductions reflect strategic downsizing of the loan book, changes in the customer book mix and a deliberate focus on onboarding higher-quality customers. In contrast, Secured Lending margins stabilised with Vehicle and Asset Finance NIM at **3.24%** (30 June 2024: 3.23%) and Home Loans NIM at **1.71%** (30 June 2024: 1.70%)**.** These gains were supported by a reduction in interest in suspense and benefits from funding costs, partially offset by competitive pressure on flow pricing.
- Net Interest Income on Deposits increased by **2%**, supported by overall deposit growth, however deposit margins contracted with deposit NIM declining by **(– 9bps)** to **1.86%**. Within this, Savings and Investments NIM fell by **(– 9bps)** to **0.95%,** reflecting a shift in product mix towards lower-margin products and an increase in depositor insurance costs year-on-year.

Non-Interest Income increased by **4%** to **R8 952m** (30 June 2024: R8 638m), driven by growth in Transactional Banking and Insurance South Africa, with net fee and commission income growth of **5%**, while net insurance income increased by **5%**.

- Transactional and Deposits non-interest income increased by **3%** to **R5 273m** (30 June 2024: R5 117m), supported by a **4%** expansion in the active transactional customer base and the launch of Ultimate Banking. This growth was further supported by digital revenue, which grew by **27%** year-on-year, driven by increased adoption of digital payments and new value-added services (VAS), however this growth was partially offset by the impact of the strategic shift from traditional banking channels to digital platforms.
- Unsecured Lending Income increased by **8%** to **R1 810m** (30 June 2024: R1 683m), driven by a **12%** increase in net fee and commission income, which reflects greater customer usage and growth in transactional fees, specifically in Card.
- Insurance SA increased by **3%** to **R1 223m** (30 June 2024: R1 190m), mainly from growth in Non-Life Insurance, which increased by **16%** driven by expansion in personal lines, underwriting management, and commercial books, alongside lower claims incurred. Life Insurance decreased by **2%**, mainly driven by lower business volumes from the Unsecured Lending business.

Business performance *continued*

	Credit impairment charge (Rm)				Credit loss ratio (%)		
	30 June		Change	31 December	30 June		31 December
	2025	2024	%	2024	**2025**	2024	2024
Personal and Private Banking	**(5 307)**	(6 298)	(16)	(10 289)	**1.93**	2.34	1.89
Transactions and Deposits	**(227)**	(419)	(46)	(692)	**2.71**	4.69	3.96
Transactional Banking	**(228)**	(380)	(40)	(572)	**8.07**	10.23	8.35
Private Wealth Banking	**1**	(39)	(103)	(120)	**(0.03)**	1.19	1.83
Unsecured Lending	**(3 289)**	(3 700)	(11)	(6 381)	**7.66**	8.69	7.43
Personal Loans	**(1 024)**	(1 292)	(21)	(2 018)	**8.12**	9.41	7.49
Card	**(2 265)**	(2 408)	(6)	(4 363)	**7.47**	8.34	7.40
Home Loans	**(747)**	(771)	(3)	(1 223)	**0.47**	0.49	0.39
Vehicle and Asset Finance	**(1 044)**	(1 408)	(26)	(1 994)	**1.66**	2.32	1.62

Credit impairments reduced by **16%** to **R5 307m** (30 June 2024: R6 298m), resulting in a **(– 41bps)** reduction in the Credit Loss Ratio (CLR) to **1.93%** (30 June 2024: 2.34%).

- VAF CLR improved by **(– 66bps)** to **1.66%**, supported by a strategic shift to new market entrants, enhanced collections, revised credit policies and exit from higher-risk segments.
- Unsecured Lending CLR improved by **(– 103bps)** to **7.66%,** supported by reduced early arrears following risk cutbacks, strengthened collections and late-stage portfolio sales. Personal Loans credit loss ratio reduced to **8.12%** (30 June 2024: 9.41%) and Card credit loss ratio reduced to **7.47%** (30 June 2024: 8.34%).
- Home Loans CLR was largely stable at **0.47%** (30 June 2024: 0.49%), with strong operational and collections trends in the pre-legal book, although the legal book continued to increase.

Operating expenses increased by **5%** to **R11 675m** (30 June 2024: R11 170m). This increase reflects inflation and continued investment in strategic initiatives, particularly in digital capabilities and technology. To enhance operational efficiency and ensure long-term sustainability, a disciplined approach to cost management was maintained. The productivity programme continued to mature, resulting in cost reductions through the optimisation of the branch network and workforce. Additionally, ongoing investments in new technologies, the use of Artificial Intelligence (AI), digitising the colleague environment and back-office processes are expected to yield further benefits through operational streamlining and automation. Despite these efforts, the combination of a contained cost position coupled with softer top-line growth led to an increase in the cost-to-income ratio, to **53.6%** (30 June 2024: 51.7%), reflecting negative JAWS of **4%**.

Looking ahead

In the second half of 2025, the newly formed PPB cluster will concentrate its efforts on several strategic priorities. These are aimed at driving customer growth, enhancing productivity and operational effectiveness, and reinforcing commitment to excellence. The PPB cluster will:

- Proactively drive growth through targeted customer strategies as the cluster transitions to a franchise and customer-led operating model. This involves a deliberate focus on understanding customer behaviours, preferences, and expectations to inform strategic decisions and service delivery.
- Develop advanced customer capabilities that serve as the foundation for PPB strategies. These capabilities are designed to enable precise monitoring of capital allocation and returns, ensuring that resources are deployed effectively and aligned with value creation objectives.
- Drive sustainable productivity through process automation and AI-driven workflows across customer service, collections, and transaction processing to boost speed and efficiency. The cluster is also optimising the end-to-end cash value chain and shifting towards high-efficiency, tech-enabled branches and ATMs, ensuring cost-effective coverage while maintaining inclusive, accessible service for key customer segments.

Transactions and Deposits

Financial performance

Overall, Transactions and Deposits headline earnings decreased by **2%** to **R1 492m** (30 June 2024: R1 526m). This performance reflects a **8%** decline in pre-provision profits, driven by slower topline growth partially offset by a **46%** reduction in credit impairments. As a result, RoRC decreased to **37.3%** (30 June 2024: 39.9%).

Customer deposits increased by **7%** to **R360bn** (30 June 2024: R336bn), underscoring the effectiveness of acquisition and retention initiatives. This growth was largely driven by targeted marketing efforts, competitive pricing strategies, and notable improvements in digital acquisition channels.

Customer advances increased by **2%** to **R11.8bn** (30 June 2024: R11.6bn), reflecting the impact of prudent credit risk strategies and prevailing market dynamics.

	30 June			31 December
	2025 Rm	2024 Rm	Change %	2024 Rm
Total income	**8 648**	8 593	1	17 579
Of which:				
Transactional	**6 106**	5 952	3	12 218
Savings and Investments	**1 439**	1 566	(8)	3 068
Advice and Investments	**542**	528	3	1 105
Private Wealth Banking	**381**	347	10	731

Net Interest Income decreased by **3%** to **R3 375m** (30 June 2024: R3 476m), primarily driven by margin compression reflecting a shift in the product mix towards lower-margin products and an increase in depositor insurance costs year-on-year. As a result, the Net Interest Margin (NIM) contracted by **(– 14bps)** to **1.99%**.

Non-Interest Income increased by **3%** to **R5 273m** (30 June 2024: R5 117m). This growth was primarily driven by the expansion of the customer base. A particularly noteworthy contributor to this performance was the **27%** rise in digital revenue from payments and value-added services (VAS). This was underpinned by a **57%** year-on-year increase in revenue from digital payment adoption, as well as a **10%** year-on-year increase in revenue from newly implemented value-added services (VAS).

Advice and Investments revenue increased marginally by **3%** to **R542m** (30 June 2024: R528m), driven by Absa Trust, which increased by **1%** year-on-year despite delays at the Master's office. Stockbroking and Portfolio Management (SPM) increased by **6%** year-on-year, supported by strong market valuations and trading activity.

Private Wealth Banking revenue increased by **10%** to **R381m** (30 June 2024: R347m). Net interest income increased by **11%**, supported by strong growth in deposit balances. Non-interest income increased by **7%**, driven by heightened activity levels, underpinned by increased volumes in both banking and non-banking transactions.

As a result, total revenue increased by **1%** to **R8 648m** (30 June 2024: R8 593m).

Transactional credit impairments decreased by **40%** to **R228m** (30 June 2024: R380m), supported by improved credit origination strategies and collections actions. The credit loss ratio improved by **2.16%** to **8.07%.** The credit impairment in the Private Wealth Banking portfolio has decreased to a release of **R1m** (30 June 2024: R39m). This reduction has contributed to an improved credit loss ratio of **-0.03%** (30 June 2024: 1.19%).

Unsecured Lending

Financial performance

Unsecured Lending headline earnings increased substantially to **R269m** (30 June 2024: R125m), mainly driven by a **11%** reduction in credit impairments as pre-provision profits reduced by **6%** following slow topline growth. As a result, RoRC increased to **6.2%** (30 June 2024: 2.9%).

Gross loans and advances to customers decreased by **1%** to **R85bn** (30 June 2024: R86bn), reflecting a strategic shift towards prioritising credit quality over volume growth. The Personal Loans book declined by **7%**, driven by a reduction in loan production of **8%** year-on-year, aligned with strategic risk management responses. The Credit Card book grew modestly by **2%** to **R60bn** (30 June 2024: R59bn), supported by higher utilisation and increased customer engagement, partially offset by reduced limit production reflecting credit risk adjustments.

Net interest income decreased by **3%** to **R4 709m** (30 June 2024: R4 872m), driven by a reduction in average balances and a **(- 41bps)** reduction in net interest margin, due to lower client margins from a shift in book mix to higher-quality customers.

Non-interest revenue grew by **8%** to **R1 810m** (30 June 2024: R1 683m), supported by higher usage and growth in account transactional fees. A reclassification of acquisition costs into operating expenses contributed 2% to this increase.

Credit impairment charges decreased by **11%**, reflecting slower loan growth and a reduction in early arrears. The credit loss ratio improved by **(- 103bps)** to **7.66%** (30 June 2024: 8.69%), supported by proactive risk management, enhanced collections strategies and late-stage portfolio sales. Non-performing loans decreased to **16.2%** (30 June 2024: 17.1%) and overall coverage reduced from 18.0% in 2024 to **16.6%** in 2025, in alignment with portfolio construct improvements following better quality bookings as well as non-performing loan book optimisation.

Key divisions in Unsecured Lending business unit:

Personal Loans

Salient features	30 June 2025	30 June 2024	Change %	31 December 2024
Net interest income (Rm)	**1 628**	1 844	(12)	3 575
Non-interest income (Rm)	**180**	208	(14)	399
Total income (Rm)	**1 807**	2 052	(12)	3 974
Headline earnings (Rm)	**(41)**	(41)	(1)	316
Gross loans and advances (Rm)	**24 884**	26 835	(7)	25 686
Net interest margin on average interest-bearing assets (%)	**12.22**	12.79		12.16
Credit loss ratio (%)	**8.12**	9.41		7.49
Cost-to-income ratio (%)	**44.33**	37.87		36.32
RoRC (%)	**(2.5)**	(2.4)		9.3

The segment split numbers have been restated, refer to the reporting changes overview in note 14.3.

Personal Loans headline loss of **R41m** was stable (30 June 2024: R41m), mainly reflecting a **21%** reduction in credit impairments as pre-provision profits reduced by **21%** following slow topline growth.

Net interest income decreased by **12%** to **R1 628m** (30 June 2024: R1 844m), due to strategic reductions in the loan book and margin compression from selective risk management. Non-interest revenue declined by **14%**, consistent with reduced lending activity.

Credit impairment charges reduced by **21%**, amounting to **R1 024m** (30 June 2024: R1 292m). This reduction was accompanied by an improvement in the credit loss ratio, which decreased to **8.12%** (30 June 2024: 9.41%). These improvements are attributable to the implementation of proactive credit risk management strategies and enhanced monitoring tools. Early-stage delinquency improved off the back of better risk quality bookings and in alignment with structural improvements, NPLs reduced to **20.3%** (30 June 2024: 21.6%) with portfolio coverage decreasing to **19.8%** (30 June 2024: 22.3%).

Unsecured Lending *continued*

Card

Salient features	30 June 2025	30 June 2024	Change %	31 December 2024
Net interest income (Rm)	**3 076**	3 022	2	6 141
Non-interest income (Rm)	**1 631**	1 468	11	3 070
Total income (Rm)	**4 707**	4 491	5	9 211
Headline earnings (Rm)	**316**	164	93	732
Gross loans and advances (Rm)	**60 144**	58 692	2	59 972
Net interest margin on average interest-bearing assets (%)	**8.44**	8.65		8.52
Credit loss ratio (%)	**7.47**	8.34		7.40
Cost-to-income ratio (%)	**39.84**	38.12		36.84
RoRC (%)	**11.7**	6.3		13.7

The segment split numbers have been restated, refer to the reporting changes overview in note 14.3.

Card headline earnings increased by **93%** to **R316m** (30 June 2024: R164m), benefitting from lower credit impairment charges of **6%** improvement year-on-year and modest growth of **2%** in pre-provision profits.

Net interest income increased by **2%** to **R3 076m** (30 June 2024: R3 022m). This growth is consistent with the expansion in gross customer advances. Non-interest revenue increased by **11%** to **R1 631m** (30 June 2024: R1 468m), underpinned by strong double-digit growth in net fee and commission income, which was driven by growth in account fees and increased usage. A reclassification of acquisition costs into operating expenses contributed **2%** to this increase.

The credit loss ratio improved by **(-87bps)** to **7.47%**, while credit impairment charges decreased by **6%** to **R2 265m** (30 June 2024: R2 408m). These improvements reflect the successful implementation of targeted risk management strategies aimed at mitigating portfolio risk. Delinquency constructs showed marginal improvement across the collections book, although this was offset by elevated levels in the legal book. Debt counselling balances have stabilised at elevated levels, indicative of continued financial pressure on consumers. Non-performing loans (NPL) decreased to **14.5%** (30 June 2024: 15.0%) and portfolio coverage decreased from 16.1% in 2024 to **15.3%** in 2025, in line with improvements in the portfolio constructs.

Home Loans

Financial performance

Home Loans headline earnings increased by **8%** to **R775m** (30 June 2024: R719m), driven by a **3%** reduction in credit impairments, with pre-provision profit increasing by **2%**, supported by moderate asset growth and margin stabilisation. As a result, RoRC is at **12.6%** (30 June 2024: 12.7%).

Customer loans and advances grew modestly by **2%** to **R324bn** (30 June 2024: R317bn), reflecting production value which has declined by **8%** year-on-year due to intensified market competition and a strategic shift towards higher-quality customer segments.

Total income increased by **3%**, underpinned by a **3%** increase in net interest income to **R2 740m** (30 June 2024: R2 651m). Margins stabilised to **1.71%** (30 June 2024: 1.70%), benefiting from reduced funding costs, although competitive pressure on flow pricing partially offset these gains. Non-interest income grew in line with the loan book.

The credit impairment charge declined to **R747m** (30 June 2024: R771m), resulting in a slightly lower credit loss ratio of **0.47%** (30 June 2024: 0.49%). This was largely driven by operational and collections initiatives that enhanced performance in the pre-legal book. However, pressure remains in the legal book, which continued to deteriorate in the first half of 2025, particularly in aged matters requiring higher coverage. The protracted legal process, combined with seasonal inflows into arrears and muted growth have resulted in an increase in the non-performing loans (NPL) ratio increasing to **9.4%** (30 June 2024: 9.2%), with NPL coverage rising to **32.7%** (30 June 2024: 30.1%). Total coverage also increased to **3.5%** (30 June 2024: 3.2%), primarily due to stage 3 exposures.

Vehicle and Asset Finance

Financial performance

Headline earnings increased by over **100%** to **R332m** (30 June 2024: R39m), primarily due to a **26%** reduction in credit impairments, as pre-provision profits reduced by **2%**, following slow topline growth. As a result, RoRC increased to **9.4%** (30 June 2024: 1.1%).

Gross loans and advances to customers increased by **5%**, reaching **R130bn** (30 June 2024: R124bn). Instalment sales grew by **3%**, supported by a marginal **2.8%** increase in production year-on-year, with volume growth supported by market recovery, with a **5.9%** increase year-on-year in the number of vehicles financed by individuals for the period ending May 2025, despite lower ticket sizes (Experian) and a stable back book run-off following lower production in 2024. Wholesale finance demonstrated robust growth, driven by increased utilisation, the onboarding of new OEMs, and the extension of new facilities. The entry of new original equipment manufacturers (OEMs) and a heightened consumer focus on affordability have resulted in subdued growth in average ticket values.

Total income increased by **2%** to **R2 413m** (30 June 2024: R2 374m). Net interest income also increased by **2%**, supported by modest growth in the instalment sale balance sheet and a reduction in interest in suspense due to lower non-performing loan (NPL) growth. Margins stabilised to **3.24%** (30 June 2024: 3.23%), with continued improvement in flow margins, driven by a strategic shift towards value creation and profitability in Q4 2024, partially offset by competitive pressure on flow pricing. Non-interest income remained stable, reflecting subdued volumes in administrative fees and bancassurance income.

The credit loss ratio improved to **1.66%** (30 June 2024: 2.32%), with the credit impairment charge decreasing to **R1 044m** (30 June 2024: R1 408m). This improvement was largely driven by enhanced collections effectiveness, which reduced the flow of accounts into advanced delinquency stages, as well as the impact of revised credit policies and the exit from higher-risk segments in prior years. The debt review delinquency profile also improved, contributing to a reduction in the NPL ratio to **7.5%** (30 June 2024: 8.4%). Total coverage remained resilient at **5.8%** (30 June 2024: 5.9%), with NPL coverage increasing to **56.9%** (30 June 2024: 47.7%) due to account ageing in Legal.

Insurance SA

Salient features	30 June 2025	30 June 2024	Change %	31 December 2024
Total income (Rm)	**1 223**	1 193	3	2 602
Headline earnings (Rm)	**614**	546	12	1 252
ROE (%)	**21.4**	20.9		23.7

Financial Performance

Insurance SA headline earnings increased by **12%** to **R614m** (30 June 2024: R546m). Within this, Non-Life earnings increased by **25%** to **R179m** (30 June 2024: R143m) and Life increased by **5%** to **R440m** (30 June 2024: R419m). Although overall new business volumes were impacted by reduced activity in Unsecured Lending and, to a lesser extent, in Secured Lending, the business demonstrated resilience through improved strike rates. These improvements and the growth in associate earnings from partnerships helped to mitigate the effects of lower volumes, supporting the overall earnings growth.

Insurance SA *continued*

Key divisions in Insurance SA business unit:

Life

Salient features	30 June 2025	30 June 2024	Change %	31 December 2024
Gross new business CSM (Rm)	**822**	745	10	1 509
Net premiums (Rm)	**2 472**	2 353	5	4 736
Insurance revenue (Rm)	**2 581**	2 490	4	5 088
Insurance service expense (Rm)	**(2 090)**	(2 051)	2	(3 966)
Profit for the period (Rm)	**440**	419	5	957
Gross CSM balance (Rm)	**8 476**	8 987	(6)	8 670
ROE (%)	**43.1**	59.8		60.2

Financial performance

Profit for the period increased by **5%** to **R440m** (30 June 2024: R419m), primarily due to higher Contractual Service Margin (CSM) and Risk Adjustment (RA) releases, improved investment returns, stronger group life and embedded product revenue, and reduced losses on onerous new business contracts, reflecting improved profitability margins. These gains were partially offset by increased insurance service expenses driven by higher expenses, losses on onerous contracts and reduced impact from interest rate unwind on best estimate liability and CSM balances.

Insurance revenue increased by **4%** to **R2 581m** (30 June 2024: R2 490m), supported by higher CSM and Risk Adjustment (RA) releases. The gross contractual service margin (CSM) balance declined 6% year on year mainly due to the unfavourable impact of modelling and assumption changes implemented and negative experience variances which were only partially offset by the growth in new business CSM added and the interest rate unwind. New business CSM increased by **10%**, driven by digital and fully underwritten products partially offset by reduced credit life and funeral sales resulting from economic strain on customers; net premium income increased by **5%** driven by the same drivers.

Insurance service expenses rose by **2%** year-on-year, reflecting higher expenses and onerous losses on the in-force book due to assumption changes implemented in Q2 2025. These were partially offset by a reduction in retrospective reserves. Net insurance claims increased by **22%**, driven by higher retrenchment and disability claims.

Non-Life

Salient features	30 June 2025	30 June 2024	Change %	31 December 2024
Gross Written Premium (Rm)	**1 989**	1 918	4	3 994
Insurance revenue (Rm)	**2 017**	1 940	4	3 986
Insurance service expense (Rm)	**(1 591)**	(1 619)	(2)	(3 274)
Insurance service result (Rm)	**341**	267	28	577
Profit for the period (Rm)	**179**	143	25	306
Underwriting margin (%)	**6.5**	4.2		4.7
ROE (%)	**19.3**	16.8		17.4

Financial performance

The business achieved an underwriting margin of **6.5%** (30 June 2024: 4.2%), primarily due to improved claims performance. This margin expansion led to a **25%** increase in profit for the period, reaching **R179m** (30 June 2024: R143m). The business has prioritised sustainable growth in underwriting margin over the last two years, partially impacting gross written premium growth.

The insurance service result increased by **28%** to **R341m** (30 June 2024: R267m), driven by growth in the personal lines intermediated book, underwriting management agency (UMA), and commercial books, alongside continued improvement in claims incurred. Improvements in claims were attributed to ongoing management actions initiated in H2 2023, including enhanced risk selection and underwriting processes, and a notable reduction in weather-related claims compared to the prior year.

