



ABSA GROUP LIMITED

(incorporated under the laws of the Republic of South Africa)

U.S.\$150,000,000 Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2036

The issue price of the U.S.\$150,000,000 Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2036 (the “Notes”) of Absa Group Limited (the “Issuer”) is 100 per cent. of their principal amount (the “Issue Price”).

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Current Principal Amount (as defined herein) on 8 June 2036 (subject as provided in Condition 6 (*Payments*)). Subject to certain conditions, the Issuer may, at its option, redeem the Notes, in whole but not in part, on 8 June 2031 (the “Call Date”) (or at any time in the event of a change in certain South African regulatory capital requirements or upon the occurrence of certain tax events as described herein) at their Current Principal Amount (as defined herein), together with any accrued but unpaid interest to (but excluding) the date fixed for redemption. See Condition 5 (*Redemption and Purchase; Substitution and Variation*).

From (and including) 8 December 2025 (the “Issue Date”) to (but excluding) the Call Date, the interest rate on the Notes will be 6.625 per cent. per annum (the “Initial Rate of Interest”). From (and including) the Call Date, the applicable interest rate per annum will be equal to the Reset Interest Rate (as provided in Condition 4 (*Interest*)). **The interest rate following the Call Date may be less than the Initial Rate of Interest.** Interest will be payable semi-annually in arrear on 8 June and 8 December of each year (each, an “Interest Payment Date”), commencing on 8 June 2026.

Payments on the Notes will be made in U.S. dollars, without deduction for or on account of taxes imposed or levied by the Republic of South Africa to the extent described under Condition 7 (*Taxation*).

As further described herein, if a Non-Viability Trigger Event (as defined herein) occurs, a Write-off (as defined herein) of all or part of the principal amount of the Notes and the relevant proportion of any accrued interest may occur. The Notes will be cancelled in proportion to the principal amount so Written-off. Such a Write-off will result in the Noteholders losing the relevant principal amount of the Notes so Written-off, and losing the right to receive any accrued or future interest relating to the principal amount Written-off. Accordingly, Noteholders should be aware that they may lose their entire investment in the Notes. See Condition 9 (*Loss Absorption following a Non-Viability Trigger Event*).

The Prospectus has been approved by the Financial Conduct Authority (the “FCA”), as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the “EUWA”) (the “UK Prospectus Regulation”). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Applications have been made for the Notes to be admitted to listing on the Official List of the FCA (the “Official List”) and to trading on the main market of the London Stock Exchange plc (the “London Stock Exchange”). The London Stock Exchange's main market is not a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, “MiFID II”) but is a regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA (“UK MiFIR”).

The Issuer has obtained the prior written approval of the Financial Surveillance Department (the “FSD”) of the South African Reserve Bank (“SARB”) and the Prudential Authority (established in terms of section 32 of the Financial Sector Regulation Act, 2017 of South Africa (“Prudential Authority”)) for the issuance of the Notes.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). The Notes are being offered by the Joint Bookrunners (as defined in “*Important Notices*”) outside the United States in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in registered form in the denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

The Notes will be represented by a global note certificate (the “**Global Note Certificate**”) in registered form, without interest coupons attached, which will be registered in the name of a nominee for and will be deposited with a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) on or about the Issue Date. Individual note certificates (“**Individual Note Certificates**”) evidencing holdings of Notes will only be available in certain limited circumstances. See “*Summary of Provisions Relating to the Notes in Global Form*”.

An investment in the Notes involves certain risks. Prospective investors in the Notes are recommended to read this Prospectus, including the section entitled “Risk Factors” carefully.

Investors should reach their own investment decision about the Notes only after consultation with their own financial and legal advisers about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of the particular characteristics and terms of the Notes, which are complex in structure and operation, and in light of each investor’s particular financial circumstances.