Personal and Private Banking
for the reporting period ended

Insurance SA *continued*

	Life				Non-Life			
	30 June		Change	31 December	30 June		Change	31 December
	2025	2024	%	2024	**2025**	2024	%	2024
Statement of comprehensive income (Rm)								
Insurance revenue	**2 581**	2 490	4	5 088	**2 017**	1 940	4	3 986
Insurance service expenses	**(2 090)**	(2 051)	2	(3 966)	**(1 591)**	(1 619)	(2)	(3 274)
Net income/(expenses) from reinsurance contracts	**(59)**	39	<(100)	(107)	**(85)**	(54)	57	(135)
Insurance Service Result	**432**	478	(10)	1 015	**341**	267	28	577
Net finance income/(expenses) from insurance contracts	**(53)**	17	<(100)	(32)	**–**	–	–	–
Net finance income/(expenses) from reinsurance contracts	**(18)**	(16)	13	(30)	**–**	–	–	–
Investment income	**1 094**	674	62	1 627	**128**	118	8	260
Policyholder insurance contracts	**163**	76	>100	249	**33**	39	(15)	77
Policyholder investment contracts	**876**	523	67	1 233	**–**	–	–	–
Shareholder funds	**55**	75	(27)	145	**95**	79	20	183
Changes in Investment contract liabilities	**(788)**	(465)	69	(1 083)	**–**	–	–	–
Policyholder investment contracts liabilities	**(788)**	(465)	69	(1 083)	**–**	–	–	–
Other income	**54**	44	23	92	**15**	34	(56)	63
Gross operating income	**721**	732	(2)	1 589	**484**	419	16	900
Share of post-tax results of associates and joint ventures	**–**	–	–	–	**–**	–	–	–
Other operating expenses	**(93)**	(128)	(27)	(248)	**(238)**	(221)	8	(466)
Net operating income	**628**	604	4	1 341	**246**	198	24	434
Taxation expense	**(188)**	(185)	2	(384)	**(67)**	(55)	22	(128)
Profit for the period	**440**	419	5	957	**179**	143	25	306
Other comprehensive income	**241**	99	>100	198	**-**	–	-	–
Total comprehensive income for the reporting period	**681**	518	31	1 155	**179**	143	25	306
Note (Rm)								
Investment income								
Policyholder investment contracts	**876**	523	67	1 233	**–**	–	–	–
Net interest income	**397**	500	(21)	870	**–**	–	–	–
Dividend income	**44**	75	(41)	122	**–**	–	–	–
Fair value gains/(losses)	**435**	(52)	>100	241	**–**	–	–	–
Policyholder insurance contracts	**163**	76	>100	249	**33**	39	(15)	77
Net interest income	**101**	53	91	151	**33**	39	(15)	77
Dividend income	**3**	7	(57)	11	**–**	–	–	–
Fair value gains/(losses)	**59**	16	>100	87	**–**	–	–	–
Shareholder funds	**55**	75	(27)	145	**95**	79	20	183
Net interest income	**46**	71	(35)	118	**85**	79	8	169
Dividend income	**–**	–	–	–	**–**	–	–	–
Fair value gains/(losses)	**9**	4	>100	27	**9**	–	100	14
Total	**1 094**	674	62	1 627	**128**	118	8	260
Net interest income	**544**	624	(13)	1 139	**118**	118	–	246
Dividend income	**47**	82	(43)	133	**–**	–	–	–
Fair value gains/(losses)	**503**	(32)	>100	355	**10**	–	100	14

Personal and Private Banking
for the reporting period ended

Insurance SA *continued*

	Insurance HO				Insurance SA			
	30 June		Change	31 December	30 June		Change	31 December
	2025	2024	%	2024	**2025**	2024	%	2024
Statement of comprehensive income (Rm)								
Insurance revenue	**(117)**	(115)	2	(225)	**4 481**	4 315	4	8 849
Insurance service expenses	**54**	55	(2)	110	**(3 627)**	(3 615)	(0)	(7 130)
Net income/(expenses) from reinsurance contracts	**51**	59	(14)	119	**(93)**	44	<(100)	(123)
Insurance Service Result	**(12)**	(1)	>100	4	**761**	744	2	1 596
Net finance income/(expenses) from insurance contracts	**(5)**	(12)	(58)	(11)	**(58)**	5	<(100)	(43)
Net finance income/(expenses) from reinsurance contracts	**12**	12	–	25	**(6)**	(4)	50	(5)
Investment income	**14**	29	(52)	67	**1 236**	821	51	1 954
Policyholder insurance contracts	**–**	–	–	–	**196**	115	70	326
Policyholder investment contracts	**(6)**	–	100	(14)	**870**	523	66	1 219
Shareholder funds	**20**	29	(31)	81	**170**	183	(7)	409
Changes in Investment contract liabilities	**–**	–	–	–	**(788)**	(465)	69	(1 083)
Policyholder investment contracts liabilities	**–**	–	–	–	**(788)**	(465)	69	(1 083)
Other income	**9**	14	(36)	28	**78**	92	(15)	183
Gross operating income	**18**	42	(57)	113	**1 223**	1 193	3	2 602
Share of post-tax results of associates and joint ventures	**73**	44	66	85	**73**	44	66	85
Other operating expenses	**(141)**	(124)	14	(247)	**(472)**	(473)	0	(961)
Net operating income	**(50)**	(38)	32	(49)	**824**	764	8	1 726
Taxation expense	**45**	22	>100	38	**(210)**	(218)	(4)	(474)
Profit for the period	**(5)**	(16)	(69)	(11)	**614**	546	12	1 252
Other comprehensive income	**–**	–	–	–	**241**	99	>100	198
Total comprehensive income for the reporting period	**(5)**	(16)	(69)	(11)	**855**	645	33	1 450
Note (Rm)								
Investment income								
Policyholder investment contracts	**(6)**	–	100	(14)	**870**	523	66	1 219
Net interest income	**(6)**	–	100	(14)	**391**	500	(22)	856
Dividend income	**–**	–	–	–	**44**	75	(41)	122
Fair value gains/(losses)	**–**	–	–	–	**435**	(52)	>100	241
Policyholder insurance contracts	**–**	–	–	–	**196**	115	70	326
Net interest income	**–**	–	–	–	**134**	92	46	228
Dividend income	**–**	–	–	–	**3**	7	(57)	11
Fair value gains/(losses)	**–**	–	–	–	**59**	16	>100	87
Shareholder funds	**20**	29	(31)	81	**170**	183	(7)	409
Net interest income	**20**	29	(31)	48	**151**	179	(16)	335
Dividend income	**–**	–	–	–	**–**	–	–	–
Fair value gains/(losses)	**–**	–	–	33	**19**	4	>100	74
Total	**14**	29	(52)	67	**1 236**	821	51	1 954
Net interest income	**14**	29	(52)	34	**676**	771	(12)	1 419
Dividend income	**–**	–	–	–	**47**	82	(43)	133
Fair value gains/(losses)	**–**	–	–	33	**513**	(32)	>100	402

Insurance SA *continued*

	Insurance SA			
	30 June			31 December
	2025	2024	Change %	2024
Statement of financial position (Rm)				
Assets				
Financial assets backing investment and insurance liabilities				
Policyholder investment contracts	**25 291**	22 309	13	23 654
Cash balances and loans and advances to banks	**289**	561	(48)	284
Investment securities	**25 002**	21 748	15	23 370
Policyholder insurance contracts	**4 922**	4 678	5	4 958
Cash balances and loans and advances to banks	**836**	720	16	853
Investment securities	**3 070**	3 294	(7)	3 313
Insurance contract assets	**1 016**	664	53	792
Reinsurance assets	**485**	533	(9)	503
Shareholder funds	**3 863**	3 252	19	3 461
Cash balances and loans and advances to banks	**983**	1 045	(6)	1 155
Investment securities	**2 880**	2 207	30	2 306
Other assets	**1 105**	1 412	(22)	1 445
Investment in associates	**829**	753	10	818
Deferred tax asset	**107**	37	>100	71
Total assets	**36 602**	32 974	11	34 910
Liabilities				
Liabilities under investment contracts	**25 219**	22 236	13	23 547
Insurance contracts liabilities	**4 037**	4 169	(3)	4 071
Reinsurance contracts liabilities	**150**	22	>100	158
Other liabilities	**1 405**	1 580	(11)	1 613
Other liabilities	**1 365**	1 526	(11)	1 526
Other liabilities relating to investment contracts	**40**	54	(26)	87
Deferred tax liabilities	**24**	15	60	73
Total liabilities	**30 835**	28 022	10	29 462
Equity				
Capital and reserves	**5 767**	4 952	16	5 448
Total equity	**5 767**	4 952	16	5 448
Total liabilities and equity	**36 602**	32 974	11	34 910

Business Banking

for the reporting period ended

The Business Banking Cluster's headline earnings decreased by **12%** to **R1 712m** (30 June 2024: R1 936m), with a pre-provision profit decline of **7%** and an increase in impairment charges of **23%** largely driven by a single name default.

Key performance indicators for the period include the following:

Deposits balances grew by **8%**, reflecting a growth of 9% on transactional products and 8% growth on savings and investments products.

Gross loans and advances balances grew by **4%**, reflecting solid growth in commercial property finance (CPF) (up 8%) and working capital (up 5%).

Net interest income growth of **1%** was low and negatively impacted by higher interest in suspense and margin compression on deposits and advances.

Non-interest income reduced by **3%**, reflecting a change in the classification of cash processing costs and lower cash volumes, partially offset by good momentum in payments acceptance.

Returns decreased to **19.1%** from 22.1%, driven by a decline in headline earnings, partially offset by capital optimisation initiatives.

Credit loss ratio increased from 0.54% to **0.64%** in 2025, which is above the through-the-cycle range of 40–60bps.

Cost-to-income ratio increased from 56.7% to **59.5%** in 2025, primarily due to flat revenue growth.

	30 June			31 December
Salient features	2025	2024	Change %	2024
Income (Rm)	**7 528**	7 533	(0)	15 364
Pre-provision profit (Rm)	**3 048**	3 262	(7)	6 653
Headline earnings (Rm)	**1 712**	1 936	(12)	4 067
Credit loss ratio (%)	**0.64**	0.54		0.43
Cost-to-income ratio (%)	**59.5**	56.7		56.7
RoRWA (%)	**2.39**	2.75		2.85
RoA (%)	**1.13**	1.36		1.37
RoA net of internal balances (%)	**2.06**	2.41		2.49
RoRC (%)	**19.1**	22.1		22.9

The segment split numbers have been restated, refer to the reporting changes overview in note 14.3.

Business profile

On 5 December 2024, the Absa Group announced the integration of Product Solutions Cluster, Everyday Banking, and Private Wealth Banking (previously part of Relationship Banking) into a single business unit – Personal and Private Banking (PPB).

The strategic rationale of PPB is to evolve into a customer-led and holistically integrated retail operating model. This transformation aims to enhance customer experience by aligning services and operations more closely with client needs and expectations. In support of this strategic shift, a new PPB leadership team and operating model were formally announced on 2 June 2025. This marks a significant milestone in the cluster's journey to enhance its focus on delivering integrated solutions through market-leading experiences to the customer.

In addition, Relationship Banking was renamed Business Banking, emphasising its focus on serving SME and Commercial clients.

The resultant impact of this integration and other changes as outlined in note 14.3 of the reported restructure was a reduction in the returns for the period ended 30 June 2024 from 23.5% to **22.1%**, reflecting the negative impact of business portfolio changes (0.6%) and revised capital allocations (1.9%), partially offset by the transfer of the Wealth Banking segment and some Private Banking costs to PPB (1.1%).

Business Banking consists of business units and associated products where a designated client relationship exists. The business provides customers with a single relationship manager, supported by a team of specialists, rather than multiple touchpoints within the Group.

Business Banking
for the reporting period ended

The business comprises two customer segments:

- **Small and Medium Enterprises (SMEs)** which comprise of business customers with an annual turnover of up to R50m. These clients are serviced using a differentiated approach that accounts for clients' scale and complexity to enhance sector-led value propositions and client service model aligned with their needs. Micro-sized clients are primarily serviced through a combination of digital and virtual channels. Small and medium-sized clients are serviced though a relationship-based model that incorporates branch-based staff and is supported by digital platforms and virtual channels.
- **Commercial Segment** which comprises business customers with an annual turnover above R50m and before being classified as large corporates. These customers are serviced using a relationship-based model, where dedicated sales and service teams provide customised solutions and is supported by digital platforms.

The business focuses on seven primary sectors, namely Agriculture, Public Sector, Wholesale Retail and Franchise, Manufacturing, Transport and Logistics, Renewable Energy and Tourism.

Customers are served with a variety of products, comprising:

- **Business Banking Services:**
  - **General Business Solutions** consisting of transactional banking, savings and investments, foreign exchange and international banking solutions
  - **Payments** consisting of payment acceptance (merchant acquiring), cash management, and commercial issuing. These areas also service the Corporate and Investment Banking segment
  - **Lending Products** consisting of commercial asset finance, commercial property finance, term lending, fleet card, working capital solutions and Absa vehicle management services
  - **Islamic Banking** offering various Shari'ah-compliant banking solutions across the Absa Group

Business performance

The Business Banking Cluster's financial performance delivered a decrease in headline earnings year-on-year in a challenging environment. The business continued to deliver against strategic objectives, demonstrated by the following achievements:

- Maintained a market-leading position in the agricultural sector and gained momentum in the diversification of the Commercial segment with increasing growth in other focus sectors.
- Further strengthening the foundation in scaling the SME segment with a strong focus on the right quality of clients over quantity.
- Client relationships as a primary partner were deepened, reflected in the 2% growth in active customer numbers.
- Continued acceleration of payments modernisation with card acquiring turnover growth of 7%.
- Investments in digital capabilities have yielded positive results, reflected in the 4% growth in digitally active clients. This was facilitated by the launch of several new digital value-added services and products on the app and website.
- Continued focus on delivering on BB's ESG agenda with renewables finance growing year-on-year and accelerated growth in the Youth and Women value propositions.
- Production momentum in the lending products was driven by low credit demand in the market:
  - Commercial Property Finance production growing by 32%
  - Term lending declining by 10%
  - Commercial Asset Finance market share was maintained at 25% despite production declining by 3%.

The following accolades were received during the year:

- Winner of the Most Innovative Commercial Bank South Africa at the 2025 International Finance Awards
- Winner of the Most Innovative SME Bank South Africa at the 2025 International Finance Awards
- Winner of the Best Shari'ah Compliant Banking Solutions Provider at the 2025 International Finance Awards
- Winner of Excellence in Digital Banking and Innovation 2025 by the World Business Outlook Awards
- Winner of Africa's Best Digital Bank for SMEs 2025 by Euromoney
- Winner of South Africa's Best Bank for SMEs 2025 by Euromoney for the second year in a row
- Winner of South Africa's Best Bank for ESG 2025 by Euromoney (jointly awarded with CIB)
- Winner of the Best New SME Product of the Year – Overall, at the Global SME Banking Innovation Awards 2025 by Digital Banker

Financial performance

Headline earnings decreased by **12%** to **R1 712m** (30 June 2024: R1 936m), driven by pre-provision profit decline of **7%** to **R3 048m** (30 June 2024: R3 262m) and a **23%** increase in impairment charges.

Gross loans and advances to customers continued to show growth of **4%** to **R158bn** (30 June 2024: R151bn), reflecting an 8% growth in Commercial Property Finance, 5% growth in working capital, 4% growth in Commercial Asset Finance, and 2% growth in term loans. In the focus sectors, the Manufacturing sector reported double digit growth of 12% while Transport and Logistics grew by 6% which was faster than Agriculture growth of 4%. Loans in the Commercial segment grew by 4% and SME by 2%.

Deposits due to customers increased by **8%** to **R235bn** (30 June 2024: R217bn), reflecting a 9% growth in transactional deposits and 8% growth in investments deposits. In the focus sectors, Wholesale Retail and Franchise reported double digit growth of 14%, Transport and Logistics (up 17%) and Agriculture (up 13%), partially offset by a slight decline in public sector balances. Deposits in the Commercial and SME segments both grew by 8%.

Net interest income grew by **1%** to **R5 276m** (30 June 2024: R5 218m) attributed to:

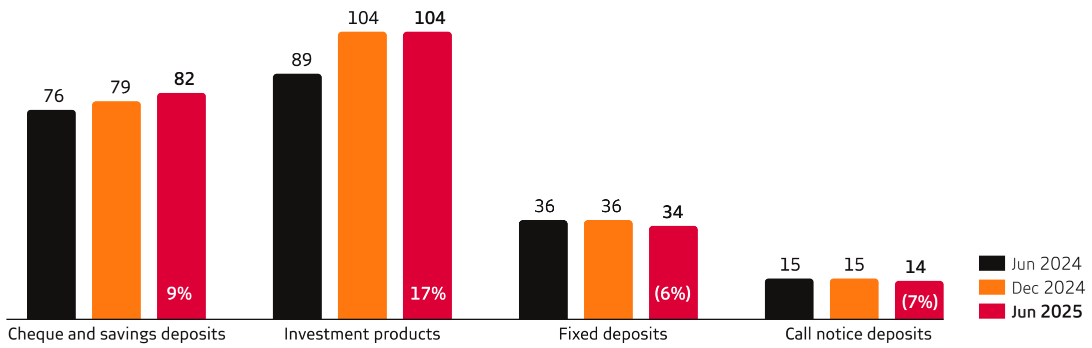
- Net interest income on advances decreased by **2%**, driven by higher interest in suspense due to single name flows into stage 3 and pressure on CAF margins offsetting growth in average balances of 5%. The improvement in the NPL ratio was driven by write-offs.
- Net interest income on deposits grew by **4%**, driven by average balance sheet growth of 8%. Margins on deposits declined slightly due to faster growth in lower-margin savings and investment products (up 9%).

Non-interest income was down **3%** and included the impact of a change in classification of certain cash processing costs. Underlying non-interest income grew by 2% driven by continued momentum in acquiring (up 9%), partially offset by lower cash revenues (down 2%) and a decrease in transactional revenue of 2%. The growth in acquiring was on the back of turnover growth (up 7%) mainly in third parties (up 17%), Corporate (up 6%), SME (up 2%) and Commercial largely flat. The reduction in cash volumes was mainly in the Commercial and Corporate segments.

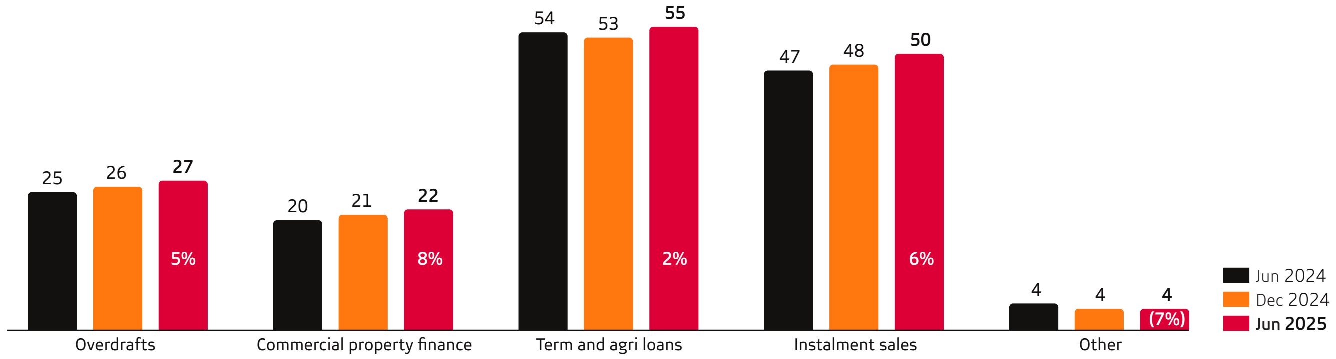
Impairment charges increased by **23%** to **R0.49bn** (30 June 2024: R0.4bn), with a CLR of **0.64%**, slightly above the through-the-cycle range due to a single-name event. The portfolio remains resilient, with no notable stress concentrations.

Operating expenses increased by **5%** to **R4 480m** (30 June 2024: R4 271m) and included a change in the classification of certain cash processing costs and operational losses. When excluding these once-off items, underlying cost growth remains at 5%.

Deposits (R'bn and change %)



Gross loans and advances (R'bn and change %)



Looking ahead

Heading into H2 2025, Business Banking is equipped with the appropriate strategy, with a focus on accelerating execution momentum to deliver enhanced shareholder returns. The key focus areas for the reminder of the year are:

- Continuing to maintain Business Banking's market leading position and expertise in the agricultural sector while accelerating growth in target sectors, which include wholesale, retail and franchise, transport and logistics, public sector, manufacturing, renewable energy and tourism.
- Continuing our focus on the SME segment to accelerate value generation by a combination of high-quality acquisitions, improved retention, customer experience, and higher cross-sell and primacy.
- Accelerating sustainable growth by embedding refined banking and beyond banking customer value propositions (CVPs) to accelerate the acquisition of quality new customers and increase customer profitability.
- Improving client experience and ease of doing business by accelerating delivery of digital capabilities and processes enhancements including launching end-to-end digital onboarding and multi-product onboarding in SME.
- Growing non-interest revenue by focusing on transactional primacy, pricing optimisation and payments modernisation
- Driving operational excellence through productivity, efficiency and capital optimisation initiatives.

Absa Regional Operations-Retail and Business Banking

for the reporting period ended

ARO RBB (Banking and Insurance operations) **Headline earnings** increased by **35%** (CCY: 28%) to **R1 092m** (30 June 2024: R810m), driven by strong growth in the Banking operations of **42%** (CCY: 36%) partially offset by a decrease in headline earnings from the Insurance operations due to the sale of three of the five Insurance entities.

Total income grew by **13%** (CCY: 12%) to **R9 642m** driven by a 15% growth in transactionally active customers resulting in a 15% CCY growth in deposits, and a 15% CCY growth in fees and commissions.

Return on Regulatory Capital (RoRC) increased to **14.5%** (30 June 2024: 12.2%) driven by banking operations which improved RoRC to **15.6%** (30 June 2024: 12.7%).

Credit loss ratio marginally increased to **1.69%** (30 June 2024: 1.61%) remaining below the through-the-cycle range.

Cost-to-income ratio improved to **63.4%** (30 June 2024: 65.6%) underpinned by positive JAWS of 4% from improved efficiency and revenue growth.

Loans and advances to customers grew by **9%** (CCY: 8%) to **R90.9bn**, supported by growth in mortgages (CCY: 27%), card lending (CCY: 29%) and mobile lending (CCY: 33%).

Deposits due to customers grew by **17%** (CCY: 15%) to **R149.8bn** supported by growth in transactional deposits (CCY: 17%) and investment products (CCY: 10%).

Total active customers increased by **12%** to **2.8m** supported by a focus on improving customers' experience and delivering enhanced customer value propositions.

	30 June				31 December
Salient features	**2025**	2024	Change %	CCY %	2024
Income (Rm)	**9 642**	8 530	13	12	17 447
Pre-provision profit (Rm)	**3 527**	2 935	20	19	6 016
Headline earnings (Rm)	**1 092**	810	35	28	1 615
Credit loss ratio (%)	**1.69**	1.61			1.81
Cost-to-income ratio (%)	**63.4**	65.6			65.5
RoRWA (%)	**1.75**	1.48			1.42
RoA (%)	**1.30**	1.08			1.02
RoA net of internal balances (%)	**1.91**	1.56			1.50
RoRC (%)	**14.5**	12.2			11.8

Business profile

ARO RBB comprises **Banking operations** through its Retail and Business Banking businesses, through which a comprehensive suite of products and services for individuals, small and medium enterprises and commercial customers are offered to clients through ten banking entities in nine African markets. Various solutions are provided to meet customers' transactional, borrowing, savings, protection and investment needs. This is facilitated through branch, self-service, agency banking and digital channels supported by a relationship-based model with a well-defined coverage structure built on specific customer value propositions.

The sale of three of the five ARO **Insurance entities** was concluded during the first half of 2025. The assets and liabilities relating to the two remaining ARO Insurance subsidiaries were classified as non-current assets and liabilities held for sale in accordance with IFRS 5 requirements.

Banking operations

Key business areas

- **Retail banking** offers day-to-day banking services to individual customers by providing a comprehensive suite of lending, transactional and deposit, cards and payments products across various segments. Key segments serviced include:
  - **Premier banking** represents the affluent retail segment in each ARO presence market. Customers are offered exclusive banking services with tailor-made solutions through dedicated relationship managers.
  - **Prestige banking** represents the emerging affluent retail segment in each market. Customers are serviced through dedicated banking teams, underpinned by appropriate, affordable products and solutions in keeping with customer's aspirations and needs.

  - **Personal banking** represents the middle-market segment. Customers have access to direct channels including the branch network and are offered convenient and relevant products and services.
  - **Inclusive banking** provides access to the financial system and, where appropriate, finance to traditionally under-banked and unbanked segments. This segment is serviced primarily through digital channels.
- **Business banking** opportunities have been identified as an important segment as it contributes significantly to job creation and national economic development in the ARO presence markets. Clients are serviced through direct coverage and relationship-based models with customised solutions. Key segments include:
  - **Small and medium enterprise (SME) banking** serviced using a direct coverage model with a predominantly branch-based interface.
  - **Commercial banking** includes enterprises serviced through a relationship-based model, with dedicated sales and service teams that provide tailored banking solutions such as trade finance, asset finance and working capital facilities.