The Notes are expected to be rated Ba3 by Moody’s Investors Service Ltd. (“**Moody’s**”). Moody’s is established in the UK and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the “**UK CRA Regulation**”). The rating Moody’s has given to the Notes is endorsed by Moody’s Deutschland GmbH, which is established in the EEA and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the “**EU CRA Regulation**”) and has not been withdrawn.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Joint Bookrunners

Absa Morgan Stanley

4 December 2025

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IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Prospectus and declares that the information contained in this Prospectus to the best of its knowledge is in accordance with the facts and this Prospectus contains no omission likely to affect its import.

Certain information contained in this Prospectus is derived from third party sources. The Issuer confirms that any information from third party sources has been accurately reproduced, and so far as the Issuer is aware and is able to ascertain from information available from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer has confirmed to the Joint Bookrunners that this Prospectus contains all information which is (in the context of the issue, offering and sale of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Joint Bookrunners.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents incorporated by reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus.

Neither the Joint Bookrunners nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus or any responsibility for any acts or omissions of the Issuer or any other person (other than the Joint Bookrunners) in connection with the issue and offering of the Notes. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes and should not be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Prospectus should subscribe for or purchase any Notes. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. The Joint Bookrunners have not provided any financial or taxation advice in connection with the Notes.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold outside the United States in reliance on Regulation S.

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Prohibition of Sales to EEA Retail Investors - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point

(11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**EU PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, 2000 (as amended, “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Product Classification pursuant to Section 309B of the SFA – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are “prescribed capital markets products” (as defined in the CMP Regulations 2018).

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

In connection with the issue of the Notes, Morgan Stanley & Co. International plc (the “**Stabilisation Manager**”) (or persons acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or person(s) acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

The Notes are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. Each potential investor in the Notes should determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) understand thoroughly the terms of the Notes, such as the provisions governing a Write-off; and

- (d) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) Notes are legal investments for it; (ii) Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus.

FORWARD-LOOKING STATEMENTS

Certain information contained in this Prospectus and any documents incorporated by reference, including any information as to the strategy of the Group (as defined below), market position, plans or future financial or operating performance, constitutes “forward-looking statements”. All statements, other than statements of historical fact, are forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intend”, “continue”, “budget”, “project”, “aim”, “estimate”, “may”, “will”, “could”, “should”, “seeks”, “predicts”, “schedule” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plan, objectives, goals, future events or intentions.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Issuer, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: general economic and business conditions in South Africa and internationally; inflation, deflation, interest rates and policies of the SARB; fluctuations in exchange rates, stock markets and currencies; changes to the Issuer’s credit ratings; changing demographic developments, including mortality and changing customer behaviour, including consumer spending, saving and borrowing habits; changes in customer preferences; changes to borrower or counterparty credit quality; instability in the global financial markets and the impact of any sovereign credit rating downgrade or other sovereign financial issues; technological changes; natural and other disasters, adverse weather and similar contingencies outside the Group’s control; inadequate or failed internal or external processes, people and systems; terrorist acts and other acts of war or hostility and responses to those acts; geopolitical, pandemic or other such events; changes in laws, regulations, taxation, accounting standards or practices; regulatory capital or liquidity requirements and similar contingencies outside the Group’s control; the policies and actions of governmental or regulatory authorities in South Africa or elsewhere; the ability to attract and retain senior management and other employees; the extent of any future impairment charges or write-downs caused by depressed asset valuations, market disruptions and illiquid markets; market relating trends and developments; exposure to regulatory scrutiny, legal proceedings, regulatory investigations or complaints; changes in competition and pricing environments; the inability to hedge certain risks economically; the adequacy of loss reserves; the actions of competitors, including non-bank financial services and lending companies; and the success of the Issuer in managing the risks of the foregoing. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the section of this Prospectus entitled “*Risk Factors*”.

Investors are cautioned that forward-looking statements are not guarantees of future performance. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this Prospectus speak only as of the date they are made, reflect the view of the Issuer’s board of directors (the “**Issuer’s Board of Directors**”) as of the date they are made with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, strategy, capital and leverage ratios and the availability of new funding. Investors should specifically consider the factors identified in this Prospectus that could cause actual results to differ before making an investment decision. All of the forward-looking statements made in this Prospectus are qualified by these cautionary statements.

Except as required by the London Stock Exchange or applicable law or regulation, the Issuer explicitly disclaims any intention or obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this Prospectus that may occur due to any change in the Issuer’s expectations or to reflect events or circumstances after the date of it.

Any forward-looking statements made in this Prospectus have not been reviewed nor reported on by PricewaterhouseCoopers Inc. (“**PwC**”) and KPMG Inc. (“**KPMG**”), the independent auditors of the Issuer.

EXCHANGE RATE HISTORY

The following table sets out, for the periods indicated, certain information concerning the exchange rate of Rand expressed in Rand per U.S. dollar as provided by Bloomberg Finance LP. These translations should not be construed as representations that the Rand amounts actually represent U.S. dollar amounts or that the financial information appearing in this Prospectus could be converted into U.S. dollars at the rate indicated. On 2 December 2025, the exchange rate translated to R17.1108= U.S.\$1.

South African Rand per U.S. dollar exchange rates (Rand per U.S.\$1.00) for the eleven months following 31 December 2024:

Month	Period End	Average Rate ⁽¹⁾	High	Low
January 2025.....	18.6694	18.7157	19.1084	18.4009
February 2025.....	18.6906	18.4775	18.7466	18.3459
March 2025	18.3227	18.2729	18.6071	18.0857
April 2025.....	18.6057	18.9174	19.7634	18.4723
May 2025	18.0027	18.1094	18.5699	17.8125
June 2025.....	17.7118	17.8364	18.0300	17.7054
July 2025	18.2175	17.7699	18.2175	17.5163
August 2025.....	17.6566	17.7000	18.1124	17.4490
September 2025	17.2704	17.4380	17.7787	17.2454
October 2025.....	17.3325	17.2880	17.5045	17.1560
November 2025	17.1130	17.2283	17.5117	17.0426

South African Rand per U.S. dollar exchange rates (Rand per U.S.\$1.00) for the previous two years:

Year	Period End ⁽²⁾	Average Rate ⁽¹⁾	High	Low
2023.....	18.3621	18.4947	19.7255	17.0374
2024.....	18.8432	18.3609	19.2040	17.2687

Note:

(1) The average rate is calculated based on the rate on each business day of the month for monthly averages, and on the last business day of each month for annual averages.

(2) As at 31 December for each year.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer's annual audited consolidated and separate financial results are presented in Rand and are prepared in accordance with IFRS® Accounting Standards ("**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 Johannesburg Stock Exchange ("**JSE**") Listings Requirements and the requirements of the South African Companies Act, 2008 (the "**Companies Act**"). The principal accounting policies applied are set out in the Issuer's most recent audited annual consolidated financial statements.

The Issuer's interim condensed consolidated financial results are presented in Rand and 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, the presentation requirements of IAS 34 Interim Financial Reporting (IAS 34), and the provisions of the South African Companies Act, 71 of 2008.

The Issuer's audited annual consolidated and separate financial statements for the financial year ended 31 December 2024 (the "**2024 Financial Statements**"), and for the financial year ended 31 December 2023 (the "**2023 Financial Statements**" and, together with the 2024 Financial Statements, the "**Annual Financial Statements**"), are incorporated by reference into this Prospectus together with the audit reports thereon of PricewaterhouseCoopers Inc. ("**PwC**") and KPMG Inc. ("**KPMG**") (together, the "**Joint Auditors**"). The Issuer's unaudited interim condensed consolidated and separate financial statements as at and for the six months ended 30 June 2025 ("**Interim Financial Statements**") are also incorporated by reference into this Prospectus.

Investors should note that certain other financial information and data set forth herein has been derived from the unaudited management accounts of the Issuer. See "*Alternative Performance Measures*" below.

The Annual Financial Statements were audited by the Joint Auditors, in each case in accordance with International Standards on Auditing ("**ISA**"). Each of the Joint Auditors are independent auditors in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors ("**IRBA Code**") and other independence requirements applicable to performing audits of financial statements in South Africa.