The commercial and SME segments include a focus on agriculture, wholesale and retail, construction, manufacturing, transport and logistics, and franchising sectors.

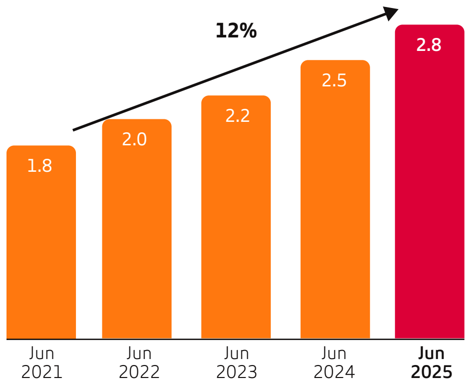
Business performance

Strategic priorities are directed at increasing market share in target segments while improving returns by delivering product and service propositions crafted to meet clients' needs in a digital-first manner wherever possible.

The business saw positive underlying growth in revenue, headline earnings, non-interest revenue and customer numbers, despite various market shifts and challenges in the operating environment in the first half of 2025. This was made possible through deliberate focus on executing on strategic initiatives to enhance the customer experience in target segments. This included:

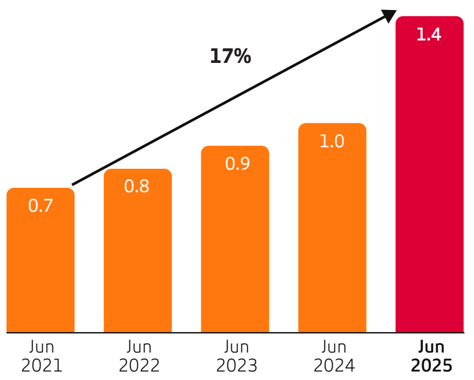
- The launch of a new Wealth Proposition and investment products in two markets to serve this segment.
- Client-centric affluent value propositions through the continued roll-out of the exclusive Visa Infinite and Visa Signature cards across markets, with the introduction of metal cards in key geographies being a first-to-market offering. This supported a 32% increase in new debit cards.
- Improving the onboarding lead time by upgrading digital platforms which resulted in an 8% increase in customers onboarded digitally.
- Expanding cross-border transactions for Absa and non-Absa customers as part of our borderless banking mission through global remittance partnerships to send money into any bank account and participating wallets in the country.
- As part of the channel optimisation strategy, we have extended agency banking footprint in seven markets through a hybrid approach leveraging partners and third-party agents to grow physical presence without extensive investment in branches.
- Launch of a business Commercial Credit Card with Visa Spend Clarity "Plus" feature, which supports the customers cash flow management with dynamic spend controls, a first for Visa Issuer Banks in Sub-Saharan Africa, contributing to a 19% growth in credit card accounts.
- Active customers increased by **12%** to **2.8m** (30 June 2024: 2.5m) driven by customer-focused engagements to drive usage, re-activation campaigns, and comprehensive new-to-bank customer growth initiatives contributing to a 15% growth in new-to-bank transactional customers.

Active customers growth trend (CAGR)



- Digitally active customers increased by **32%** to **1.4m** (30 June 2024: 1.0m) driven by increased channel usage campaigns and commercialisation of digital platforms in line with the business strategy to become a digitally led bank.

Digitally active customers growth trend (CAGR)



Absa Regional Operations–Retail and Business Banking
for the reporting period ended

- We continued to drive the sustainability agenda, with a strong focus on financial inclusion:
  - Expanding access to banking services for unbanked and under-banked segments by leveraging partnerships with other Pan-African players, resulting in increased mobile loan disbursements of **20%** to **R4.5bn** (30 June 2024: R3.8bn).
  - Broadening access to finance for SMEs by disbursing R1.7bn in gross loans to SME customers. We also supported SME customers through targeted training programmes, international immersions, and the launch of a business management tool aimed at improving the customer's efficiency and long-term growth.
  - Women-in- Business offering is now available in seven markets offering mentorship programmes, skills development and financing to female entrepreneurs.
  - Promoting financial resilience through literacy initiatives. This includes skills training, digital economy insights, and access to technical and vocational artisan skills to improve financial capability and long-term resilience.

The following accolades were received during the year:

Absa Bank Botswana

- Best Agri Business Bank Botswana 2025 (Global Banking & Finance Awards)
- Best SME Bank Botswana 2025 (Global Banking & Finance Awards)

Absa Bank Ghana

- Best Retail Bank Ghana 2025 (Global Banking & Finance Awards)
- Best Trade Finance Bank Ghana 2025 (Global Banking & Finance Awards)
- Banking Customer Satisfaction & Happiness Ghana 2025 (Global Banking & Finance Awards)

Absa Bank Kenya

- Most Improved Bank in Customer Experience (Kenya Bankers Association Customer Satisfaction Survey)
- Best Bank in Islamic Banking – Winner (Think Business Awards 2025)

Absa Bank Mauritius

- Best CSR Initiatives in Banking Industry and Best Sustainable Finance Bank (Global Economics Awards)
- Best Payments Platform Initiative – Africa and Best Digital CX – Account Opening and Customer Onboarding – Mauritius (The Digital Banker)

Absa Bank Mozambique

- Best International Private Bank (Euromoney Awards)
- Bank of the Year (International Investors Awards)

NBC Tanzania

- Best Retail Banking App Tanzania 2025 (Global Banking & Finance Awards)

Absa Bank Seychelles

- Best Retail Bank Seychelles 2025 (Global Banking & Finance Awards)
- Best Digital Bank 2025 (Digital Banker Africa Awards)

Absa Bank Tanzania

- Outstanding Work in Supporting Women Access to Finance (Tanzania Women Industrial Awards)

Absa Bank Uganda

- Best CSR Bank Uganda 2025 (Global Banking & Finance Awards)

Absa Bank Zambia

- Best Agriculture Financing Bank Zambia 2025 (Global Banking & Finance Awards)
- Best Retail Bank Zambia 2025 (Global Banking & Finance Awards)

Salient features	30 June 2025	30 June 2024	Change %	CCY %	31 December 2024
Income (Rm)	**9 454**	8 304	14	13	16 974
Pre-provision profit (Rm)	**3 481**	2 852	22	21	5 828
Headline earnings (Rm)	**1 108**	782	42	36	1 518
Credit loss ratio (%)	**1.70**	1.63			1.84
Cost-to-income ratio (%)	**63.2**	65.7			65.7
RoRWA (%)	**1.77**	1.43			1.34
RoA (%)	**1.36**	1.08			1.00
RoRC (%)	**15.6**	12.7			11.9

Absa Regional Operations–Retail and Business Banking
for the reporting period ended

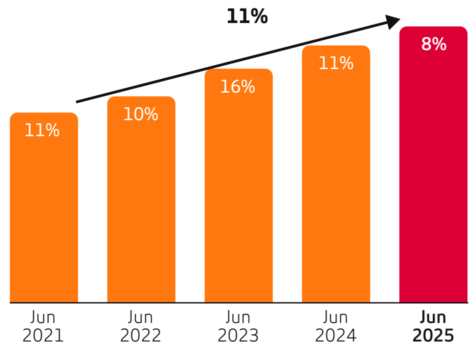
RoRC from Banking operations improved to **15.6%** (30 June 2024: 12.7%) driven by headline earnings growth of **42%** (CCY: 36%) to **R1 108m** (30 June 2024: R782m).

Total income grew by **14%** (CCY: 13%) to **R9 454m** attributed to:

- Net interest income (NII) grew by **15%** (CCY: 14%) to **R6 976m**, driven by deposit balance sheet growth across the markets as well as a 23bps net interest margin expansion supported by lower cost of funds and cash reserve requirements in some of the markets.
- Non-interest income (NIR) grew by **11%** (CCY: 11%) to **R2 477m**, mainly driven by growth in transactional fees and commissions (CCY: 15%). The growth in transactional fees and commissions was supported by a higher transactionally active client base, up 15%, while digitally active customers grew by 32%.

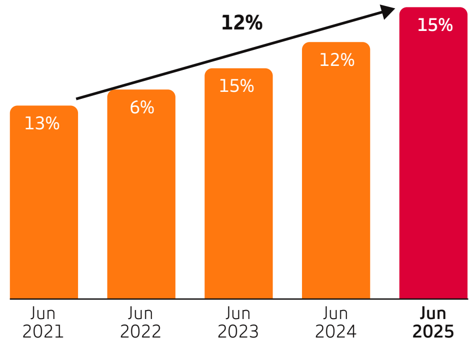
Loans and advances to customers increased by **9%** (CCY: 8%) to **R90.9bn**, driven by growth in mortgages (CCY: 27%), card lending (CCY: 29%), and mobile lending (CCY: 32%).

Loans and advances to customers trend (CCY) and growth %



Deposits due to customers increased by **17%** (CCY: 15%) to **R149.8bn**, driven by growth in transactional (CCY: 17%) and investment products (CCY: 10%).

Deposits due to customers trend (CCY) and growth %



Credit impairment charges increased by **15%** (CCY: 14%) to **R818m** (30 June 2024: R711m) driven by higher Retail impairments, partially offset by improved macros in some markets and higher collections in the Business Banking portfolio. The increased impairments resulted in a marginally higher credit loss ratio of **1.70%** (30 June 2024: 1.63%), however it is still below the through-the-cycle range. The NPL ratio improved to **8.0%** (30 June 2024: 8.3%), while the overall coverage ratio decreased marginally to **7.4%** (30 June 2024: 7.6%).

Operating expenses increased by **10%** (CCY: 9%) to **R5 973m**, largely driven by inflation, continued investment in people, and technology. The cost-to-income ratio decreased to **63.2%**, underpinned by improved efficiency supported by the productivity programme and strong revenue growth, resulting in positive JAWS of 4%.

Looking ahead

ARO RBB Banking's strategic priorities include:

- Growing the Retail segment with refreshed customer value propositions.
- Growing Commercial and SME product offerings, including segment and sector-focused solutions.
- Enhancing primary relationships with customers by deepening existing and building new customer relationships to drive growth.
- Expanding core lending, mobile lending offerings and innovative payment solutions to augment the existing suite of customer solutions.
- Accelerating the enhancement of digital capabilities to increase the rate of digital adoption across segments and products.
- Driving operational excellence through productivity and capital optimisation.

Insurance operations

Business profile and financial performance

A Bancassurance distribution model with key partners in ARO is seen as a more sustainable model for generating non-interest revenue. The sale of Absa Life Botswana, Absa Life Zambia and Global Alliance Mozambique was completed in the first half of 2025. As at 30 June 2025, the assets and liabilities relating to the two remaining ARO Insurance subsidiaries were classified as non-current assets and liabilities held for sale in accordance with IFRS 5 requirements.

Insurance consists of:

- **Life Insurance** covers death, disability, retrenchment, education and funeral and life-wrapped investment products.
- **Non-Life Insurance** covers non-life insurance solutions including motor, medical and workmen's compensation, primarily through agents leveraging the banking distribution channels.

The following accolades were received during the year:

First Assurance Kenya

- Think Business Insurance Awards – 2025
- Winner – Best Insurance Company in Eco-System Partnerships & Cross-Industry Collaborations
- Winner – Fraud Detection and Prevention Initiative – Underwriters

Absa Life Assurance Kenya

- Company of the Year – Group Life Best Practice
- Top New Business Producer for independent agent HISA.

The Group disposed of three of its ARO Insurance entities during the first half of 2025, Absa Life Botswana, Absa Life Zambia and Global Alliance Mozambique resulting in a loss of **R60m**.

The year-on-year financial performance for ARO Insurance was impacted by the sale of the three entities.

- Total income decreased by **17%** (CCY: 19%) to **R189m** due to the sale of the three entities, partially offset by higher performance in Absa Life Kenya and First Assurance Kenya due to higher new business for Endowment and Group Life.
- Operating expenses remained flat at **R143m** (CCY: up 1%) and the cost-to-income ratio increased to **75.9%** due to lower revenue performance.
- This resulted in a decline in headline earnings of **157%** (CCY: >100%) to a loss of **R16m**.

	30 June		Change	CCY	31 December
Salient features	**2025**	2024	%	%	2024
Income (Rm)	**189**	226	(17)	(19)	473
Pre-provision profit (Rm)	**45**	83	(45)	(48)	190
Headline earnings (Rm)	**(16)**	28	<(100)	<(100)	97
Cost-to-income ratio (%)	**75.9**	63.3			60.0
RoRC (%)	**(4.1)**	5.9			10.0

This page has been left blank intentionally

Corporate and Investment Banking

for the reporting period ended

Headline earnings increased by **10%** to **R6 440m** (30 June 2024: R5 863m, up 9% in CCY), driven by total income growth of 7% and lower credit impairment charges (down 44%), partially offset by operating expenses (up 9%).

Non-interest income up **14%** (up 13% in CCY) underpinned by strong growth in Global Markets, partially offset by a muted net fee and commission income performance (flat year-on-year).

Credit loss ratio below the through-the-cycle (TTC) range of 20–30 bps at **0.18%** (30 June 2024: 0.33%), with impairments down 44%.

Customer deposits (excluding repurchase agreements) up **13%** (up 13% in CCY) and **gross customer advances (excluding reverse repurchase agreements)** up **6%** (up 6% in CCY).

Investment Bank headline earnings up 20% (up 19% in CCY) largely due to a strong Markets performance.

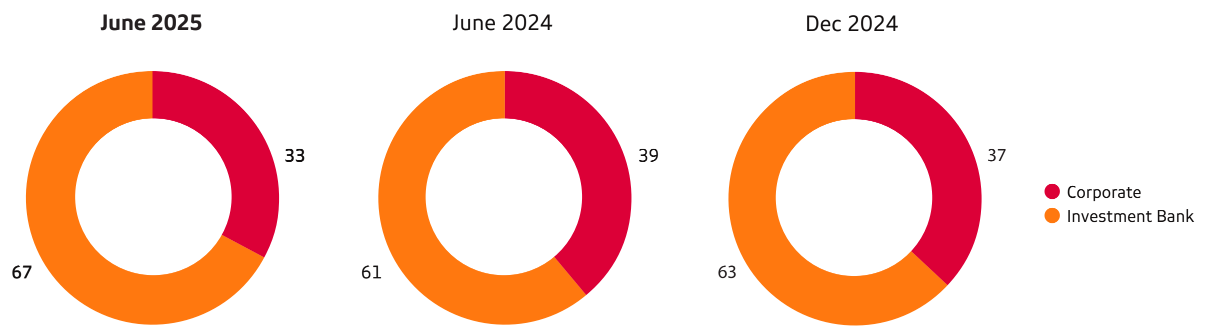
Return on regulatory capital (RoRC) unchanged at **21.8%** (30 June 2024: 21.8%).

Net interest margin contracted by 20bps from 2.78% to **2.58%**, driven by pricing pressure and declining interest rates in key markets.

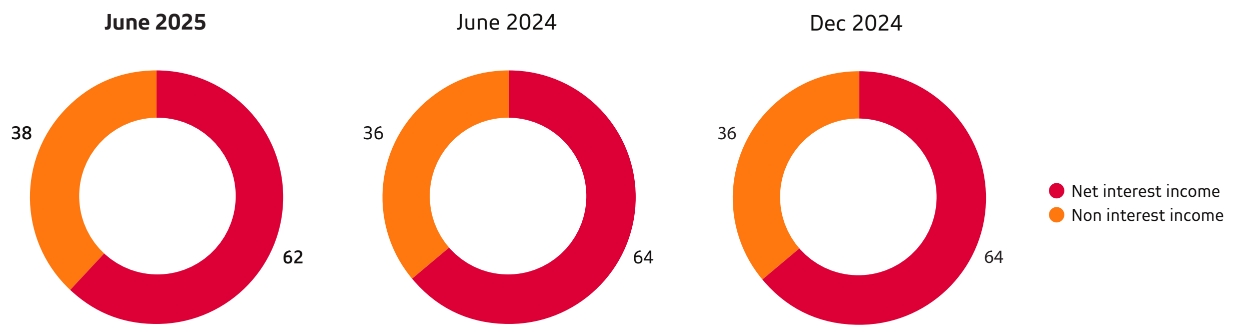
5% growth in pre-provision profit despite negative JAWS of **2.4%** and a **cost-to-income ratio** of **44.5%** (30 June 2024: 43.5%). Costs increased by 9%.

Corporate Bank headline earnings down **7%** (down 6% in CCY) largely due to a 1% reduction in income (flat in CCY).

Headline earnings contribution (%)



Revenue mix contribution (%)



Salient features	30 June 2025	30 June 2024	Change %	CCY %	31 December 2024
Income (Rm)	**17 578**	16 437	7	7	33 266
Pre-provision profit (Rm)	**9 759**	9 284	5	5	18 278
Headline earnings (Rm)	**6 440**	5 863	10	9	11 680
Credit loss ratio (%)	**0.18**	0.33			0.29
Cost-to-income ratio (%)	**44.5**	43.5			45.1
RoRWA (%)	**2.72**	2.74			2.67
RoA (%)	**1.01**	1.03			1.00
RoA net of internal balances (%)	**1.42**	1.41			1.37
RoRC (%)	**21.8**	21.8			21.2

Business profile

Corporate and Investment Banking (CIB) provides innovative solutions to meet clients' needs by delivering specialist investment banking, corporate and transactional banking, financing, risk management, and advisory products and services. Clients across various industry sectors such as corporates, financial institutions and public sector bodies, are serviced by combining our in-depth product knowledge with regional expertise and an extensive, well-established local presence. CIB aims to build a sustainable, trustworthy business that helps clients achieve their ambitions correctly, thereby creating shared growth for clients, employees and communities.

Key business areas

We partner with clients to develop and execute innovative solutions through end-to-end relationship management and origination activities across our suite of products and services. This includes the Growth Capital Solutions team, which focuses on offering B-BBEE financing to clients to create sustainable local and regional economies.

- **Corporate Bank –** provides corporate banking solutions spanning financing and transactional banking requirements, including trade and working capital solutions and a full suite of cash management, payments and liquidity products and solutions. These services are provided across our African institutional, corporate and public sector client base. The Absa Investor Services business offers a full suite of custody and trustee services, further building out our services and client value proposition.
- **Investment Bank** comprising:
  - **Global Markets –** engages in sales, trading and research activities across all major asset classes and products, delivering pricing, hedging and risk management capabilities to corporate and institutional clients.
  - **Investment Banking Division (IBD) –** structures innovative solutions to meet clients' strategic financing and risk management requirements across industry sectors.
  - **Commercial Property Finance (CPF) –** specialises in financing commercial, industrial, retail and residential development property.
  - **Equity Investments (EI) –** manages non-core private equity and infrastructure investments. This portfolio continues to be reduced in line with the Group's strategy to exit non-core business.

Corporate and Investment Banking
for the reporting period ended

Corporate and Investment Banking
for the reporting period ended

	Corporate Bank					Investment Bank					Total Corporate and Investment Banking				
	30 June		Change	CCY	31 December	30 June		Change	CCY	31 December	30 June		Change	CCY	31 December
	2025	2024	%	%	2024	**2025**	2024	%	%	2024	**2025**	2024	%	%	2024
Statement of comprehensive income (Rm)															
Net interest income	**5 706**	5 776	(1)	(0)	11 470	**5 219**	4 815	8	9	9 711	**10 925**	10 591	3	4	21 181
Non-interest income	**1 585**	1 592	(0)	(0)	3 191	**5 068**	4 254	19	18	8 894	**6 653**	5 846	14	13	12 085
Total income	**7 291**	7 368	(1)	(0)	14 661	**10 287**	9 069	13	13	18 605	**17 578**	16 437	7	7	33 266
Credit impairment charges	**(35)**	(229)	(85)	(83)	(302)	**(481)**	(686)	(30)	(26)	(1 233)	**(516)**	(915)	(44)	(42)	(1 535)
Operating expenses	**(3 890)**	(3 616)	8	8	(7 539)	**(3 929)**	(3 537)	11	11	(7 449)	**(7 819)**	(7 153)	9	9	(14 988)
Other expenses	**(87)**	(45)	93	98	(122)	**(132)**	(171)	(23)	(23)	(399)	**(219)**	(216)	1	2	(521)
Operating profit before income tax	**3 279**	3 478	(6)	(4)	6 698	**5 745**	4 675	23	21	9 524	**9 024**	8 153	11	10	16 222
Tax expenses	**(922)**	(928)	(1)	1	(1 812)	**(975)**	(608)	60	56	(1 340)	**(1 897)**	(1 536)	24	23	(3 152)
Profit for the reporting period	**2 357**	2 550	(8)	(6)	4 886	**4 770**	4 067	17	16	8 184	**7 127**	6 617	8	8	13 070
Profit attributable to:															
Ordinary equity holders	**2 128**	2 300	(7)	(6)	4 393	**4 312**	3 608	20	18	7 305	**6 440**	5 908	9	9	11 698
Non-controlling interest – ordinary shares	**150**	172	(13)	(9)	324	**232**	244	(5)	0	424	**382**	416	(8)	(3)	748
Non-controlling interest – preference shares	**21**	22	(5)	(8)	45	**60**	61	(2)	(1)	123	**81**	83	(2)	(3)	168
Other equity – Additional Tier 1 capital	**58**	56	4	3	124	**166**	154	8	7	332	**224**	210	7	6	456
	2 357	2 550	(8)	(6)	4 886	**4 770**	4 067	17	16	8 184	**7 127**	6 617	8	8	13 070
Headline earnings	**2 128**	2 280	(7)	(6)	4 372	**4 312**	3 583	20	19	7 308	**6 440**	5 863	10	9	11 680
Operating performance (%)															
Net interest margin on average interest-bearing assets	**2.48**	2.77			2.67	**2.70**	2.79			2.64	**2.58**	2.78			2.66
Credit loss ratio	**0.06**	0.40			0.29	**0.20**	0.31			0.29	**0.18**	0.33			0.29
Non-interest income as % of income	**21.7**	21.6			21.8	**49.3**	46.9			47.8	**37.8**	35.6			36.3
Cost-to-income ratio	**53.4**	49.1			51.4	**38.2**	39.0			40.0	**44.5**	43.5			45.1
Statement of financial position (Rm)															
Loans and advances	**103 675**	101 238	2	2	101 138	**501 896**	441 379	14	14	472 537	**605 571**	542 617	12	12	573 675
Loans and advances to customers	**85 526**	80 039	7	6	81 912	**467 327**	414 628	13	13	442 314	**552 853**	494 667	12	12	524 226
Loans and advances to banks	**18 149**	21 199	(14)	(14)	19 226	**34 569**	26 751	29	29	30 223	**52 718**	47 950	10	10	49 449
Investment securities	**3 756**	3 944	(5)	(4)	3 833	**56 497**	49 885	13	13	53 162	**60 253**	53 829	12	12	56 995
Other assets	**402 130**	348 869	15	15	382 510	**287 136**	229 759	25	24	240 566	**689 266**	578 628	19	18	623 076
Total assets	**509 561**	454 051	12	12	487 481	**845 529**	721 023	17	17	766 265	**1 355 090**	1 175 074	15	15	1 253 746
Deposits	**487 505**	437 270	11	11	468 482	**171 857**	121 235	42	42	138 143	**659 362**	558 505	18	18	606 625
Deposits due to customers	**449 295**	398 616	13	12	431 857	**89 618**	71 438	25	26	78 876	**538 913**	470 054	15	14	510 733
Deposits due to banks	**38 210**	38 654	(1)	(1)	36 625	**82 239**	49 797	65	65	59 267	**120 449**	88 451	36	36	95 892
Debt securities in issue	**–**	–	–	–	–	**45 145**	34 243	32	32	40 153	**45 145**	34 243	32	32	40 153
Other liabilities	**16 379**	13 516	21	16	13 540	**616 049**	556 998	11	10	574 261	**632 428**	570 514	11	11	587 801
Total liabilities	**503 884**	450 786	12	11	482 022	**833 051**	712 476	17	17	752 557	**1 336 935**	1 163 262	15	15	1 234 579
Financial performance (%)															
RoRWA	**3.13**	3.61			3.36	**2.55**	2.38			2.37	**2.72**	2.74			2.67
RoA	**0.92**	1.07			1.00	**1.07**	1.01			1.00	**1.01**	1.03			1.00

Corporate and Investment Banking
for the reporting period ended

Corporate and Investment Banking
for the reporting period ended

	Corporate and Investment Banking SA				Corporate and Investment Banking ARO					Total Corporate and Investment Banking				
	30 June			31 December	30 June				31 December	30 June				31 December
	2025	2024	Change %	2024	**2025**	2024	Change %	CCY %	2024	**2025**	2024	Change %	CCY %	2024
Statement of comprehensive income (Rm)														
Net interest income	**6 167**	6 232	(1)	12 540	**4 758**	4 359	9	10	8 641	**10 925**	10 591	3	4	21 181
Non–interest income	**3 596**	2 878	25	6 747	**3 057**	2 968	3	2	5 338	**6 653**	5 846	14	13	12 085
Total income	**9 763**	9 110	7	19 287	**7 815**	7 327	7	7	13 979	**17 578**	16 437	7	7	33 266
Credit impairment charges	**(358)**	(853)	(58)	(1 221)	**(158)**	(62)	>100	>100	(314)	**(516)**	(915)	(44)	(42)	(1 535)
Operating expenses	**(4 886)**	(4 402)	11	(9 368)	**(2 933)**	(2 751)	7	7	(5 620)	**(7 819)**	(7 153)	9	9	(14 988)
Other expenses	**(113)**	(139)	(19)	(343)	**(106)**	(77)	38	41	(178)	**(219)**	(216)	1	2	(521)
Operating profit before income tax	**4 406**	3 716	19	8 355	**4 618**	4 437	4	4	7 867	**9 024**	8 153	11	10	16 222
Tax expenses	**(495)**	(317)	56	(887)	**(1 402)**	(1 219)	15	14	(2 265)	**(1 897)**	(1 536)	24	23	(3 152)
Profit for the reporting period	**3 911**	3 399	15	7 468	**3 216**	3 218	(0)	(0)	5 602	**7 127**	6 617	8	8	13 070
Profit attributable to:														
Ordinary equity holders	**3 606**	3 106	16	6 844	**2 834**	2 802	1	0	4 854	**6 440**	5 908	9	9	11 698
Non–controlling interest – ordinary shares	**–**	–	–	–	**382**	416	(8)	(3)	748	**382**	416	(8)	(3)	748
Non–controlling interest – preference shares	**81**	83	(2)	168	**–**	–	–	–	–	**81**	83	(2)	(3)	168
Other equity – Additional Tier 1 capital	**224**	210	7	456	**–**	–	–	–	–	**224**	210	7	6	456
	3 911	3 399	15	7 468	**3 216**	3 218	(0)	(0)	5 602	**7 127**	6 617	8	8	13 070
Headline earnings	**3 606**	3 105	16	6 873	**2 834**	2 758	3	2	4 807	**6 440**	5 863	10	9	11 680
Operating performance (%)														
Net interest margin on average interest–bearing assets	**1.89**	2.12		2.03	**4.90**	5.05			4.81	**2.58**	2.78			2.66
Credit loss ratio	**0.15**	0.37		0.28	**0.32**	0.14			0.33	**0.18**	0.33			0.29
Non–interest income as % of income	**36.8**	31.6		35.0	**39.1**	40.5			38.2	**37.8**	35.6			36.3
Cost–to–income ratio	**50.0**	48.3		48.6	**37.5**	37.5			40.2	**44.5**	43.5			45.1
Statement of financial position (Rm)														
Loans and advances	**506 605**	452 259	12	475 684	**98 966**	90 358	10	9	97 991	**605 571**	542 617	12	12	573 675
Loans and advances to customers	**462 028**	411 474	12	431 038	**90 825**	83 193	9	9	93 188	**552 853**	494 667	12	12	524 226
Loans and advances to banks	**44 577**	40 785	9	44 646	**8 141**	7 165	14	13	4 803	**52 718**	47 950	10	10	49 449
Investment securities	**57 477**	50 647	13	53 836	**2 776**	3 182	(13)	(10)	3 159	**60 253**	53 829	12	12	56 995
Other assets	**575 210**	481 075	20	520 083	**114 056**	97 553	17	13	102 993	**689 266**	578 628	19	18	623 076
Total assets	**1 139 292**	983 981	16	1 049 603	**215 798**	191 093	13	11	204 143	**1 355 090**	1 175 074	15	15	1 253 746
Deposits	**536 831**	446 578	20	488 610	**122 531**	111 927	9	8	118 015	**659 362**	558 505	18	18	606 625
Deposits due to customers	**419 885**	359 724	17	395 538	**119 028**	110 330	8	7	115 195	**538 913**	470 054	15	14	510 733
Deposits due to banks	**116 946**	86 854	35	93 072	**3 503**	1 597	>100	>100	2 820	**120 449**	88 451	36	36	95 892
Debt securities in issue	**45 123**	34 243	32	40 153	**22**	–	100	–	–	**45 145**	34 243	32	32	40 153
Other liabilities	**549 457**	496 083	11	510 106	**82 971**	74 431	11	9	77 695	**632 428**	570 514	11	11	587 801
Total liabilities	**1 131 411**	976 904	16	1 038 869	**205 524**	186 358	10	8	195 710	**1 336 935**	1 163 262	15	15	1 234 579
Financial performance (%)														
RoRWA	**2.59**	2.30		2.51	**2.90**	3.52			2.92	**2.72**	2.74			2.67
RoA	**0.68**	0.65		0.70	**2.67**	2.90			2.45	**1.01**	1.03			1.00

Business performance

Corporate and Investment Banking demonstrated a sustained performance, achieving 10% year-on-year growth in headline earnings, reflecting disciplined execution against strategic business priorities. The performance was delivered within a challenging economic and operating environment characterised by heightened global market volatility, persistent geopolitical tensions, and domestic political uncertainty. Key highlights from CIB's performance in half year 2025 include:

- **Revenue growth with strong returns** underpinned by diversified operations and banking solutions.
- **Expansion of global corridors:** Continued focus on enhancing CIB's ability to connect international clients with opportunities across Africa. A Dubai office is planned to open in Q1 2026, with regulatory approvals currently underway.
- **Growth in client acquisitions:** CIB maintained momentum in acquiring new clients across all markets supported by a sector and client focus across the pan-African franchise.
- **Investment in technology:** The business' commitment to technological advancement has resulted in enhanced digital platforms and client-centric data capabilities, driving productivity and delivering seamless client service experiences.
- **Brand repositioning:** CIB continues to elevate its brand positioning locally and globally by contributing to thought leadership through partnerships that elevate its role in the broader society.
- **ESG** remains a focus by partnering with clients on sustainable financing solutions and elevating the focus on the social dimension of ESG.

  Key deals include the following:
  - Acted as lender and sustainability coordinator to Leapfrog Consumer Fund, extending a social loan of cR1.7bn, enabling LeapFrog to expand access to capital, accelerate innovation and drive job creation in sectors critical to sustainable development.
  - As joint mandated lead arranger, joint hedge provider, senior debt lender, ancillary debt lender, facility agent and guarantee issuing bank, committed R5.5bn to Red Rocket Energy (Red Rocket) in the first and second phase of the FE Overberg wind project which will supply a total of 380MW of clean energy to Richards Bay Minerals and Discovery Green respectively.

  CIB employees are instrumental in driving sustainable change in society and have contributed impactfully to the following initiatives:
  - The Built4Biz programme, which equips trainers and learners with entrepreneurial skills to support future career aspirations.
  - The Coding and Robotics programme, engaging 300 learners in workshops that provide vital digital skills and foster interest in science, technology, engineering, and mathematics careers.
  - Ongoing support for organizations aiding vulnerable communities, including St Philomena's Children's Home (Durban), Golang Educational Outreach, Fred and Martie's Soup Kitchen, and MTR Smit Children's Haven (Gqeberha).
  - Support for the Mr Price Foundation's JumpStart Project, focused on preparing young South Africans for employment in the retail sector and linking them to job opportunities.

Highlights of CIB's recognition across prestigious platforms

CIB received several accolades celebrating innovative deal-making in 2025, including:

- **Best Bank for ESG: Africa & South Africa** and **Best Investment Bank for Debt Capital Markets: Africa, South Africa and Tanzania** at the Euromoney Awards for Excellence 2025.
- At the Global Banking & Markets Africa Awards 2025, CIB was awarded the following: **Financial Institutions Bond Deal of the Year** – Ecobank Transactional Senior Bond, **International Equity Capital Markets Deal of the Year** – First Quantum Minerals Equity, **Local Equity Capital Markets Deal of the Year** – Pick n Pay, **M&A Deal of the Year** – Lekela Power.
- Acknowledgement of CIB's commitment to ESG and sustainability, at the Global Finance Sustainable Finance Awards, with the following accolades: **Sustainable Finance Deal of the Year in Africa**: Developing African Capital Markets Tanga Water Infrastructure Green Revenue Bond**, Best Impact Investing Solution**: Africa and **Best Bank for Sustainable Finance**: Kenya.
- **Best Investment Bank**: South Africa, Ghana and Kenya, **Best Loan Bank:** South Africa, Ghana, Kenya and Mauritius and **Best Sustainable Bank:** South Africa, Ghana and Mauritius at the World Economic Magazine Awards 2025.
- **Best Investment Bank** in Ghana and Mauritius, **Best M&A Bank:** Africa and **Best Investment Bank for Infrastructure Finance:** Africa at the Global Finance World's Best Investment Bank Awards 2025.

Financial performance

Headline earnings increased by **10%** to **R6 440m** (30 June 2024: R5 863m, up 9% in CCY) driven by total income which was up **7%** to **R17 578m** (30 June 2024: R16 437m, up 7% in CCY), and lower credit impairments, down **44%** to **R516m** (30 June 2024: R915m, down 42% in CCY), partially offset by operating expenses up **9%** to **R7 819m** (30 June 2024: R7 153m, up 9% in CCY). RoRC was unchanged at 21.8%.

- SA headline earnings increased by **16%** to **R3 606m** (30 June 2024: R3 105m), driven by total income growth of **7%** to **R9 763m** (30 June 2024: R9 110m) and lower credit impairment charges (down **58%** to **R358m**), partially offset by operating expenses growth of **11%** to **R4 886m**.
- ARO headline earnings contributed **44%** to overall CIB's headline earnings (30 June 2024: 47%) and increased by **3%** to **R2 834m** (30 June 2024: R2 758m, up 2% in CCY). Total income increased by **7%** to **R7 815m** (30 June 2024: R7 327m, up 7% in CCY), partially offset by an increase in impairments to a charge of **R158m** (30 June 2024: R62m) and operating expense growth of **7%** (7% in CCY).

Total income increased by **7%** due to a strong Investment Bank performance, particularly in the Markets business. The overall client franchise performed in line with the prior year.

From a product perspective, the Investment Bank delivered income growth of **13%** (13% in CCY) and in the Corporate Bank income was down **1%** (flat in CCY).

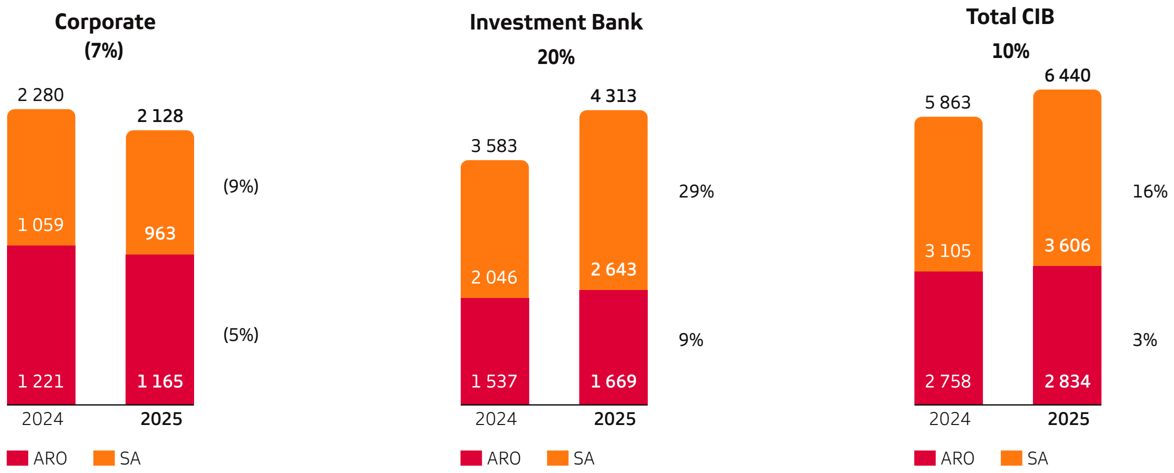
- Net interest income increased by **3%** to **R10 925m** (30 June 2024: R10 591m, up 4% in CCY) driven by higher gross average customer advances and customer deposits (up 9% and 14% respectively). However, margins contracted from 2.78% to **2.58%**, most notably in the Corporate Bank, which was impacted by pricing pressure and declining interest rates in key markets.
- Non-interest income increased by **14%** to **R6 653m** (30 June 2024: R5 846m, up 13% in CCY) due to higher Markets trading revenues, partially offset by the impact of the non-repeat of Private Equity revaluations that occurred in the prior year. Net fee and commission income was flat year on year mainly due to volume and pricing pressure in Corporate.

The decrease in credit impairments was driven by lower single name charges, partially offset by performing book charges normalising in the current period. The credit loss ratio at **0.18%** (30 June 2024: 0.33%) was below the through-the-cycle guidance range (20–30 bps). The total coverage ratio decreased to **1.69%** (30 June 2024: 1.77%), mainly driven by the write-off of high coverage names and loan book growth in SA, while the performing coverage ratio increased marginally to **0.42%** (30 June 2024: 0.41%).

Operating expenses growth of **9%** (up 9% in CCY) was largely driven by inflationary pressures across several markets, higher amortisation and increased investment spend on talent and technology as the business continues to invest for growth.

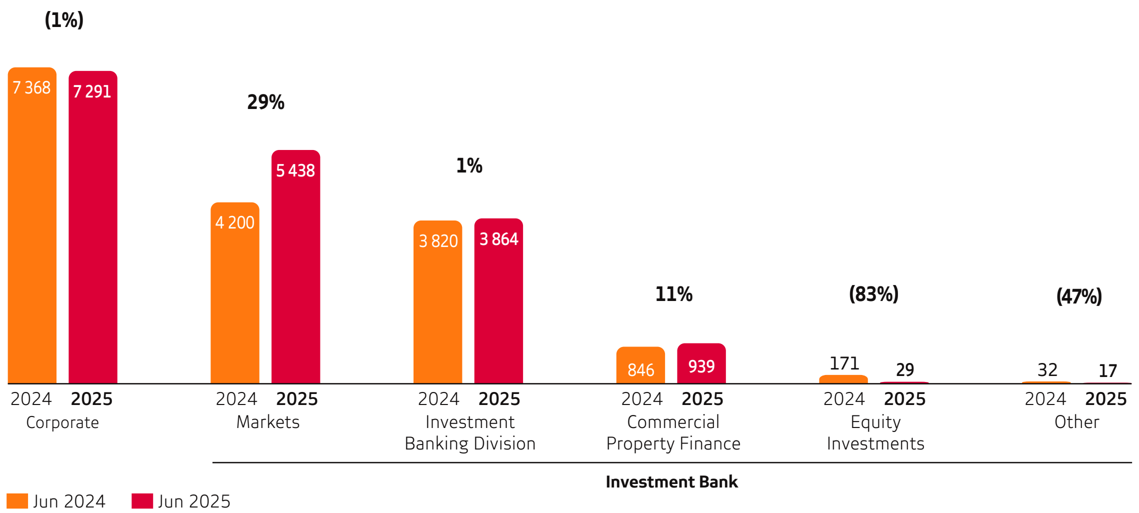
Gross customer loans and advances grew by **12%** to **R560.3bn** (30 June 2024: R502.0bn), mainly attributable to growth in reverse repurchase agreements (up 59%). Excluding reverse repurchase agreements, the growth was 6%, largely driven by preference shares (up 24%), overnight finance (up 23%), and CPF commercial mortgages (up 9%) in SA, coupled with higher balances in ARO (up 10%). Customer deposits were up **15%** to **R538.9bn** (30 June 2024: R470.1bn, up 14% in CCY), driven by growth across deposit classes in SA, most notably cheque deposits (up 10%), call deposits (up 32%) and foreign currency deposits (up 29%), while ARO customer deposit balances increased by 8%.

Headline earnings (Rm and change %)



- Corporate Bank headline earnings decreased by **7%** to **R2 128m** (30 June 2024: R2 280m, down 6% in CCY), driven by a decline in total income of **1%** and higher operating expenses (up 8%), partially offset by lower credit impairments (down **85%**). SA headline earnings were down 9%, while ARO was down 5%.
  - Income declined by **1%** to **R7 291m** (30 June 2024: R7 368m, flat in CCY), driven by pricing pressure, deposit mix changes as well as declining interest rates across key markets.
  - Credit impairments decreased by **85%** to **R35m** (30 June 2024: R229m, down 83% in CCY) and the credit loss ratio declined to **0.06%** (30 June 2024: 0.40%), mainly due to lower single name charges in SA and ARO.
  - Operating expenses increased by **8%** to **R3 890m** (30 June 2024: R3 616m, up 8% in CCY), largely driven by higher staff costs, investment in technology, amortisation and inflation.
- Investment Bank headline earnings increased by **20%** to **R4 312m** (30 June 2024: R3 583m, up 19% in CCY) supported by growth in SA and ARO (up 29% and 9% respectively). The performance was driven by higher total income (up **13%**), and lower impairments (down **30%**), partially offset by costs (up **11%**).
  - Income increased by **13%** to **R10 287m** (30 June 2024: R9 069m, up 13% in CCY). Net interest income was up 8% due to average customer loan growth of 5% in IBD and 12% growth in average portfolio assets in CPF. Non-interest income increased by 19% mainly driven by a strong Markets performance, partially offset by the impact of the non-repeat of Private Equity revaluations of R150m during the prior year.
  - Credit impairments decreased by **30%** to **R481m** (30 June 2024: R686m, down 26% in CCY) and the credit loss ratio declined to **0.20%** (30 June 2024: 0.31%), mainly due to lower single name charges in SA.
  - Operating expenses increased by **11%** to **R3 929m** (30 June 2024: R3 537m, up 11% in CCY), largely driven by higher amortisation charges, inflation and investment in technology.

Gross income mix (Rm and change %)



Business unit performance

Corporate Bank

Income for the Corporate Bank franchise was down **1%** to **R7 291m** (30 June 2024: R7 368m, flat in CCY), with SA down **2%** to **R3 773m** (30 June 2024: R3 832m) and ARO flat at **R3 518m** (30 June 2024: R3 536m, 1% up in CCY).

- Net interest income was down **1%** to **R5 706m** (30 June 2024: R5 776m, flat in CCY) driven by competitive pricing, deposit mix changes and declining interest rates across key markets.
- Non-interest income was flat at **R1 585m** (30 June 2024: R1 592m, flat in CCY) driven by increased pricing pressure in SA and ARO, resulting from the migration to lower margin propositions, and volume pressure in a competitive landscape.

Corporate Bank income was driven by the following:

- Deposits income up **4%** benefiting from increased average deposit balances. Margin compression was noted largely due to adverse client and product mix and declining interest rates in key markets.
- Transactions income down **6%** driven by pricing pressure on key names in SA. NIR in ARO was impacted by the migration of volumes from manual to lower-priced electronic transactions.
- Trade Finance down **9%** driven by competitive pricing around Financial Institutions and lower demand in Corporate SA.
- Working Capital and Supply Chain Finance down **8%** due to lower utilisation and increased price pressure across SA and ARO.

Salient features	30 June 2025	30 June 2024	Change %	CCY %	31 December 2024
Gross income (Rm)	**7 291**	7 368	(1)	(0)	14 661
Credit impairment charges (Rm)	**(35)**	(229)	(85)	(83)	(302)
Net income (Rm)	**7 256**	7 139	2	2	14 359
Average loans and advances to customers (Rbn)	**86.2**	83.9	3	1	77.6
Average Deposits to customers (Rbn)	**432.3**	382.3	13	15	393.8

Investment Bank

Investment Bank income increased by **13%** to **R10 287m** (30 June 2024: R9 069m, up 13% in CCY), with ARO up **13%** (up 13% in CCY) and SA up **13%**.

Net interest income grew by **8%** to **R5 219m** (30 June 2024: R4 815m, up 9% in CCY) supported by higher average balance sheet in the IBD and CPF businesses, partially offset by margin compression in these businesses. Non-interest income increased by **19%** to **R5 068m** (30 June 2024: R4 254m, up 18% in CCY), driven by strong growth in Markets. This was partially offset by the impact of the non-repeat of Private Equity revaluations of R150m that occurred in the prior year as well as lower NIR in IBD due to lower capital raising activities and fair value adjustments.

Business units performed as follows:

Global Markets

Global Markets income increased by **29%** to **R5 438m** (30 June 2024: R4 200m, up 28% in CCY). Markets SA income was up **54%** to **R2 699m** (30 June 2024: R1 758m), while Markets ARO income increased by **12%** to **R2 739m** (30 June 2024: R 2 442m, up 10% in CCY).

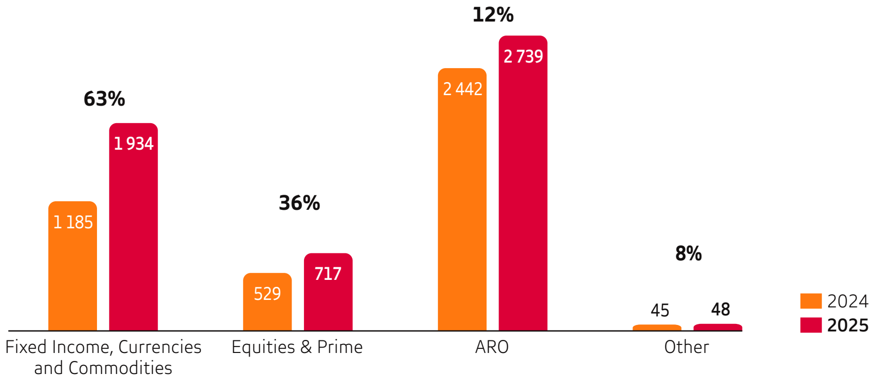
The Markets SA performance was driven by:

- Fixed Income, Currencies and Commodities increasing by **63%** to **R1 934m** (30 June 2024: R1 185m), due to proactive risk management and the effective capture of market volatility opportunities. Increased client activity and notable growth in structured product offerings further supported franchise momentum. The current year's growth is compared to a lower base due to currency market losses in half year 2024.
- Equities and Prime increasing by **36%** to **R717m** (30 June 2024: R529m), due to higher trading activity across derivatives and effective pipeline conversion. Cash Equities momentum accelerated, supported by improved research rankings and a growing client base. Prime Services experienced sustained growth, supported by product diversification and ongoing client acquisition.