Restatement of Comparative Information

In the 2024 Financial Statements, certain comparative segmental information was restated due to business portfolio changes. As at 1 January 2024, the Group no longer reports normalised financial results due to the immaterial impact between IFRS Accounting Standards and normalised reporting, and is therefore no longer reviewed by the Group Executive Committee, which is seen as the Chief Operating Decision Maker. The prior year impact from the Barclays PLC separation has been subsumed into Head Office, Treasury and other operations. The Barclays PLC separation segment previously included intangible assets and property, plant and equipment, with associated amortisation and depreciation charges impacting the income statement. These items were material in prior periods and were therefore normalised for reporting purposes. In the year ended 31 December 2024, the impact of these charges has become immaterial to the Group, and as a result, the Group has discontinued normalising for them in the Group's reported results.

Rounding Adjustments

Certain amounts which appear in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Alternative Performance Measures

To supplement the Annual Financial Statements, the Issuer uses certain ratios and measures included in this Prospectus that might be considered to be "alternative performance measures" (each an "**APM**") as described in the ESMA Guidelines on Alternative Performance Measures (the "**ESMA Guidelines**") published by the European Securities and Markets Authority on 5 October 2015. The ESMA Guidelines provide that an APM is understood as "a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework." The ESMA Guidelines also note that they do not apply to APMs "disclosed in accordance with applicable legislation, other than the applicable financial reporting framework, that sets out specific requirements governing the determination of such measures".

The management of the Issuer believes that the APMs included in this Prospectus, when considered in conjunction with measures reported under IFRS Accounting Standards, are useful to investors because they provide a basis for measuring the operating performance in the periods presented and enhance investors' overall understanding of the Group's financial performance. In addition, these measures are used in the internal management of the Group, along with financial measures reported under IFRS Accounting Standards, in measuring the Group's performance and comparing it to the performance of its competitors. In addition, because the Issuer has historically reported certain APMs to investors, the Issuer's management believes that the inclusion of APMs in this Prospectus provides consistency in the Issuer's financial reporting and thus improves investors' ability to assess the Group's trends and performance over multiple periods. APMs should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS Accounting Standards. For the Issuer, measures that might be considered to be APMs in this Prospectus (and that are not defined or specified by IFRS Accounting Standards or any other legislation applicable to the Issuer) include (without limitation) the following (such terms being used in this Prospectus as defined below):

APM	Definition
Net interest margin on average interest-bearing assets / Net interest margin ("NIM")	Net interest income ("NII") 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.
Operating Jaws	A measure used to demonstrate the extent to which the Group's growth rate of total income during a period exceeds operating expenses growth rate for that period.
Cost-to-income ratio	Operating expenses as a percentage of total income. Total income consists of net interest income and non-interest income.
Credit loss ratio	Annualised ¹ Expected credit losses ("ECL") for the reporting period, divided by total average gross loans & advances to customers and banks (calculated on a daily weighted average basis).
Expected credit loss ("ECL") coverage ratio	Expected credit loss allowances as a proportion of gross loans and advances to customers and banks.
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.
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).
Liquidity coverage ratio ("LCR")	Value of the stock of High-Quality Liquid Asset ("HQLA") Amount in stressed conditions, divided by the Total net cash outflows, over the next 30 calendar days. HQLA refers to assets held specifically to cover the total net cash outflows (as defined below) over a 30-day period under the prescribed stress scenario. These assets are unencumbered and can be converted into cash at limited or no loss of value during a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

¹ Annualised is only applicable to 30 June 2025 figures.