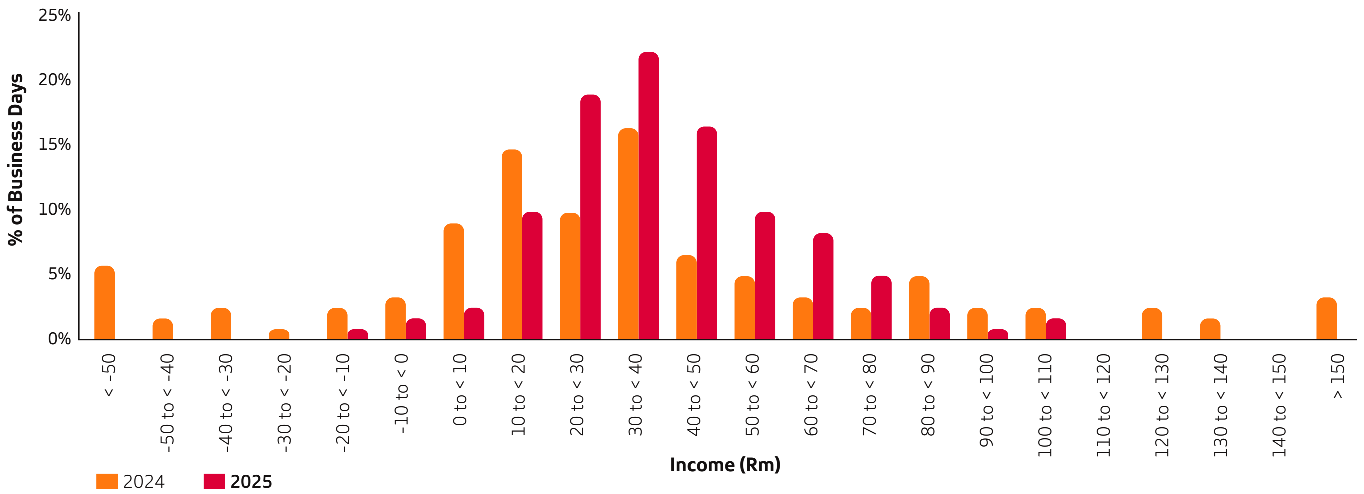
Markets ARO income grew **12%** despite challenging macro conditions, liquidity pressures, and sovereign credit risks across key markets. This performance was driven by a strengthened institutional client base and a diversified product mix. These gains were partially offset by softer corporate revenues, impacted by margin compression and liquidity constraints.

Corporate and Investment Banking
for the reporting period ended

Global Markets gross income split (Rm and change %)



Daily Markets income distribution (Rm)



Investment Banking Division

Investment Banking Division income increased by **1%** to **R3 864m** (30 June 2024: R3 820m, up 2% in CCY), with growth in net interest income largely offset by a reduction in non-interest income.

- Net interest income growth of **6%** was supported by growth in average customer loans and advances of **5%,** due to key deals closed out in the Financing business. Balance sheet growth was limited by a more focused approach to the selection of deals with optimal return profiles.
- Non-interest income was down **32%** due to lower capital raising activities and fair value adjustments.

The credit impairment charge decreased (down **41%**) largely due to lower single name charges.

	30 June		Change	CCY	31 December
Salient features	2025	2024	%	%	2024
Gross income (Rm)	**3 864**	3 820	1	2	7 827
Credit impairment charges (Rm)	**(381)**	(642)	(41)	(38)	(1 128)
Net income (Rm)	**3 483**	3 178	10	9	6 700
Average loans and advances to customers (Rbn)	**260.8**	248.1	5	6	266.9

Corporate and Investment Banking
for the reporting period ended

Commercial Property Finance (CPF)

The CPF business increased income by **11%** to **R939m** (30 June 2024: R846m, up 11% in CCY), supported by average net portfolio asset growth of **12%** (11% in CCY). This performance reflected the continued momentum in the underlying franchise due to the focus on sustainably growing the diversified portfolio.

Impairments were up **105%** (116% in CCY) impacted by higher single name charges in the current year.

	30 June		Change	CCY	31 December
Salient features	2025	2024	%	%	2024
Gross income (Rm)	**939**	846	11	11	1 766
Credit impairment charges (Rm)	**(88)**	(43)	>100	>100	(104)
Net income (Rm)	**851**	803	6	6	1 662
Average net portfolio assets (Rbn)	**91. 2**	81. 6	12	11	84. 2

Equity Investments (EI)

Non-Core Private Equity and Infrastructure Investments reported net income of **R29m**. The reduction in net income is largely in line with the reduction in portfolio size.

	30 June		Change	31 December
Salient features	2025	2024	%	2024
Revaluation (Rm)	**12**	150	(92)	87
Realisations, dividends, interest and fee (Rm)	**16**	44	(65)	232
Funding (Rm)	**2**	(24)	>100	(33)
Net income (Rm)	**29**	171	(83)	286
Total portfolio size (Rbn)	**0.5**	2.1	(78)	0.5

Looking ahead

CIB will continue to leverage its sector expertise, global footprint, talent, and capabilities to solution for client needs, reinforcing its quest to be the preferred banking partner.

Areas of strategic focus include:

- **Sustainable returns and revenue growth:** The business continues to focus on delivering sustainable returns and driving growth across our markets through precise capital allocation, supported by resilience in cost management, enhancing operational efficiencies, optimising resources and driving productivity gains to create capacity for investment.
- **Client-led sector focus:** Leveraging sector expertise, product propositions, and a diverse footprint to deliver unparalleled value to clients by deepening client relationships and effectively partnering to holistically solve for their needs. CIB maintains its emphasis on acquiring new clients to grow the client franchise.
- **Global expansion:** The build-out of the MEA Dubai office is a key milestone that will reinforce our international corridor strategy for increased client connectivity across the globe.
- **Talent investment:** Focus on attracting and retaining key talent to deliver on CIB's strategic objectives.
- **Brand repositioning:** Elevating our brand promise in domestic and international markets.
- **Digital and data-driven organisation:** Continued focus on driving the adoption of our best-in-class digital offerings to enhance user experience and becoming a data-led organization.

Head Office, Treasury and other operations

for the reporting period ended

Financial performance

Head office, Treasury and other operations improved to headline loss of **R538m** for the half year period ending 30 June 2025 (30 June 2024: R1 007m loss). The year-on-year movement for earnings reflects the following material items:

- Higher earnings in Treasury due to a favourable impact year-on-year on Asset-Liability management **R757m** gain for the period ending 30 June 2025 (30 June 2024: R372m gain).
- The base effect of discontinuing hyperinflationary accounting in Ghana in the current year, given the non-recurrence of the headline earnings loss adjustment of the prior year (R253m headline uplift year-on-year).
- Other expenses include a non-credit related impairment of the hyperinflated asset balances in Ghana (non-headline), partly offset by the non-recurrence of the prior year net monetary loss from discontinuing hyperinflationary accounting in Ghana and a non-credit-related impairment mainly related to the Corporate Real Estate consolidation project (non-headline earnings) **R686m** (30 June 2024: R561m).

	Head Office			
	30 June			31 December
	2025	2024	Change %	2024
Statement of comprehensive income (Rm)				
Net interest income	**295**	448	(34)	947
Non-interest income	**(340)**	(855)	(60)	(1 096)
Total income	**(45)**	(407)	(89)	(149)
Credit impairment charges	**(38)**	16	<(100)	(160)
Operating expenses	**45**	(137)	>100	(542)
Other expenses	**(969)**	(1 158)	(16)	(2 026)
Operating profit before income tax	**(1 007)**	(1 686)	(40)	(2 877)
Tax expenses	**31**	337	(91)	311
Profit for the reporting period	**(976)**	(1 349)	(28)	(2 566)
Headline earnings	**(538)**	(1 007)	(47)	(2 281)

Risk and capital management

Risk management overview

for the reporting period ended 30 June 2025

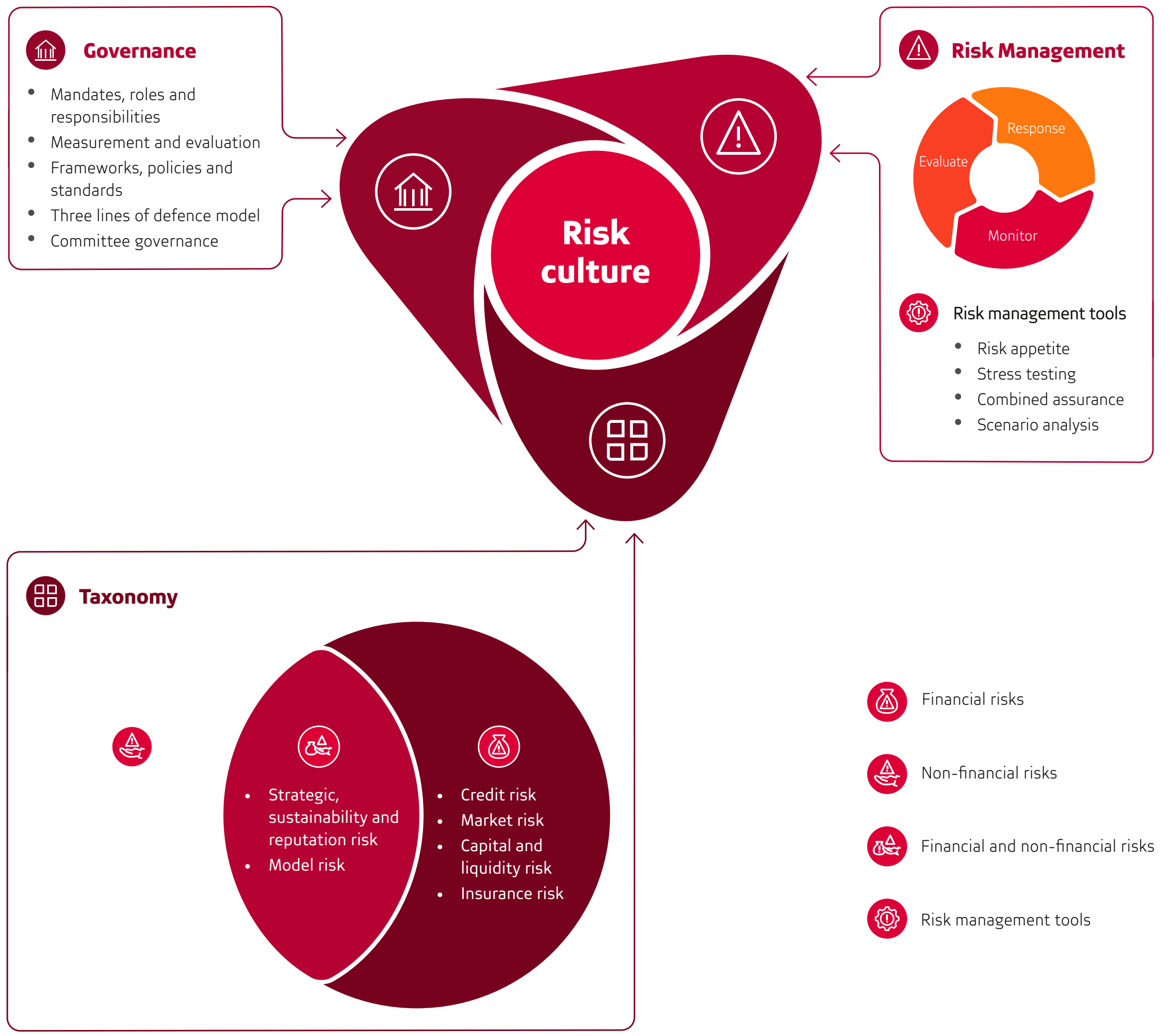
The Enterprise Risk Management Framework

The Group's core purpose, strategy, operating model, risks and opportunities, performance and sustainable development are inseparable elements of the value-creation process and critical to long-term success. Risk management and risk oversight play a critical role in enabling the Group to achieve its organisational strategy and objectives.

The Group identifies and evaluates risks and opportunities arising from internal and external environments, and proactively identifies emerging risks. To ensure effective risk management, our consolidated response is monitored as follows:

- Recognise the importance of a strong risk culture, which is integral to the Group's culture.
- Consider key risks, clear ownership and accountability, and Group-wide risk coverage.
- Support the realisation of 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 unit 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 control environment through a robust combined assurance model with clear accountability across the three lines of defence[1].

The following graphic is a visual representation of the Enterprise Risk Management Framework (ERMF):



1 The Group applies a three lines of defence model in support of the combined assurance model to govern risk across all businesses and functions. The first line of defence is the business and group functions who are responsible for risk ownership and management. The second lines of defence are the risk and compliance functions overseeing the first line, responsible for establishing rules and constraints, defining risk tolerances and performing independent challenge. The third line of defence is internal and external audit and provides independent assurance of the first two lines.

Risks arising from the operating environment

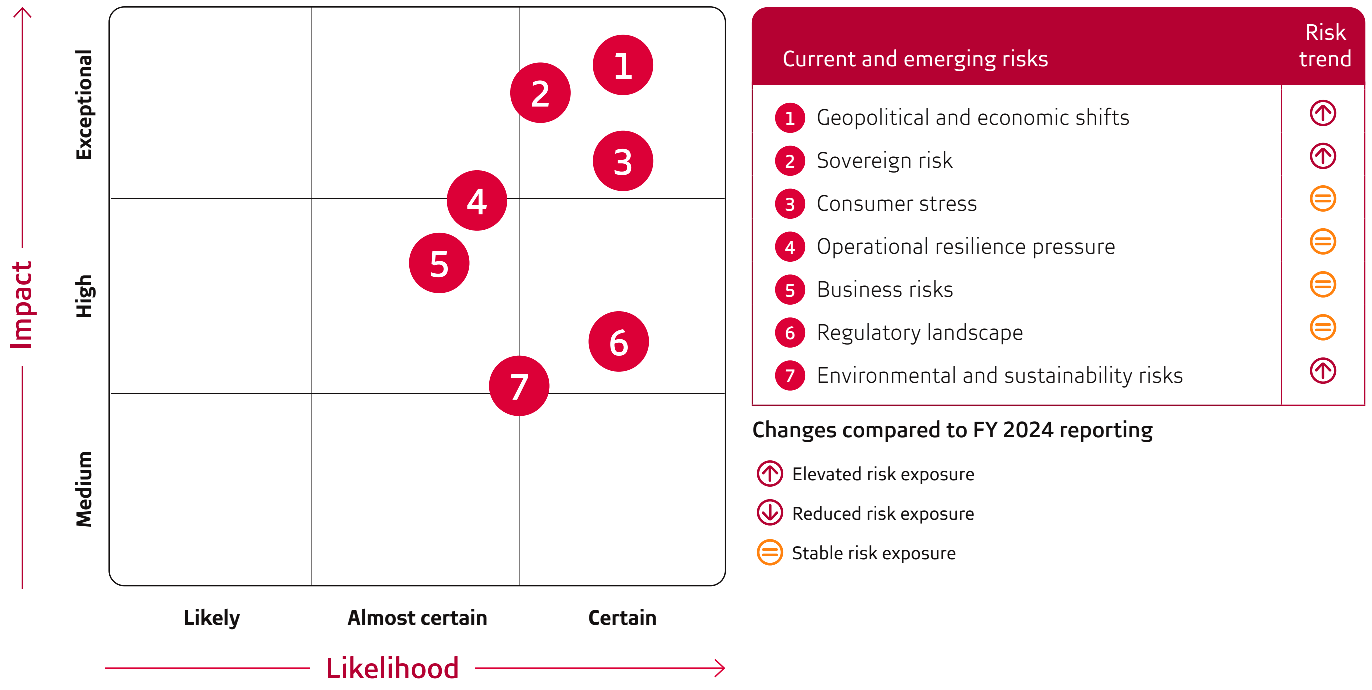
The Group's operating environment is characterised by dynamic global and local developments that elevate risk across multiple dimensions. Each of these dimensions carry specific implications for the Group, necessitating strategic responses to safeguard resilience and ensure sustainable growth. The Group remains focused on continuous monitoring of emerging trends and developments, both internally and externally, to identify and address the most relevant risks.

Since the start of 2025 there has been increasing volatility in geopolitics which has resulted in shifts in global domestic and foreign policy, and positions on ESG. This has heightened uncertainty and is expected to have a wide range of direct and indirect ramifications. Global trade developments and reduction of aid spending are expected to impact on the markets, outlooks and expectations of the countries in which the Group operates. We have assessed the impacts on our businesses and the operating environment and taken mitigating actions. We will continue to assess developments as they arise.

Amid sustained global uncertainty, stress testing and scenario analysis remain critical to safeguarding financial resilience and strengthening risk management. The Group continues to undertake in-depth reviews of current and emerging risk themes, with identified mitigating actions regularly assessed for effectiveness and responsiveness to evolving conditions.

The Group's current and emerging risks arising from the operating environment are detailed below[1]:

Risk exposure heatmap



1 Reflects risks that have a material impact identified through a prioritisation exercise, based on their estimated impact and likelihood. The Group continually monitors and assesses other risks for their potential impact across the value chain.

Geopolitical and economic shifts

Risk trends
Elevated risk

Description

Geopolitical instability and uncertainty around US tariffs and trade policy are disrupting supply chains and investment flows. Shifting alliances, sanctions, and changes in US foreign policy further heighten uncertainty. Deglobalisation, technological decoupling, and domestic political fragility are increasing inflationary pressures and raising recession risks.

Mitigation and opportunities

- Diversify strategically across markets and sectors to mitigate impacts.
- Leverage representative offices in trading corridors.
- Monitor and maintain an agile approach to positions.
- Engage client to assess vulnerability to policy changes.
- Perform regular stress testing and scenario analysis of potential impacts, supported by a dynamic approach to risk appetite setting.
- Enhance and monitor early warning indicators.
- Sustain focus on portfolio management, with rigorous scrutiny of all onboarded risk.
- Preserve the Group's liquidity and capital positions.

Sovereign risk

Risk trends
Elevated risk

Description

Sovereign debt sustainability concerns, fiscal uncertainty, and FX volatility raise default and devaluation risks, and increase concentration risks, while limited diversification opportunities and declining economic conditions heighten financial and socioeconomic strain.

Mitigation and opportunities

- Manage sovereign risks and concentrations within the regulatory constructs and make risk appetite adjustments where necessary.
- Maintain cross border risk management focusing on mitigating FX liquidity risk and susceptible sovereign for presence and non-presence countries.

Consumer stress

Risk trends
Stable risk

Description

Ongoing weak economic growth, combined with currency pressures and high unemployment and interest rates, is expected to continue straining consumers and SMEs, delaying a full recovery.

Mitigation and opportunities

- Manage credit risk proactively across all portfolios using the tools available.
  - Active risk management in originations using early warning indicators and triggers.
  - Timely identification and escalation of distressed accounts.
  - Provide consumer support through debt reviews and forbearance offerings.
  - Maintain collections capabilities and capacity.
- Monitor for and manage concentration build-up in key sectors.

Operational resilience pressure

Risk trends
Stable risk

Description

Evolving threats from cybercrime, fraud, infrastructure strain, third-party reliance and talent scarcity challenge operational resilience.

Mitigation and opportunities

- Maintain high stability of the technology estate to minimise incidents impacting customers and operational effectiveness.
- Invest in security platforms, critical processes resilience and third-party risk management tools, and continuously evolve controls.
- Evolve the converged security office to manage economic crime convergence and maintain successful cyber security testing.
- Monitor the payment landscape and risks.
- Maintain business continuity and crisis management scenario planning and testing.

Business risks

Risk trends
Stable risk

Description

Strategy execution impacted by volatile conditions, fintech disruption, and gaps in internal capabilities.

Mitigation and opportunities

- Leverage the Group's expertise, product offerings, diversified footprint across Africa and digital and physical channels to serve customers and explore new revenue streams.
- Maintain alignment between business and risk regarding growth opportunities and risk mitigants. Perform timely and meaningful strategic risk assessments.
- Build and sustain a purpose-led culture, focusing on talent attraction and retention, succession and leadership resilience.

Regulatory landscape

Risk trends
Stable risk

Description

Fragmented, fast-evolving regulations increase compliance costs, reputational exposure, and business model risks.

Mitigation and opportunities

- Maintain a forward-looking approach to evaluate, respond to and monitor change including understanding the impact of future requirements on the current business model and practices, and proactively make necessary changes.
- Engage with regulators and other stakeholders on regulatory developments.
- Build a robust control environment of compliance.
- Develop systems with the agility to accommodate change.
- Understand the impact of future requirements on the current business model and practices and proactively make necessary changes.

Environmental and sustainability risks

Risk trends
Elevated risk

Description

Climate change and ESG pressures impact on strategic decisions, disclosures, and capital flows, while elevating regulatory scrutiny and reputational risks.

Mitigation and opportunities

- Reduce the Group's operational emissions in line with its 2030 environmental action plan and set scope 1, 2 and 3 targets.
- Embed processes to encourage customers to pragmatically adopt business strategies and practices that align with the sustainability policies.
- Embed existing financing standards and greenwashing policy.
- Acquire and enhance data, with a focus on accuracy and completeness, for credit and insurance risk, models and scenario analyses to assess the impact of climate change risk.
- Develop knowledge and build expertise to support customers and the Group to mitigate environmental risks and optimize opportunities.
- Continue to engage with civil societies, shareholder activists and development finance institutions.

Key performance metrics

Common equity tier 1 (CET1) ratio[1]
12.5%
June 2024: 12.7%

Economic capital (EC) coverage
1.5%
June 2024: 1.5%

Leverage ratio[1]
7.7%
June 2024: 7.7%

Liquidity coverage ratio (LCR)[2]
129.0%
June 2024: 126.2%

Net stable funding ratio (NSFR)
117.2%
June 2024: 119.3%

Credit loss ratio (CLR)
1.00%
June 2024: 1.23%

Stage 3 ratio on gross loans and advances
5.9%
June 2024: 6.1%

Stage 1 and stage 2 coverage ratio
1.0%
June 2024: 1.2%

Stage 3 coverage ratio
46.9%
June 2024: 47.1%

Banking book net interest income (NII) sensitivity for a 2% downward shock in interest rates (Rm)
(R2 342m)
June 2024: (R1 935m)

Operational risk losses
R240m
June 2024: R260m

Review of current reporting period

- The capital ratios were at the top end of the Board target range and well above minimum regulatory requirements.
- The liquidity position remained healthy and liquidity metrics were comfortably within risk appetite and above the minimum regulatory requirement.
- Improved new business performance within the Personal and Private Banking (PPB) portfolios resulted in a reduction of the CLR and combined stage 1 and 2 coverage ratio.
- Single name write offs in the Corporate and Investment Banking (CIB) and Business Banking SA (BB) portfolios resulted in a reduction in the stage 3 coverage ratio. Higher legal book debt sales executed in the Unsecured Lending portfolios during the first half of 2025, has also contributed to the reduced stage 3 coverage metric.
- The Group continued to actively manage interest rate risk within the predetermined risk appetite.
- Operational risk losses for the period were lower than the prior year due to fewer events experienced.

Priorities

The Group's operating environment is expected to continue to be challenging. Risk, liquidity, and capital management remain a priority, including:

- Deliver long-term value to shareholders through a resilient capital base that enables strategic growth.
- Maintain capital ratios at the upper end of the Board-approved target range and well above minimum regulatory requirements.
- Manage the aggregate credit risk profile and performance against the Group's strategy and risk appetite.
- Monitor changes in the global macroeconomic, political and regulatory environments to identify and manage risks at an early stage.
- Continue to improve controls, efficiency and operational resilience, through enhanced platforms and digital capabilities, across critical processes.
- Engage and collaborate with regulatory authorities and other stakeholders to implement and comply with upcoming regulatory changes to ensure the most appropriate outcomes for the banking sector and broader economy.
- Implement a holistic set of ESG targets and reporting mechanisms to measure and communicate the Group's progress.

1 Includes unappropriated profits.
2 The Group LCR reflects an aggregation of the Bank LCR and the ARO LCR. For this purpose, a simple average of the relevant three month-end data points is used in ARO, noting that the ARO LCR is capped at 100% per the minimum regulatory requirements. For the Bank, the LCR was calculated as a simple average of 90 calendar-day LCR observations.

Credit risk

The risk of suffering financial loss due to a borrower, a counterparty to a derivative transaction, or an issuer of debt securities defaults on its contractual obligations.

Key metrics	June 2025	June 2024	December 2024
CLR (%)	**1.00**	1.23	1.03
Stage 3 ratio on gross loans and advances (%)	**5.9**	6.1	6.1
Stage 3 coverage ratio (%)	**46.9**	47.1	47.4
Stage 1 and stage 2 coverage ratio (%)	**1.0**	1.2	1.0
Total coverage ratio (%)	**4.0**	4.2	4.1
Performing book weighted average probability of default (PD) (%)[1]	**2.1**	2.2	2.2
Weighted average loss given default (LGD) (%)[2]	**27.5**	27.9	27.7
Credit risk economic capital (EC) (Rbn)[2]	**79.6**	72.9	78.5
Total credit RWA (Rbn)	**924.4**	831.9	887.5
Primary credit risk RWA (Rbn)[3]	**885.0**	789.4	845.9
Counterparty credit risk (CCR) RWA (Rbn)[4]	**31.5**	30.2	31.7
Equity risk RWA (Rbn)	**7.9**	12.3	9.9

Review of current reporting period

- Gross loans and advances increased to R1 465bn (30 June 2024: R1 359bn) primarily due to growth in institutional and customer-facing reverse repurchase agreements within the Corporate and Investment Banking (CIB) and Treasury portfolios. This was supported by moderate growth across specific portfolios in the Personal and Private Banking (PPB) and Business Banking segments.
- The CLR decreased to 1.00% (30 June 2024: 1.23%) and was at the upper end of the Group's through-the-cycle (TTC) target range of 75bps to 100bps. This was primarily driven by an improved new business performance across the PPB portfolios following the implementation of risk reduction measures and a shift to lower risk and higher affluent customer bookings in the Unsecured Lending portfolios. Enhancements to application scorecards and forbearance initiatives created to assist customers facing temporary payment difficulties in the Home Loans and Vehicle Asset Finance (VAF) segments have also contributed to the increased lower risk customer bookings and improved delinquency structure. The ageing of legal accounts within the Home Loans portfolio attracted additional non-performing loan book charges which has offset some of the favourability from new business performance.
- Improvements in new business performance has favourably influenced the portfolio construct of the performing book across the PPB segments. This has been the primary driver in the improved combined stage 1 and 2 coverage ratio, which reduced by 17 basis points to 1.0% (30 June 2024: 1.2%).
- Late stage and legal delinquency categories remained pressured across the PPB segments due to ageing legal books and workout delays in the secured lending portfolios. Despite this, risk reduction measures and lower risk lending strategies executed have reduced the pace of inflows into these categories, which reduced the stage 3 ratio to 5.9% (30 June 2024: 6.1%). Loans and advances growth, primarily in CIB, outpaced non-performing loan book growth and further contributed to the reduced metric.
- Single names carrying relatively higher coverages were written off in the CIB and Business Banking SA portfolios and resulted in a reduction of stage 3 coverages to 46.9% (30 June 2024: 47.1%). Higher legal book debt sales executed in the Unsecured Lending portfolios during the first half of 2025 also contributed to the reduced stage 3 coverage.
- Credit risk EC increased to R79.6bn (30 June 2024: R72.9bn) due to book growth and changes in the portfolio construct.
- Primary credit risk RWA increased to R885bn (30 June 2024: R789.4bn) due to foreign currency advances growth as well as single name and country rating downgrades across the CIB and Treasury ARO portfolios. This was further influenced by increased RWA's held for defaulted assets in the secured lending portfolios within PPB.
- The sale of unlisted equity investments and debt instruments within the private equity portfolio resulted in a reduction of equity risk RWA to R7.9bn (30 June 2024: R12.3bn).

1 The percentages include only portfolios subject to the internal ratings-based (IRB) approaches.
2 Credit risk EC includes equity risk, CCR, credit valuation adjustment (CVA) and securitisation.
3 Primary credit risk RWA includes credit risk (excluding CCR) and securitisation exposures in the banking book.
4 CCR RWA includes CVA.

Credit risk *continued*

Priorities

- Manage the aggregate credit risk profile and performance against the Group's strategy and risk appetite.
- Monitor changes in the global macroeconomic, political and regulatory environments to identify and manage risks at an early stage.
- Model and consider the potential impact of these and other events in a comprehensive stress testing framework.
- Position and manage the credit portfolio to mitigate the impact of heightened macroeconomic, country and sovereign risks in the markets in which the Group operates.
- Manage concentration risk at origination to mitigate risk in line with the Group's concentration risk framework.
- Manage legacy distressed names to maximise recovery rates.
- Selectively invest in collections capabilities to effectively manage credit risk as it evolves.
- Focus on talent development and succession planning, ensuring a fully capacitated and well-skilled credit team.
- Refine and enhance processes and portfolio management activities following the implementation of the capital rules for credit risk per the Basel III finalisation, effective from 1 July 2025.
- Address the credit risk financial implications of the BCBS's principles for the effective management and supervision of climate-related financial risks.

Market risk

The risk of the Group's earnings or capital being adversely impacted by changes in the level or volatility of prices, affecting the positions in its books.

Trading book risk

The market risk resulting from trading activities booked in trading books across the Group in accordance with regulatory requirements.

Key risk metrics	June 2025	June 2024	December 2024
Traded market risk EC (Rbn)	**9.3**	6.3	6.6
Traded market risk RWA (Rbn)	**57.1**	38.6	40.4
Average traded market risk – 99% value at risk (VaR) (Rm)	**47.3**	51.4	56.3

Review of current reporting period

- Amid changing macroeconomic conditions and monetary policy easing in certain markets, broader risk increases across asset classes were influenced by client flow in those markets.
- EC increased due to higher ARO default risk charge (DRC) driven by increased exposures to ARO sovereign bond holdings. The increase in risk appetite was supported by stable currency conditions, a reduction in central bank policy rates, and growing foreign investor interest in sovereign bonds.
- RWAs increased due to an increase in the internal models approach capital driven by higher 60-day average VaR due to client activity in anticipation of monetary policy outcomes and evolving market dynamics as a result of both global and local developments.

Priorities

- Ensure ongoing system functionality, and regulatory compliance to the fundamental review of the trading book (FRTB) regulations, effective 1 July 2025, building on the outcomes of prior parallel testing and readiness efforts to support a smooth transition to the new framework.
- Manage capital demand within risk appetite, considering impacts under FRTB regulatory requirements.
- Ensure a smooth transition to the new Prudential Authority Umoja reporting platform, following the implementation of phase 1, with a focus on testing and readiness for phase 2.
- Strengthen the framework for monitoring concentration and liquidity in response to market liquidity and concentration risk indicators.

Market risk *continued*

Banking book risk

The risk that the Group's current or projected financial condition and resilience might be adversely affected by changes in interest rate levels, yield curves and spreads. This risk arises in the banking book, due to re-pricing differences between assets, liabilities and equity, and includes funding spread risk and foreign exchange rate risk.

Key risk metrics	June 2025	June 2024	December 2024
Banking book net interest income (NII) sensitivity for a 2% increase shock in interest rates (Rm)	**989**	1 047	1 116
South Africa	**657**	398	758
ARO	**332**	649	358
Banking book NII sensitivity for a 2% downward shock in interest rates (Rm)	**(2 342)**	(1 935)	(1 904)
South Africa	**(1 005)**	(727)	(1 006)
ARO	**(1 337)**	(1 208)	(898)
Banking book risk EC (Rbn)	**10.0**	8.5	8.9

Review of current reporting period

- The Group continued to manage interest rate risk within established risk parameters.
- The Group's NII sensitivity increased by R407m to -R2.3bn (June 2024: -R1.9bn). The increase is mainly due to South Africa, where balance sheet expansion has led to greater reset risk linked to short-term maturities that cannot be effectively hedged. Additionally, there has been an increase in high quality liquid assets (HQLA) hedging activities.
- Balance sheet expansion in ARO was largely facilitated through structural funding, which consequently resulted in additional risk for the Group.
- Economic capital increased by R1.5bn driven by the investment in liquid government securities on an asset-swap basis. This was reflective of the investment strategy to support the Group's liquidity requirements while effectively managing interest rate risk.

Priorities

- Manage credit spread, interest rate, and foreign exchange risk proactively while adhering to the Group's risk appetite.
- Maintain margin stability through prudent risk management strategies, such as the structural hedge program in SA.
- Prepare the Group for the adoption of the new benchmark rate reforms in SA.
- Continuously tracking Basel III finalisation metrics to ensure the accuracy and reliability of the Group's regulatory reporting.

Capital and liquidity risk

The risk and related constraints, which support the effective management of the Group's financial resources, among others, capital, liquidity and pension, critical to meeting the Group's strategic objectives. This includes pension risk as a risk in the event that a capital injection is required with respect to defined benefit plans.

Capital risk

The risk that the Group has an insufficient level or inappropriate composition of capital to support its normal business activities and to remain within its Board-approved capital target ranges under normal operating conditions or above regulatory capital requirements under stressed conditions.

Key risk metrics	June 2025	June 2024	December 2024
Total EC (Rbn)	**126.9**	114.8	123.8
Total RWA (Rbn)	**1 221.7**	1 075.0	1 161.7[1]
CET1 capital adequacy ratio (%)[2]	**12.5**	12.7	12.6
EC coverage	**1.5**	1.5	1.5
Leverage ratio (%)[2]	**7.7**	7.7	7.8
Capital and liquidity risk EC (Rbn)[3]	**0.8**	–	0.9
Cost of equity (CoE) (%)[4]	**15.10**	14.75	15.00

Review of current reporting period

- The Group's capital position was 12.5% as at 30 June 2025, positioned at the top end of the Board's target range of 11.0% to 12.5%, and well above the minimum regulatory requirement.
- The Group dividend payout target of 55% was maintained.
- RWA growth was driven by ARO balance sheet expansion, increasing credit risk, coupled with higher non-customer asset risk, and operational risk, partially offset by declines in market risk, threshold risk, and securitisation risk.
- The Group's tier 1 capital position was impacted by the redemption of R1.4bn additional tier 1 capital in June 2025.
- The Group's tier 2 capital position was impacted by the redemption of R2.7bn tier 2 capital in May 2025.
- ARO entities were adequately capitalised and remained above local minimum regulatory requirements.
- The leverage ratio remained above minimum regulatory requirements with the increase in tier 1 capital supporting leverage exposure growth from the balance sheet.
- Following assessments of the financial market landscape, the Group's cost of equity increased to 15.10%, an increase of 10bps from December 2024, driven by ongoing reassessments of macroeconomic and financial market conditions.

Priorities

- Maintain strong capital ratios within or above the Board-approved risk appetite and above regulatory minimum levels, while supporting a sustainable dividend payout ratio.
- Deploy capital and manage the repatriation of dividends from subsidiaries to optimise capital utilisation.
- Implement measures to optimise capital resources by pursuing tier 2 and additional tier 1 issuance opportunities in domestic and international markets, while actively engaging in the finalisation of South Africa's Financial Conglomerate Supervisory Framework capital standard to ensure regulatory alignment.
- Implement processes to monitor and assess 2025 regulatory changes, including Basel III finalisation and FRTB, to determine their impact on capital adequacy and ensure sustained compliance.
- The prudential standard on Flac instruments has been promulgated effective 1 January 2026. The Group will prioritise the issuance of Flac instruments over the six-year phase-in period.
- The Prudential Authority, together with the South African Reserve Bank (SARB), agreed to implement a positive cycle-neutral countercyclical buffer (CCyB). The minimum regulatory capital requirements will increase by 1% with an effective date of 1 January 2026, following a one-year phase-in period. The Prudential Authority has also issued Directive 3 of 2025 which introduces a leverage ratio higher loss absorbing buffer applicable to domestically systemically important banks (D-SIB) effective 1 July 2025. The Group is aligning its capital planning and Board targets to accommodate these changes, recognising the CCyBs role as a shock absorber during periods of financial stress.

1 The December 2024 figures were revised to align with final regulatory submissions.
2 Includes unappropriated profits.
3 Capital and liquidity risk includes pension risk.
4 The CoE is based on the capital asset pricing model.

Capital and liquidity risk *continued*

Liquidity risk

The risk that the Group is unable to meet its contractual or contingent liquidity obligations or that it does not have the appropriate amount, tenor and composition of funding to support its assets.

Key risk metrics	June 2025	June 2024	December 2024
Sources of liquidity (Rbn)	**366.7**	351.0	384.5
NSFR (%)	**117.2**	119.3	121.7[1]
LCR (%)[2]	**129.0**	126.2	126.7
Loan-to-deposit ratio (%)[3]	**79.3**	81.9	80.9
Loans and advances to customers and banks (Rbn)	**1 378.3**	1 312.4	1 328.4
South Africa	**1 161.5**	1 112.5	1 127.5
ARO	**216.8**	199.9	200.9
Deposits from customers and banks (including debt securities) (Rbn)	**1 738.0**	1 601.9	1 641.4
South Africa	**1 428.2**	1 328.4	1 360.7
ARO	**309.8**	273.5	280.7

Review of current reporting period

- Liquidity risk position:
  - The Group's liquidity risk position remained healthy and key liquidity metrics were within risk appetite and above the minimum regulatory requirements.
  - The Group maintained a high-quality liquid asset (HQLA) buffer in excess of the minimum regulatory requirements, based on stress testing performed, to absorb potential volatility in the liquidity position.
  - The money market surplus post the gold and foreign exchange contingency reserve account (GFECRA) liquidity injection into the market in 2024, contributed towards Absa Bank's healthy liquidity position.
  - The Group's foreign currency liquidity position remained robust and flexible, with adequate diversified United States dollar (USD) funding available to support the USD asset base and planned asset growth.
  - All banking subsidiaries remained self-sufficient in terms of local currency liquidity, with limited reliance on USD working capital support from the Group.
- Short-term balance sheet structure and liquidity buffers:
  - The Group's sources of liquidity amounted to 26.2% (June 2024: 27.8%) of deposits from customers. The Group continued to maintain a diversified HQLA portfolio, thereby maintaining a 90-day average HQLA at R287.3bn (June 2024: R265.9bn).
  - Loan growth was funded by growth in customer deposits and supported by raising wholesale funding, of appropriate tenor, ensuring a sustainable and diverse funding base.
  - The cost of wholesale funding in domestic markets remained at relatively lower levels in the first half of 2025, given the surplus liquidity in the market post GFECRA, and Absa Bank's reliance on wholesale funding was managed appropriately to support asset growth. The cost of funding may increase in future as shorter dated wholesale funding becomes less desirable; due to the full phase-out of the regulatory benefit attributable to financial institution funding in the net stable funding ratio (NSFR) from 1 January 2028.
  - The Group consistently maintained an LCR buffer above 100% and used its Internal Liquidity Stress Metric Framework to determine the amount of HQLA required to be held to meet internally defined stress requirements.

1 The December 2024 figures were revised to align with final regulatory submissions.
2 The Group LCR reflects an aggregation of the Bank LCR and the ARO LCR. For this purpose, a simple average of the relevant three month-end data points is used in ARO, noting that the ARO LCR is capped at 100% per the minimum regulatory requirements. For the Bank, the LCR was calculated as a simple average of 90 calendar-day LCR observations.
3 The methodology used to calculate the loan-to-deposit ratio includes loans and advances to banks and is based on average balances and not spot balances as disclosed per the Group financial statements.

Capital and liquidity risk *continued*

- Long-term balance sheet structure:
  - The Group continued to strengthen and diversify its funding sources to maintain a sustainable funding structure.
  - The demand from investors for the Group's bond issuances remained robust during 2025, as evidenced by high subscription levels. Absa successfully raised R2bn in senior debt and R3bn additional tier 1 (AT1) capital in the local South African market, which included our inaugural South African rand overnight index average (ZARONIA) linked senior debt bond. This marked an important milestone in the adoption of ZARONIA and underscores our commitment to supporting the transition from Johannesburg Interbank Average Rate (JIBAR) to more transparent and globally aligned benchmark rates ahead of the expected December 2026 JIBAR cessation date.
  - The Prudential Authority postponed the implementation date of first loss absorbing capacity (Flac) instruments to 1 January 2026; one year later than originally proposed. As the minimum Flac requirements are phased in from 2026, Absa Bank intends issuing Flac instruments to replace maturing senior debt.
- Diversification:
  - The Group had a well-diversified deposit base and concentration risk was managed within internal and regulatory guidelines.
  - The Group managed funding sources to maintain a wide diversity of depositors, products, tenors and currencies.

Priorities

- Preserve the Group's liquidity position in line with the Group's risk appetite.
- Manage the funding and HQLA position in line with the Board-approved framework and ensure compliance with regulatory requirements.
- Focus on growing core retail, relationship bank, corporate and public sector deposits.
- Continue to strengthen and diversify the funding base, while optimising funding costs, to support asset growth, other strategic initiatives and maintain the strong NSFR over the 5-year phase out of the national discretion.
- Collaborate with the regulatory authorities and other stakeholders on SARB's approach to resolution planning in SA.

Risk management overview
for the reporting period ended

Insurance risk

The risk that future claims, expenses, policyholder behaviour and investment returns will be adversely different from the allowances made in measuring policyholder liabilities and in product pricing.

Key risk metrics[1]	June 2025	June 2024	December 2024
Profit before tax (Rm)	**949**	995	2 058
Capital adequacy cover (regulatory basis) (times)	**1.47**[2]	1.35	1.33
Insurance risk EC (Rbn)	**6.5**	6.3	6.2

Review of current reporting period

- Profit before tax earnings marginally decreased compared to previous year, mainly driven by the ARO corporate transactions. Refer pages 36 and 106.
- The sale of Absa Life Botswana, Absa Life Zambia and Global Alliance Mozambique was completed in H1 of 2025.
- Absa Financial Services (AFS) and the solo licensed insurance entities remained adequately capitalised. As at 30 June 2025, Absa Life capital adequacy cover was 1.53 and Absa Insurance Company capital adequacy cover was 1.75. The AFS solvency position was calculated using the deduction and aggregation method, incorporating the solvency positions of the underlying entities that comprise the group. This included insurance operations in South Africa and ARO, along with Advice and Investment (A&I) businesses. It remained resilient due to adequate capital buffers.
- The AFS Group recognizes climate change as a material financial risk affecting non-life underwriting and pricing. As part of its climate strategy, the AFS Group has integrated climate scenario analysis into risk management and stress testing frameworks. Climate change related stress tests conducted during this period demonstrated on the resilience of AFS' solvency position in the face of this risk. The use of advanced flood risk modelling and catastrophe exposure mapping to inform underwriting decisions was initiated, ensuring resilience against increasing climate-related losses. Additionally, engagement with reinsurers continues to optimize risk transfer solutions amid a volatile reinsurance market.
- Continued monitoring of the exposure to sovereign investments across the continent has supported the active management of undue concentrations.

Priorities

- In the Life business the near-term focus is on monitoring the ELIB and Flagship Funeral products' experience as well as the roll out of the products to all remaining channels.
- Absa Life applied to the Prudential Authority to implement an iterative risk margin for regulatory capital purposes, which is expected to improve Absa Life's solvency position. The application remains under review.
- Targeted initiatives are underway to enhance premium collection and customer retention in the non-life business.
- Monitor the stabilization of the new non-life policy administration system and decommissioning of the old system to support benefit realisation and improved customer service.
- Respond to the risk of continued adverse weather conditions comprehensively as part of broader ESG efficiencies.
- Optimise capital efficiencies through accurate measurement and allocation of capital.
- Monitor the impacts of IFRS 17 and refine risk appetite setting of relevant metrics to align with best practice.
- Analyse emerging risks and enhance actuarial processes by integrating advanced technologies like ML, AI, and big data analytics, to improve efficiency and accuracy in risk assessment.

1 Figures are shown for Absa Financial Services (AFS), the approved regulated insurance group controlling company.
2 Draft capital position, before foreseeable dividends, consistent with prior submissions. Post foreseeable dividend figures are not available.

Strategic, sustainability and reputation risk

The risk of losses arising from potential changes in the general business conditions and competitive market environment driven by strategic, sustainability and reputation factors.

Strategic risk

The risk that the Group's strategic decisions and related execution activities may be inadequate to protect the Group's competitive position and ability to generate sustainable shareholder value.

Key risk metrics	June 2025	June 2024	December 2024
Strategic risk EC (Rbn)	**5.8**	7.4	8.3

Review of current reporting period

- Strategic risk management continued to be embedded across the organisation, underpinned by the maturation of key measurement processes and enhanced oversight mechanisms.
- Economic capital quantification was refined to ensure continued accurate quantification of risks faced by the Group.
- Early warning indicators were introduced to improve management insight and responsiveness.
- Strategic risk concerns persist, particularly in relation to heightened operating environment volatility and competitive pressures from both traditional and non-traditional market participants. Disciplined capital allocation, embedment of the revised operating model and continued execution against the Group's technology plan remain critical in navigating these challenges.

Priorities

- Support the Group's strategic initiatives in light of ongoing volatility and anticipated structural shifts in the operating environment.
- Refine proactive risk monitoring to enable agile and effective strategic responses.
- Conduct annual strategic risk assessments in preparation for annual strategy refresh processes, making use of in refined measurement techniques
- Broaden the use of scenario analysis and other forward-looking tools to assess potential impact variability and support the development of proactive mitigation strategies.

Strategic, sustainability and reputation risk *continued*

Sustainability risk

The failure to implement responsible operational and lending practices to effectively manage and report the impact of the Group's direct and indirect impact on the environment, society and geographies we operate in.

Review of current reporting period

- Conducted a climate-focused business environmental scanning (BES) to meet regulatory expectations.
- Continued with the consolidation of risk-type materiality assessments.
- Developed initial methodologies for climate risk stress testing and scenario analysis, covering both physical and transition risks.
- Mapped climate risk regulatory reporting requirements across South African Reserve Bank (SARB), The Basel Committee on Banking Supervision (BCBS), International Association of Insurance Supervisors (IAIS), and International Financial Reporting Standards (IFRS S2) to inform governance and reporting metrics.
- Assessed data gaps and limitations impacting quantitative regulatory reporting and defined tactical and strategic data sourcing strategies to support climate risk integration.

Priorities

- Execute change management initiatives to embed climate risk practices and ensure smooth transition into business-as-usual operations.
- Conduct exploratory climate-risk scenario analyses, building on the SARB climate risk stress testing exercise.
- Perform self-assessment against regulatory reporting requirements and address gaps.
- Continue with the development of set of ESG metrics and reporting mechanisms to measure the Group's progress, together with data strategies to address the accuracy and completeness of climate risk measures.
- Implement tactical data sourcing solutions to support immediate reporting needs.
- Strengthen climate risk governance and oversight through continuous research and transparent reporting.