	Total Net Cash Outflows = Total Cash Outflows, over the next 30 calendar days less Total Cash Inflows, over the next 30 calendar days. Cash outflows takes into account outstanding balances of various categories or types of liabilities and off-balance sheet commitments and applies prescribed rates at which they are expected to run off or be drawn down within the next 30 calendar days. Cash inflows take into account outstanding balances of various categories of contractual receivables and applies prescribed rates at which they are expected to flow in within next 30 calendar days.
Net stable funding ratio (“ NSFR ”)	The proportion of long-term assets funded by stable funding and is calculated as the amount of Available Stable Funding (“ASF”) divided by the amount of Required Stable Funding (“RSF”). The amount of ASF is measured based on the broad characteristics of the relative stability of an institution’s funding sources, including the contractual maturity of its liabilities and the differences in the propensity of different types of funding providers to withdraw their funding, as defined by the regulations. The ASF is determined by taking each bank liability and element of regulatory capital, multiplying it by an “ASF factor,” and then adding up all the resulting, weighted numbers. The ASF factors, which vary between 0 and 100%, are meant to measure the stickiness of each liability – the less likely a liability is needed to be replaced or repaid, the higher the assigned ASF factor. The RSF is determined by summing the bank assets weighted by “RSF factors.” The RSF is the amount of stable funding that it is required to hold given the liquidity characteristics and residual maturities of its assets and the contingent liquidity risk arising from its off-balance sheet exposures. The RSF factors are meant to measure the difficulty of liquidating an asset and, like ASF factors, they also vary from 0 to 100%.
Headline earnings	Headline earnings is a measure used commonly in the South African market to measure core performance and is calculated as the profit attributable to the ordinary shareholders of the Group, excluding separately identifiable remeasurements, net of related tax and non-controlling interests.
Return on average equity	Annualised ² headline earnings as a proportion of average equity attributable to ordinary shareholders.
Return on average assets	Annualised ³ headline earnings as a proportion of total average assets.
Return on average risk-weighted assets (“ RoRWA ”)	Annualised ⁴ headline earnings as a proportion of average risk-weighted assets.

² Annualised is only applicable to 30 June 2025 figures.

³ Annualised is only applicable to 30 June 2025 figures.

⁴ Annualised is only applicable to 30 June 2025 figures.

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	Actual interim dividends paid and the final dividends declared to ordinary shareholders for the reporting period under consideration, expressed as cents per share.
Pre-provision profit	Total income less operating expenses.

Certain Definitions

As used herein, the “**Group**” refers to the Issuer and its consolidated subsidiaries and references to “**Absa Bank**” are to Absa Bank Limited (Registration Number 1986/004794/06, a bank registered in South Africa in terms of the Banks Act, 1990 of South Africa (the “**Banks Act**”)) and references to Absa in its capacity as Joint Bookrunner are to Absa Bank Limited acting through its Corporate and Investment Banking division.

In this Prospectus, any reference to “**law**” shall (unless the context otherwise requires) be deemed to include legislation, regulations and other legal requirements and any reference to “**year-on-year**” refers to the change in the relevant statistic from the position as at the end of the financial year preceding the relevant financial year to the position as at the end of the relevant financial year. In this Prospectus, where “**n/a**” appears in tables of financial information, this means that the relevant number for a particular line item in that year is not available.

In this Prospectus, unless otherwise specified, references to “**U.S.\$**”, “**U.S. dollars**” or “**dollars**” are to United States dollars, references to “**R**”, “**ZAR**” and “**Rand**” refer to South African rand and references to “**billions**” are to thousands of millions and references to “**Rm**” are to one million Rand.

References herein to the “**Group’s management**” are to the management of the Issuer and references to the Group’s beliefs or expectations are to the beliefs and expectations of the management of the Issuer.

Third-Party Information Regarding the Company’s Market and Industry

In the case of the statistical information, presented herein, similar statistics might be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, might vary from source to source. Where information has been sourced from a third party, such publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed.

Information in this Prospectus regarding the Issuer’s shareholders has been based upon public filings, disclosure and announcements by such shareholders.

OVERVIEW

This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference.

Words and expressions defined in the “*Terms and Conditions of the Notes*” or elsewhere in this Prospectus have the same meanings in this overview.