Reputation risk

The risk of damage to the Group's brand arising from any association, action, transaction, investment or event which is, or is perceived by stakeholders (e.g. society, customers, clients, colleagues, shareholders, regulators, media, and opinion-formers) to be inappropriate or unethical.

Review of current reporting period

- The Group's crisis communications response strategy was independently assessed through an externally led simulation conducted by a specialist reputation management firm, with the overall outcome rated as 'satisfactory'.
- Created and executed a communications plan related to the onboarding and public introduction of the new Group Chief Executive Officer (GCEO).
- Engaged with the Group's media stakeholders to share key messages and leadership updates.
- The 2024 Reputation Tracker Survey showed a marginal rise in stakeholder trust, with Absa leading in six regions and ranking in South Africa's top three, confirming strong brand equity and identifying focus areas for engagement.
- Initiated a reputation risk benchmarking exercise with global experts to evaluate Absa's reputation risk management practices against international standards.
- Maintained dialogue with opinion-formers and actively monitored traditional and social media channels to identify sentiment shifts early and tailor engagement accordingly.

Priorities

- Continued GCEO communications to support leadership transition and stakeholder trust.
- Targeted Public Relations in key segments and markets aligned with Group strategy.
- Strategically planning for the Group's role at the G20 / B20 platform.
- Ongoing management of media and stakeholder responses affecting the Groups reputation.

Model risk

The risk of the potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and reports.

Key risk metrics	June 2025	June 2024	December 2024
Model risk EC (Rbn)	**1.8**	1.8	1.8

Review of current reporting period

- Refreshed existing models and developed new models in accordance with business priorities and the outcomes of the independent model validations.
- Continued the modernisation of SAS infrastructure from on-premise to cloud-based.
- Progressed the design and embedment of governance framework for ML / AI models.
- Deployed an enhanced model risk training programme for owners of models.
- Ongoing automation of the model performance monitoring on the South Africa and ARO retail portfolio for regulatory credit capital, credit impairment and behavioural scorecard models.
- Enhanced the capacity and capability of model risk management resources.
- Ongoing improvement of model development methodologies, and where appropriate, developed standardised methodologies to expedite the model lifecycle.
- Enhanced the model risk management workflow system.

Priorities

- Meeting regulatory change requirements of Basel III finalisation model requirements and replacement of Directive 7 of 2015.
- Complete a review of model risk governance processes and controls.
- Continue the modernisation of SAS infrastructure from on-premise to cloud-based.
- Progress the design and embedment of governance framework for ML / AI models.

Risk management overview
for the reporting period ended

Operational and resilience risk

The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Key risk metrics	June 2025	June 2024	December 2024
Total operational risk losses as a percentage of gross income (%)	**0.42**	0.49	0.38
Total operational risk losses (Rm)	**240**	260	417
Operational risk EC (Rbn)[1]	**13.1**	11.6	12.6
Total operational risk RWA (Rbn)	**218.1**	179.4	208.4
Operational risk (Rbn)	**186.1**	150.6	178.6
Non-customer assets (Rbn)	**32.0**	28.8	29.8

Review of current reporting period

- Maintained groupwide operational resilience, delivering substantially uninterrupted services to its customers, against the backdrop of a number of interconnected and dynamic risk drivers. This included energy constraints, macroeconomic and geopolitical volatility, organised crime, consumer stress and the effects of climate change.
- The Group's operational resilience was the result of the continuous adaptation, enhancement and optimisation of controls in response to risks experienced. Key areas of focus included:
  - Business continuity protocols considering the impact of loadshedding and blackout planning in SA.
  - Information security and cyber controls, within the Group and its third parties, considering the increasing sophistication of threats.
  - Fraud prevention and detection capabilities in response to the increasing level of fraud attempts, while minimising disruption to authentic customers and transactions.
- Preparation for the implementation of the new standardised approach requirements per the Basel III finalisation.
- Operational risk losses for the period were lower than the prior year due to fewer events experienced.
- RWA increased to R218.1bn (30 June 2024: R179.4bn) due to the growth in revenue, changes in the foreign exchange rates of the ARO countries and higher risk requirements that came into effect from September 2024.
- EC increased to R13.1bn (30 June 2024: R11.6bn) due to changes in the risk profile, as well as growth in revenue and changes in the foreign exchange rates of the ARO countries.

Priorities

- Maintain a satisfactory and robust control environment that continues to deliver operational resilience through:
  - Improving the understanding of interdependencies between processes.
  - Ensuring continuity of services from third parties.
  - Optimisation of business continuity responses and scenario planning.
  - Enhancement and optimisation of fraud, information security and cyber controls.
- Implement the new standardised approach per the Basel III finalisation, which came into effect on 1 July 2025.
- Continue to assess and respond to the risk of continued adverse weather conditions comprehensively as part of broader ESG activities.

1 Operational risk RWA and EC includes fixed asset risk, non-customer assets and compliance risk.

Compliance risk

The risk of failure to comply with any legal or regulatory obligations, including failure to act in accordance with customers' best interests, fair market practices and codes of conduct, and failure to mitigate financial crime.

Conduct risk

The risk of detriment to the Group, its customers, clients, market integrity, and effective competition from the inappropriate supply of financial services, including instances of wilful/negligent misconduct, unethical behaviour and the failure to manage regulatory relationships.

Review of current reporting period

- Maintained fair customer outcomes during the transition to a new retail banking structure in South Africa.
- Completed a review and refinement of the product governance framework incorporating stronger customer suitability checks and post-sale monitoring.
- Established an artificial intelligence (AI) policy to embed responsible AI use and align with ethical and regulatory expectations.
- Conducted the 2025 biennial ethics risk assessment survey which is used to identify cultural and behavioural gaps. The insights obtained will inform targeted remediation actions, to strengthen ethical conduct and integrity across the organization.
- Strengthened controls related to complaints management as part of efforts to enhance the customer experience and align with conduct expectations.
- Maintained a vigilant and proactive compliance posture and transparency with regulators through robust compliance frameworks.

Priorities

- Enhance the complaints management processes by leveraging increased automation and AI driven solutions leading to fairer and more responsive customer experiences.
- Address the key conduct and ethics risks highlighted in the 2025 ethics risk assessment, with a focus on identified gaps, strengthening a culture of ethical behaviour across all levels of the organisation, and ultimately delivering fair customer outcomes.
- Deliver targeted training and awareness to frontline staff and product owners, with a focus on fair customer outcomes and conduct risk awareness.
- Enhance outsourcing and privacy risk management linked to third parties in response to evolving business, regulatory and cybersecurity landscapes.
- Embed best practice related to fraud and privacy into the employee and customer experience, with a focus on vulnerable customers.

Compliance risk *continued*

Financial crime risk

The risk of an act or attempted act against institutions, organisations or individuals by internal or external agents to illegally appropriate, defraud, manipulate or circumvent legislation. Financial crime includes offences such as money laundering, terrorist financing, bribery and corruption.

Review of current reporting period

- Embedded the Global Screening Service (GSS) in South Africa and deployed in Mauritius, Seychelles, Kenya, Mozambique and Botswana.
- Spearheaded an industry level transaction monitoring think tank through the Banking Association of South Africa with the purpose to enhance transaction monitoring practices.
- Strengthened risk identification and mitigation effectiveness capabilities by streamlining alert adjudication processes and optimising and automating investigation, reporting, exception and monitoring processes across all financial crime.
- Broadened data resources and platforms leading to enhance data-driven risk detection and identification, enabling an end-to-end approach to financial crime.
- Contributed to the global fight against financial crime by actively participating in international forums such as global coalition to fight financial crime (GCFFC) reputational and data privacy, Wolfsberg Group, London Stock Exchange Group (LSEG) for sanctions and payments, and global screening service ISO 20022 (international standard for financial messaging between financial institutions).

Priorities

- Deploy the global screening service (GSS) solution across the remaining ARO subsidiaries, pending approval from respective jurisdictional regulators.
- Pursue opportunities to enhance risk identification and mitigation through process streamlining and optimisation.
- Maintain momentum in driving a holistic approach to financial crime across all areas to ensure seamless integration of intelligence and risk management.
- Enhance data capabilities and data infrastructure to strengthen proactive, data-driven risk management, assessment and monitoring
- Continue to strengthen and expand new relationships with industry bodies and international forums to foster collaboration and play an active role in industry developments on emerging financial crime threats.

Capital management and risk weighted assets

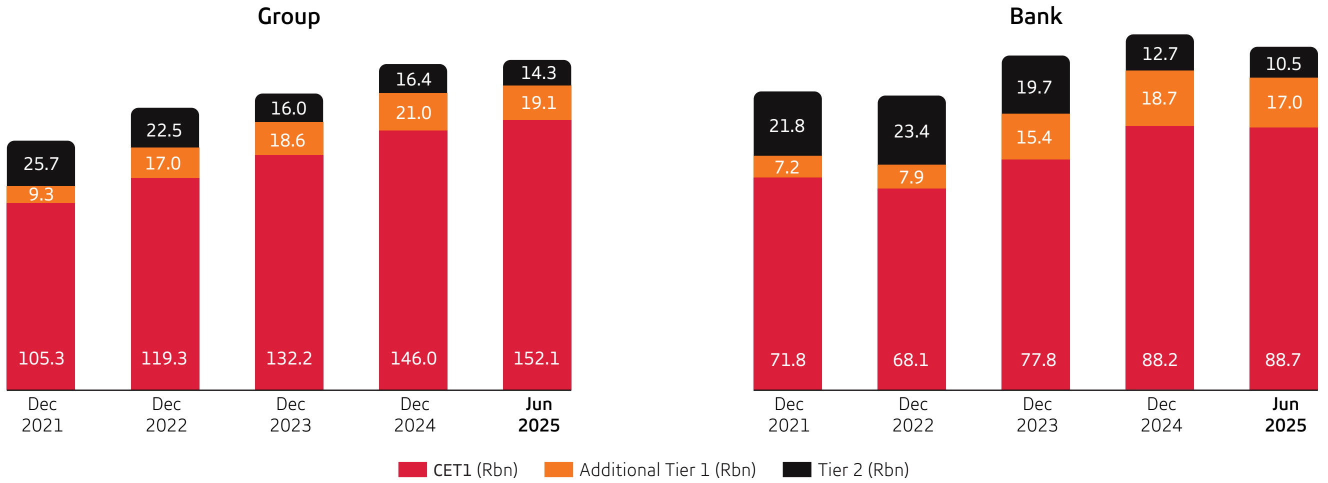
for the reporting period ended

Capital adequacy

The Group's capital management strategy, which supports and aligns with its business strategy, is to build capital resilience while supporting targeted balance sheet growth and capital demand.

	Board target ranges[1]	Minimum RC requirements[2]	Group performance June 2025	Group performance June 2024	Group performance December 2024	Bank performance June 2025	Bank performance June 2024	Bank performance December 2024
Statutory capital ratios (includes unappropriated profits) (%)								
CET1	11.0 – 12.5		**12.5**	12.7	12.6	**12.2**	11.8	12.6
Tier 1	>12.0		**14.0**	14.6	14.4	**14.6**	14.5	15.3
Total capital adequacy requirement (CAR)	>14.5		**15.2**	15.9	15.8	**16.0**	16.0	17.1
Leverage	> 5.5		**7.7**	7.7	7.8	**5.8**	6.0	6.1
Regulatory capital ratios (exclude unappropriated profits) (%)								
CET1		8.5	**11.6**	11.9	11.8	**11.6**	11.4	11.7
Tier 1		10.3	**13.2**	13.8	13.6	**13.9**	14.0	14.4
Total CAR		12.5	**14.4**	15.2	15.1	**15.3**	15.5	16.2
Leverage		4.0	**7.2**	7.3	7.4	**5.5**	5.8	5.8

Qualifying capital (including unappropriated profits)



Group Dec 2021	Group Dec 2022	Group Dec 2023	Group Dec 2024	Group Jun 2025		Bank Dec 2021	Bank Dec 2022	Bank Dec 2023	Bank Dec 2024	Bank Jun 2025
12.8	12.8	12.5	12.6	**12.5**	CET1 ratio (%)	12.4	12.5	11.9	12.6	**12.2**
17.0	16.6	15.8	15.8	**15.2**	Total CAR (%)	17.9	17.6	16.2	17.1	**16.0**
931.5	1 007.4	1 058.4	1 161.7[3]	**1 221.7**	RWA (Rbn)	630.0	662.1	683.0	699.2	**725.5**

1 Capital ratios (including unappropriated profits) are managed against Board capital targets. The Absa Bank Limited CET1 Board target range is 10.5% to 12.0% and Leverage Board target is >5.0%.
2 The 2025 minimum total regulatory capital adequacy requirement of 12.5% includes the capital conservation buffer, Pillar 2A and the D-SIB add-on but excludes the bank specific individual capital requirement (Pillar 2B add-on) as required by regulatory guidance.
3 The December 2024 figures were revised to align with final regulatory submissions.

Overview of risk weighted assets

The following table provides the RWAs per risk type and the associated minimum capital requirements:

Group	June 2025 RWA Rm	June 2024 RWA	December 2024 RWA Rm	June 2025 Minimum capital requirement[1] Rm
Credit risk[2]	**924 397**	831 925	887 530	**115 550**
Market risk	**57 108**	38 648	40 371	**7 139**
Operational risk[3]	**218 141**	179 426	208 359	**27 268**
Threshold items	**22 045**	24 984	24 656	**2 756**
Total	**1 221 691**	1 074 983	1 160 916	**152 713**

Absa Bank[4]	June 2025 RWA Rm	June 2024 RWA	December 2024 RWA Rm	June 2025 Minimum capital requirement[1] Rm
Credit risk[2]	**562 823**	540 121	546 517	**70 354**
Market risk	**35 671**	26 466	24 650	**4 459**
Operational risk[3]	**116 510**	113 498	115 653	**14 565**
Threshold items	**10 506**	12 933	12 348	**1 313**
Total	**725 510**	693 018	699 168	**90 691**

1 The 2025 minimum total regulatory capital adequacy requirement of 12.5% includes the capital conservation buffer, Pillar 2A and the D-SIB add-on but excludes the bank specific individual capital requirement (Pillar 2B add-on) as required by regulatory guidance.
2 Credit risk includes equity positions in the banking book, CCR, CVA and securitisation.
3 Includes floor adjustment, settlement risk and non-customer assets.
4 Absa Bank Limited includes subsidiary undertakings, special-purpose entities, joint ventures, associates, and offshore holdings.

Capital supply

Breakdown of qualifying capital

Group	June 2025 Rm	June 2025 %[1]	June 2024 Rm	June 2024 %[1]	December 2024 Rm[2]	December 2024 %[1]
CET1	**142 272**	**11.6**	128 107	11.9	137 413	11.8
Additional Tier 1 capital	**19 111**	**1.6**	20 280	1.9	21 004	1.8
Tier 1 capital	**161 383**	**13.2**	148 387	13.8	158 416	13.6
Tier 2 capital	**14 289**	**1.2**	14 563	1.4	16 431	1.4
Total qualifying capital (excluding unappropriated profits)	**175 672**	**14.4**	162 950	15.2	174 847	15.1
Qualifying capital (including unappropriated profits)						
CET1 including unappropriated profits	**152 127**	**12.5**	136 601	12.7	145 932	12.6
CET1	**142 272**	**11.6**	128 107	11.9	137 451	11.8
Unappropriated profits	**9 855**	**0.9**	8 494	0.8	8 520	0.7
Additional Tier 1 capital	**19 111**	**1.6**	20 280	1.9	21 004	1.8
Tier 1 capital	**171 238**	**14.0**	156 881	14.6	166 936	14.4
Tier 2 capital	**14 289**	**1.2**	14 563	1.4	16 431	1.4
Total qualifying capital (including unappropriated profits)	**185 527**	**15.2**	171 444	15.9	183 367	15.8

Absa Bank[3]	June 2025 Rm	June 2025 %[1]	June 2024 Rm	June 2024 %[1]	December 2024 Rm[2]	December 2024 %[1]
CET1	**83 860**	**11.6**	78 758	11.4	81 991	11.7
Additional Tier 1 capital	**16 965**	**2.3**	18 248	2.6	18 709	2.7
Tier 1 capital	**100 825**	**13.9**	97 006	14.0	100 700	14.4
Tier 2 capital	**10 467**	**1.4**	10 679	1.5	12 718	1.8
Total qualifying capital (excluding unappropriated profits)	**111 292**	**15.3**	107 685	15.5	113 418	16.2
Qualifying capital (including unappropriated profits)						
CET1 including unappropriated profits	**88 705**	**12.2**	81 935	11.8	88 256	12.6
CET1	**83 860**	**11.6**	78 758	11.4	81 991	11.7
Unappropriated profits	**4 845**	**0.6**	3 177	0.4	6 265	0.9
Additional Tier 1 capital	**16 965**	**2.3**	18 248	2.6	18 709	2.7
Tier 1 capital	**105 670**	**14.6**	100 183	14.5	106 965	15.3
Tier 2 capital	**10 467**	**1.4**	10 679	1.5	12 718	1.8
Total qualifying capital (including unappropriated profits)	**116 137**	**16.0**	110 862	16.0	119 683	17.1

1 Percentage of capital to RWAs.
2 The December 2024 figures were revised to align with final regulatory submissions.
3 Absa Bank Limited includes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings.

Capital management and risk weighted assets
for the reporting period ended

Economic capital

EC provides a common basis upon which to aggregate and compare different risks using a forward-looking, single measure of risk. It is a critical input into the internal capital adequacy assessment process (ICAAP) and in capital allocation decisions, which supports shareholder value creation. EC considers risk types that not only lead to potential operating losses but can also result in lower-than-expected earnings.

In the table below, EC demand is presented at a 99.90% confidence level, aligned with the ERMF principal risks. EC demand is compared with the available financial resources (AFR) – also referred to as EC supply – to evaluate the total EC surplus. The Group ensures there is sufficient AFR to meet this minimum demand requirement under severe yet plausible stress conditions.

Economic capital	June 2025 Rm	June 2024	December 2024 Rm
Credit risk[1]	**79 642**	72 870	78 504
Market risk	**19 270**	14 866	15 561
Trading book risk	**9 311**	6 337	6 615
Banking book risk	**9 959**	8 529	8 946
Insurance risk	**6 505**	6 295	6 242
Strategic, sustainability and reputational risk	**5 752**	7 436	8 251
Model risk	**1 839**	1 767	1 760
Capital and liquidity risk[2]	**775**	–	918
Operational and resilience risk[3]	**13 090**	11 558	12 598
Total EC requirement	**126 873**	114 792	123 834
Total EC AFR	**188 230**	174 288	186 872
Total EC surplus	**61 357**	59 495	63 038
EC coverage ratio	**1.5**	1.5	1.5

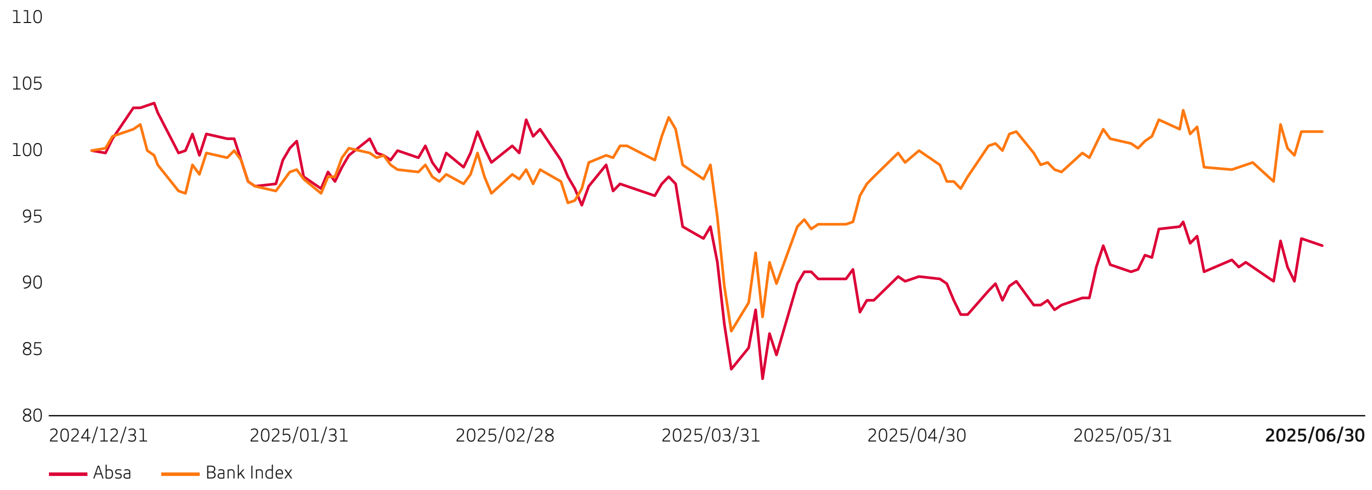
1 Credit risk includes investment risk, CCR, CVA and securitisation.
2 Capital and liquidity risk includes pension risk.
3 Operational and resilience risk includes operational risk and physical asset risk which includes property and equipment.

Appendices

Share performance

for the reporting period ended 30 June 2025

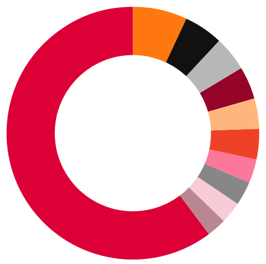
Share performance (cents)



Share performance on the JSE	30 June 2025	30 June 2024	Change %	31 December 2024
Number of shares in issue, which includes 2025: 65 074 525 (2024: 65 602 863) treasury shares	**894 376 907**	894 376 907		894 376 907
Market prices (cents per share):				
closing	**17 600**	15 845	11	18 975
high	**19 635**	18 340	7	19 826
low	**15 666**	13 778	14	13 778
average	**17 946**	15 590	15	16 292
Closing price/NAV per share (excluding preference shares) (%)	**0.88**	0.88	(0)	0.98
Price-to-earnings ratio (closing price/HEPS) (%)	**6.17**	6.70	(8)	7.12
Volumes of shares traded (Million)	**351**	396	(11)	776
Value of shares traded (Million)	**62 435**	62 278	0	126 505
Market capitalisation (Rm)	**157 414**	141 714	11	169 708
Total return (%)	**(3.2)**	0.8		24.3

Shareholder information and diary

Major ordinary shareholders (%)



2025	2024	
7.00	(7.00)	Newshelf 1405 Limited (SA)
4.95	(5.67)	M&G (SA, UK)
4.54	(5.02)	Public Investment Corporation (SA)
4.31	(4.06)	Black Rock Incorporated: (US, UK, JP, AU, CA, SG, SA)
3.79	(4.03)	Citigroup Global Markets (SA)
3.77	(3.76)	The Vanguard Group (US, AU)
3.28	(3.19)	Investec Securities (SA)
3.03	(2.63)	Old Mutual (SA)
2.71	(1.86)	36One Asset Management (SA)
2.44	(2.82)	Sanlam Investment Management (SA)
60.18	(59.96)	Other

Major shareholding split by geography (%)

2025	2024	
63.94	(64.76)	South Africa
16.40	(16.81)	United States and Canada
10.10	(8.71)	United Kingdom
9.56	(9.72)	Other

Shareholder diary

Financial year-end	31 December 2025
Annual general meeting	03 June 2026

Dividend	Declaration date	Last day to trade	Ex-dividend date	Record date	Payment date
	Monday	Tuesday	Wednesday	Friday	Monday
Final	18 August 2025	09 September 2025	10 September 2025	12 September 2025	15 September 2025

Glossary

Approaches (FIRB, AIRB, AMA and IMA)

Methods available to banks to calculate their regulatory capital requirements, based on their own risk estimates. These include the foundation internal ratings-based (FIRB) and advanced internal ratings-based (AIRB) approaches for credit risk, the advanced measurement approach (AMA) for operational risk and the internal models approach (IMA) for market risk.

Average interest-bearing assets

Average interest-bearing assets consist of all accounts that are not impaired and thus attract interest within the asset categories of cash, cash balances and balances with central banks, loans and advances to banks and customers and investment securities (including cash and short-term assets, money market assets and capital market assets).

Average loans to deposits and debt securities ratio

Loans and advances to customers and loans and advances to banks as a percentage of deposits due to customers, deposits to banks and debt securities in issue (calculated on daily weighted averages).

Balance sheet

The term “balance sheet” is used in the same context as the “statement of financial position”.

Bank

Absa Bank Limited, together with its subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings. It is also referred to as “the Bank” or “Absa Bank” in this report.

Banking average assets

Banking average assets consist of all average assets related to the banking activities of the Group. Banking average assets exclude “Other assets”, “Current tax assets”, “Non-current assets held for sale”, “Reinsurance assets”, “Goodwill and intangible assets”, “Property and equipment” and “Deferred tax assets”, and includes “Trading portfolio liabilities”.

Banking book annual earnings at risk

A measure of the sensitivity of net interest income over a one-year horizon due to a change in the level of interest rates. Calculated as the difference between the estimated income using the current yield curve, and the lowest estimated income following an increase or decrease in interest rates. As per regulatory requirement, a 200 bps downward shock is applied.

Banking income yield

Income as a proportion of banking average assets.

Banking interest yield

Net interest income after credit losses, as a proportion of banking average assets.

Banking non-interest yield

Non-interest income as a proportion of banking average assets.

Banks Act

This means the Banks Act, No 94 of 1990 and its accompanying regulations relating to banks published in the Government Gazette on 12 December 2012.

Barclays

Barclays PLC, registered in England under registration number 1026167.

Basel Capital Accord (II, II.5 and III)

The Basel Capital Accord of the Bank for International Settlements is an improved capital adequacy framework aimed at closely aligning banks’ capital requirements with improved modern risk management practices and sophisticated risk assessment capabilities. It further ensures the risk sensitivity of the minimum capital requirements by including supervisory reviews and market discipline through enhanced disclosure.

Borrowed funds

Subordinated callable notes qualifying as long-term Tier 2 capital in terms of section 1 of the Banks Act, No 94 of 1990.

Capital adequacy ratio

The capital adequacy of South African banks is measured in terms of the requirements of the SARB. The ratio is calculated by the aggregate amount of qualifying capital and reserve funds dividend by RWA. The base minimum South African total capital adequacy ratio for banks is 10% of RWA. Non-South African banks in the Group have similar capital adequacy methodology requirements.

Capital – Common Equity Tier 1

Common Equity Tier 1 capital consists of the sum of the following elements:

- Common shares issued by Absa Bank Limited that meet the criteria for classification as common shares for regulatory purposes (or the equivalent for non-joint stock companies);
- Stock surplus (share premium) resulting from the issue of instruments including CET1;
- Retained earnings;
- Accumulated other comprehensive income and other disclosed reserves;
- Common shares issued by consolidated subsidiaries Absa Bank Limited and held by third parties (i.e., non-controlling interest) that meet the criteria for inclusion in CET1; and
- Regulatory adjustments applied in the calculation of CET1.

Capital – Additional Tier 1 capital

Additional Tier 1 capital consists of the sum of the following elements:

- Instruments issued by Absa Bank Limited that meet the criteria for inclusion in Additional Tier 1 capital (and are not included in CET1);
- Stock surplus (share premium) resulting from the issue of instruments included in Additional Tier 1 capital;
- Instrument issued by consolidated subsidiaries of Absa Bank Limited and held by third parties that meet the criteria for inclusion in Additional Tier 1 capital and are not included in Common Equity Tier 1. See section 4 for the relevant criteria; and
- Regulatory adjustments applied in the calculation of additional Tier 1 capital.

Capital – Common Equity Tier 1 capital adequacy ratio

A measurement of a bank's core equity capital compared with its total risk-weighted assets. This is the measure of a bank's financial strength. The Common Equity Tier 1 excludes any preference shares or non-controlling interests when determining the calculation.

Capital – Tier 2 capital

Tier 2 capital consists of the sum of the following elements:

- Instruments issued by Absa Bank Limited that meet the criteria for inclusion in Tier 2 capital (and are not included in Tier 1 capital); Stock surplus (share premium) resulting from the issue of instruments included in Tier 2 capital;
- Instruments issued by consolidated subsidiaries of Absa Bank Limited and held by third parties that meet the criteria for inclusion in Tier 2 capital and are not included in Tier 1 capital;
- Certain loan loss provisions such as general provisions/general loan-loss reserve; and Regulatory adjustments applied in the calculation of Tier 2 capital.

Capital – Tier 2 ratio

A component of regulatory capital, comprising qualifying subordinated loan capital, related minority interests, allowable collective impairment allowances and unrealised gains arising on the fair valuation of equity instruments held as available-for-sale. Tier 2 capital also includes reserves arising from the revaluation of properties.

Claims ratio

Net insurance claims and benefits paid as a percentage of net premium income.

Combined ratio

Insurance losses incurred and expenses as a percentage of insurance premiums earned.

Conduct risk

Conduct risk is the detriment caused to the Group's customers and clients, counterparties or Absa Bank Limited as a result of inappropriate execution of the business activities.

Constant currency

The selected line items from the Condensed consolidated statement of comprehensive income and Condensed consolidated statement of financial position for the Africa regions market segment disclosed on pages 82 and 83 are derived by translating the Statement of comprehensive income and Statement of financial position from the respective individual entities' local currencies to Rand.

The current reporting period's results are translated at the current reporting period's average rates for the Statement of comprehensive income, while the closing rate is used for the Statement of financial position in terms of IFRS.

The percentage change based on constant currency has been presented to provide information on the impact of foreign currency movements on the local currency earnings. This is calculated for the Statement of comprehensive income and Statement of financial position, by translating the previous and current reporting periods' results at the exchange rate as at the prior reporting date and comparing the two outcomes.

The percentage change based on constant currency is provided for illustrative purposes only and may not fairly present the Group's financial position and/or the results of its operations. The directors are responsible for the preparation of the constant currency information.

Cost-efficiency ratio

"Operating expenses" as a percentage of income. Income consists of net interest income and non-interest income, net of reinsurance, unearned premiums, net insurance claims and benefits paid, changes in investment and insurance contract liabilities and acquisition costs.

Cost of equity

An estimate of the return that the market demands in exchange for the risk of ownership of equity.

Cost-to-income ratio

"Operating expenses" as a percentage of income. Income consists of net interest income and non-interest income.

Coverage ratio

Impairment losses on loans and advances as a proportion of gross loans and advances.

Credit loss ratio

Impairment losses on loans and advances for the reporting period, divided by total average advances (calculated on a daily weighted average basis).

Debt securities in issue

Short- to medium-term instruments issued by the Group, including promissory notes, bonds and negotiable certificates of deposits.

Diluted headline earnings per share

Headline earnings for the reporting period that is attributable to ordinary equity holders, as a proportion of the weighted average number of ordinary shares in issue adjusted for the effect of all potential dilutive ordinary shares.

Distribution force

Number of active advisers.

Dividend payout ratio

The total amount of dividends paid out to shareholders per ordinary share divided by the headline earnings per share.

Dividend per ordinary share relating to income for the reporting period

Dividend per ordinary share for the reporting period is the actual interim dividends paid and the final dividends declared for the reporting period under consideration, expressed as cents per share.

Special dividend per ordinary share is a payment made by the Group that is considered separate from the typical recurring dividend cycle, expressed as cents per share.

Earnings per share

Basic earnings per share

This constitutes the net profit for the reporting period, less earnings attributable to non-controlling interest, divided by the weighted average number of ordinary shares in issue during the reporting period.

Diluted basic earnings per share

The amount of profit for the reporting period that is attributable to ordinary equity holders, divided by the weighted average number of ordinary shares in issue during the reporting period, both adjusted for the effects of all potential dilutive ordinary shares, assuming they had been in issue for the reporting period.

Economic capital

Economic capital is an estimate of the maximum downward deviation from expectation in shareholder value, measured on an economic basis over a one-year time horizon and at a 99.95% confidence level. This sets the internal capital requirement deemed necessary by the Group to support the risks which is exposed.

Embedded value

The embedded value of the covered business is the discounted value of the future after-tax shareholder profits (net of the opportunity cost of the required capital) arising from covered business in force at the valuation date, together with the adjusted net worth of the covered business. Covered business is taken to be all long-term insurance business written under the Group's licence.

The free surplus is the excess of assets over the sum of liabilities and required capital, with assets at market value and liabilities on the statutory valuation method, adjusted to add back inadmissible assets. The required capital is taken to be two times the statutory capital adequacy requirement, in line with the results of internal capital models and the Group's dividend policy.

Exchange differences

Differences resulting from the translation of a given number of units of one currency into another currency at different exchange rates.

Expected Credit Loss (ECL) coverage ratio

ECL allowance as a proportion of gross loans and advances to customers and banks.

Financial Markets Act

This means the Financial Markets Act No 19 of 2012 and its regulations. This Act is the primary legislation governing the regulation of financial markets, market infrastructure and securities services in South Africa. It focuses primarily on the licensing and regulation of exchanges, central securities depositories, clearing houses, trade repositories and market infrastructure. The Act also strengthens measures already in place aimed at prohibiting insider trading and other market abuses.

Foreign currency translation

Foreign currency accounts of the Group's subsidiaries translated to reporting currency, with the foreign adjusted currency translation included in a foreign currency translation reserve as equity capital.

Gains and losses from banking and trading activities
Banking and trading portfolios include:

- realised gains and losses on financial instruments held at amortised cost, held-to-maturity or available-for-sale;
- realised gains and losses on the disposal of associates, joint ventures and subsidiaries within the banking portfolios;
- realised and unrealised gains and losses on financial instruments designated at fair value through profit or loss; and
- interest, dividends and fair value movements on certain financial instruments held for trading or designated at fair value through profit or loss.

Gains and losses from investment activities
Insurance and strategic investment portfolios including:

- realised gains and losses on financial instruments held at amortised cost, held-to-maturity or available-for-sale;
- realised gains and losses on the disposal of associates, joint ventures and subsidiaries;
- realised and unrealised gains and losses on financial instruments designated at fair value through profit or loss; and
- interest, dividends and fair value movements on certain financial instruments held for trading or designated at fair value through profit or loss.

Gross credit extended
Loans advanced to customers and banks, as well as off-balance sheet exposures.

Group
Absa Group Limited, together with its subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings. It is also referred to as "the Group" or "Absa Group" in this report.

Headline earnings
Headline earnings reflects the operating performance separated from remeasurements (an amount recognised in the statement of comprehensive income relating to any change (realised or unrealised) in the carrying amount of an asset/liability that arose after the initial recognition of such asset or liability) as well as non-controlling interest of preference shares or ordinary shares, where relevant.

Headline earnings per share
Headline earnings per share
Profit attributable to ordinary equity holders after adjusting for separately identifiable remeasurements, net of tax and non-controlling interest, divided by the weighted average number of ordinary shares in issue. A remeasurement is an amount recognised in profit or loss relating to any change in the carrying amount of an asset or liability that arose after the initial recognition of such asset or liability.

Diluted headline earnings per share
Diluted headline earnings per share is calculated by adjusting both the headline earnings and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, assuming they had been in issue for the reporting period.

Income statement
The term Income statement is used in the same context as the Statement of comprehensive income.

Income/total income
Income consists of net interest income and non-interest income.

Indirect taxation
Indirect taxes are the taxes that are levied on transitions rather than on persons (whether individuals or corporate). These taxes include unclaimed value-added taxes, stamp duties on deposits and Regional Services Council levies.

Jaws
A measure used to demonstrate the extent to which the Group's income from operations growth rate exceeds operating expenses growth rate. Income from operations consists of net interest income and non-interest income.

Leverage
Average assets as a proportion of average equity.

Life new business margin
Embedded value of new business attained in the Life Insurance key business area of WIMI, as a proportion of the discounted value of the associated future premiums.

Gross Loans-to-deposits and debt securities ratio
Gross Loans and advances as a percentage of deposits and debt securities in issue.

Long-term funding ratio
Funding with a term in excess of six months.

Market capitalisation
The Group's closing share price, times the number of shares in issue at the reporting date.

Merchant income
Income generated from the provision of point-of-sale facilities to the Group's merchant network customers. This income includes both rental income for the supply of point-of-sale units as well as transactional income for the transactions processed on the supplied terminals.

Net asset value per share
Total equity attributable to ordinary equity holders divided by the number of shares in issue excluding treasury shares. The net asset value per share figure excludes the non-cumulative, non-redeemable preference shares issued.

Net income
Net income consists of net interest income and non-interest income, net of credit impairment losses on loans and advances.

Net insurance premium income
The amount of insurance premiums received or receivable on insurance assets net of insurance claims and benefits paid on insurance liabilities.

Net interest income
The amount of interest received or receivable on assets net of interest paid or payable on liabilities.

Net interest margin on average interest-bearing assets
Net interest income for the reporting period, divided by average interest-bearing assets (calculated on a daily weighted average basis), expressed as a percentage of average interest-bearing assets.

Net present value unwind on non-performing book
A net present value adjustment representing time value of money of expected cash flows within the impairment allowance. Such time value of money reduces as the point of cash flow is approached. The time-based reduction in time value of money is recognised in the statement of comprehensive income as interest received on impaired assets.

Net trading result
Net trading result includes the profits and losses on CIB's trading desks arising from both the purchase and sale of trading instruments and the revaluation to market value, as well as CIB's hedge ineffectiveness. This includes the interest income and interest expense from these instruments and related funding cost. It also includes similar activities from the African operations.

Non-interest income
Non-interest income consists of the following Statement of comprehensive income line items: "net fee and commission income", "net insurance premium income", "net insurance claims and benefits paid", "changes in investment contracts and insurance contract liabilities", "gains and losses from banking and trading activities", "gains and losses from investment activities as well as other operating income".

Non-interest income as a percentage of income
Non-interest income as a percentage of income from operations. Income consists of net interest income and non-interest income.

Pre-provision profit
Total income less operating expenses.

Price-to-earnings ratio
The closing price of ordinary shares, divided by twelve months trailing diluted headline earnings per ordinary share for the reporting period.

Probability of default
The probability that a debtor will default within a one-year time horizon.

Regulatory capital
The capital that the Group holds, determined in accordance with the requirements of the Banks Act and regulations relating to banks.

Return on average assets
Annualised headline earnings as a proportion of total average assets.

Return on average equity
Average equity attributable to ordinary shareholders.

Return on average regulatory capital
Measure of efficient use, by segment, of regulatory capital.

Return on average risk-weighted assets
Annualised headline earnings as a proportion of average risk-weighted assets.

Risk-weighted assets
Calculated by assigning a degree of risk, expressed as a percentage (risk weight) to an exposure, in accordance with the applicable standardised or internal ratings-based approaches rules. RWA are determined by applying the:
- AIRB approach for wholesale and retail credit; AMA for operational risk;
- Internal ratings-based market-based simple risk-weight approach for equity investment risk in the banking book; and
- Standardised approach for all African entities (both credit and operational risk).

Solvency margin
The amount by which assets, at fair value, exceed liabilities and other comparable commitments.

Stage 1
Assets comprise exposures that are performing in line with expectations at origination. Financial assets that are not purchased or originated with a credit impaired status are required to be classified on initial recognition within stage 1.

Stage 2
Exposures are required to be classified within stage 2 when a significant increase in credit risk has been observed. The factors which trigger a reclassification from stage 1 to stage 2 have been defined so as to meet the specific requirements of IFRS 9, and in order to align with the Group's credit risk management practices.

Stage 3
Credit exposures are classified within stage 3, when they are regarded as being credit impaired, which aligns to the bank's regulatory definition of default.

Stage 3 loans ratio on gross loans and advances
Stage 3 loans and advances as a percentage of gross loans and advances.

Tangible net asset value per share
Total equity attributable to ordinary equity holders less goodwill and intangible assets, divided by the number of shares in issue excluding treasury shares. The tangible net asset value per share figure excludes the non-cumulative, non-redeemable preference shares issued.

Underwriting margin
Net insurance premium income remaining after losses have been paid and administrative expenses have been deducted.

Value-at-risk model
A technique that measures the loss that could occur on risk positions as a result of adverse movements in market risk factors (e.g. rates, prices, volatilities) over a specified time horizon and to a given level of confidence.

Value of new business
The discounted value, at the date of sale, of the projected after-tax shareholder profits from new covered business, net of the opportunity cost of the required capital for new business. New covered business is defined as long-term insurance contracts written by the Group during the reporting period and for which at least one premium has been recognised in the financial statements. The value of new business is calculated using closing assumptions for all basis items.

Weighted average number of shares
The number of shares in issue at the beginning of the reporting period increased by shares issued during the reporting period, weighted on a time basis for the period during which they participated in the income, less treasury shares held by entities, weighted on a time basis for the period during which the entities held these shares.

Abbreviations and acronyms

List of abbreviations

A	
AEaR	Annual earnings at risk
AFR	Available financial resources
AFS	Annual financial statements
AGL	Absa Group Limited
AIRB	advanced internal ratings-based approach
AMA	advanced measurement approach
ATC	Africa Treasury Committee
ATM	automated teller machine
ARO	Absa Regional Operations
B	
Basel	Basel Capital Accord
BERC	Group Executive Risk Committee
BBBEE	Broad-based black economic empowerment
BIA	Basic Indicator Approach
Bps	basis points
BU	business unit
C	
CAR	capital adequacy requirement
CAGR	Compound annual growth rate
CCF	credit conversion factor
CCP	central counterparty
CCR	counterparty credit risk
CEM	current exposure method
CET1	Common Equity Tier 1
CFP	contingency funding plan
CIB	Corporate and Investment Bank
CLF	committed liquidity facility
CLGD	country loss given default
CMRA	conduct material risk assessments
CoRC	Concentration Risk Committee
CPF	Commercial Property Finance
CPRF	Conduct Principal Risk Framework
CR	credit risk
CRC	Control Review Committee
CRCC	Country Risk and Control Review Committee
CRM	credit risk mitigation
CRRC	Conduct and Reputational Risk Committee
CSA(s)	collateral support annexure(s)
CVA	credit valuation adjustment
D	
DGS	Deposit Guarantee Scheme
D-SIBs	domestic-systemically important banks
DVaR	daily value at risk
E	
EAD	exposure at default
EC	economic capital
ECA	economic capital adequacy
Edcon	Edcon Store Card portfolio
EL	expected loss
ERMF	Enterprise Risk Management framework
EVE	economic value of equity
EWIs	early warning indicators
F	
FRTB	Fundamental Review of the Trading Book
FX	Forex
G	
GAC	Group Actuarial Committee
GACC	Group Audit and Compliance Committee
GCC	Group Credit Committee
GCCO	Group Chief Credit Officer
GCE	Group Chief Executive
GCRO	Group Chief Risk Officer
GMRA	Global Master Repurchase Agreement
GMRC	Group Market Risk Committee
GMRP	Group Model Risk Policy
GMSLA	Global Master Securities Lending
GRCMC	Group Risk and Capital Management Committee
Group	Absa Group Limited
GWWR	general wrong way risk
H	
HQLA	high-quality liquid assets
HR	high risk

Abbreviations and acronyms

I	
IAA	internal assessment approach
IAS	International Accounting Standard(s)
IAS 28	IAS 28 Investments in Associates
IAS 39	IAS 39 Financial Instruments: Recognition and Measurement
ICAAP	internal capital adequacy assessment process
ICMA	International Capital Market Association
IFRS	International Financial Reporting Standard(s)
IFRS 9	Financial Instruments
IFRS 11	Joint Arrangements
IMA	internal models approach
IMM	interest models method
IRB	interest ratings-based
IRRBB	interest rate risk in the banking book
ISDA	International Swaps and Derivatives Association
ISLA	International Securities Lending Association
IT	information technology
IVC	Independent Valuation Committee
J	
JIBAR	Johannesburg Interbank Agreed Rate
JSE	Johannesburg Stock Exchange
K	
KCI	key control indicator
KI	key indicator
KPI	key performance indicator
KRI	key risk indicator
KRO	Key Risk Officer
KRS	Key Risk Scenarios
M	
MC	Group Model Committee
MR	market risk
N	
NCWO	No-credit-worse-off
NII	net interest income
NPL(s)	Non-performing loan(s)
NSFR	Net stable funding ratio
O	
OR&CC	Operational Risk and Control Committee
ORMF	Operational Risk Management Framework
ORSA	Own Risk and Solvency Assessment
ORX	Operational risk data exchange
OTC	over-the-counter
R	
RBA	ratings-based approach
RBB	Retail and Business Banking
RC	regulatory capital
RDARR	Risk data aggregation and risk reporting
RoE	return on average equity
RoRWA	Return on average risk-weighted assets
RRP	recovery and resolution plan
RSU	Risk Sanctioning Unit
RW	risk-weight
RWA	risk-weighted assets
RWR	right way risk
S	
SA	Standardised approach
SA-CCR	Standardised approach for counterparty credit risk
SAM	Solvency Assessment and Management
SARB	South African Reserve Bank
SEC	securitisations
SFA	supervisory formula approach
SL	specialised lending
SME	small and medium-sized enterprises
SSFA	simplified supervisory formula approach
sVAR	stressed value at risk
SWWR	specific wrong way risk
T	
TLAC	Total loss absorbing capacity
TRC	Trading Risk Committee
TSA	The standard approach
TTC	through-the-cycle
V	
VAF	Vehicle and Asset Finance
VaR	Value at risk
W	
WIMI	Wealth, Investment Management and Insurance
WL	watch list

Contact information

Absa Group Limited
Incorporated in the Republic of South Africa
Registration number: 1986/003934/06
Authorised financial services and registered credit provider (NCRCP7)
JSE share code: ABG
ISIN: ZAE000255915
Bond issuer code: ABGI

Registered Office
7th Floor, Absa Towers West
15 Troy Street, Johannesburg, 2001
PO Box 7735, Johannesburg, 2000
+27 11 350 4000

Head of Investor Relations
Alan Hartdegan
Telephone: +27 11 350 2598

Group Company Secretary
Nadine Drutman
Telephone: +27 11 350 5347

Head of Financial Control
John Annandale
Telephone: +27 11 350 3496

Transfer Secretary
Computershare Investor Services (Pty) Ltd
Telephone: +27 11 370 5000
computershare.com/za/

Queries
Please direct investor relations queries to
IR@absa.africa

Please direct media queries to
groupmedia@absa.africa

Please direct queries relating to your Absa Group shares to
web.questions@computershare.co.za

Please direct general queries regarding the Group to
absa@absa.co.za

Sponsors
Lead independent sponsor
J.P. Morgan Equities South Africa (Pty) Ltd
Telephone: +27 11 507 0300
jpm_sponsor@jpmorgan.com

Joint sponsor and debt sponsor
Absa Bank Limited (Corporate and Investment Bank)
Telephone: +27 11 895 6000
IBDJSESponsor@absa.africa

Auditors
KPMG Inc.
Telephone: +27 11 647 7111
kpmg.com/za/en/home.html
PricewaterhouseCoopers Inc.
Telephone: +27 11 797 4000
https://www.pwc.co.za/

Your story matters