The Issuer:	Absa Group Limited, a public company incorporated under the laws of the Republic of South Africa. Absa Group Limited is a diversified financial services provider offering, through its various subsidiaries, an integrated set of products and services across retail and business banking, corporate and investment banking, wealth investment management and insurance.
Joint Bookrunners:	Absa Bank Limited and Morgan Stanley & Co. International plc.
Trustee:	BNY Mellon Corporate Trustee Services Limited
Principal Paying Agent and Calculation Agent:	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent:	The Bank of New York Mellon SA/NV, Dublin Branch
The Notes:	U.S.\$150,000,000 Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2036.
Issue Price:	100 per cent. of the principal amount of the Notes.
Issue Date:	Expected to be on or about 8 December 2025.
Use of Proceeds:	The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes and to optimise the Issuer’s regulatory capital base. See “ <i>Use of Proceeds</i> ”.
Interest:	From (and including) the Issue Date to (but excluding) 8 June 2031 (the “ Call Date ”), the interest rate on the Notes will be 6.625 per cent. per annum (the “ Initial Rate of Interest ”). From (and including) the Call Date, the applicable per annum interest rate will be equal to the Reset Interest Rate as described in Condition 4 (<i>Interest</i>). Interest will be payable semi-annually in arrear on 8 June and 8 December of each year, commencing on 8 June 2026.
Status:	The Notes constitute direct, unsecured and, in accordance with Condition 2(c) (<i>Subordination</i>), subordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and (save for the claims of those creditors that have been accorded preferential rights by law): (a) <i>pari passu</i> with Other Tier 2 Securities (or any other securities that are deemed under the Capital Regulations to qualify as Tier 2 Capital) and (save for those that have been accorded preferential rights by law) at least <i>pari passu</i> with all other claims of creditors of the Issuer which rank or are expressed to rank (or are deemed under the Capital Regulations to rank) <i>pari passu</i> with the Notes;

- (b) senior to Common Equity Tier 1 Capital Securities and the obligations of the Issuer under any Junior Securities; and
- (c) junior to the present and/or future claims of Senior Creditors,

as further described in Condition 2(b) (*Status of the Notes*).

Form and Denomination:

The Notes will be issued in registered form in the denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

The Notes will be represented by the Global Note Certificate, which will be registered in the name of a nominee for, and will be deposited with a common depositary for, Euroclear and Clearstream, Luxembourg on or about the Issue Date. Individual Note Certificates evidencing holdings of Notes will only be available in certain limited circumstances. See “*Summary of Provisions Relating to the Notes in Global Form*”.

Maturity Date:

8 June 2036.

Optional Redemption:

Subject as provided in Condition 5(d) (*Redemption at the option of the Issuer*) and Condition 5(f) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*), the Notes may be redeemed at the option of the Issuer on the Call Date, in whole but not in part, at their Current Principal Amount together with any accrued but unpaid interest to (but excluding) the Call Date.

Tax Redemption:

Subject as provided in Condition 5(b) (*Redemption for tax reasons*) and Condition 5(f) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*), if at any time a Tax Event occurs, the Notes may be redeemed at the option of the Issuer, in whole but not in part, at their Current Principal Amount together with any accrued but unpaid interest to (but excluding) the date of redemption.

Capital Disqualification Event Redemption:

Subject as provided in Condition 5(c) (*Redemption following the occurrence of a Capital Disqualification Event*) and Condition 5(f) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*), if at any time a Capital Disqualification Event occurs, the Notes may be redeemed at the option of the Issuer, in whole but not in part, at their Current Principal Amount together with any accrued but unpaid interest to (but excluding) the date of redemption.

Substitution or Variation:

If a Capital Disqualification Event or a Tax Event has occurred and is continuing, then the Issuer may, subject to Condition 5(f) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*) and/or as directed or approved by the Prudential Authority and having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Noteholders (which notice shall be irrevocable) but without any requirement for the consent or approval of the Noteholders, at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Tier 2 Securities.

Events of Default and Enforcement:

If default shall be made in the payment of any principal or interest due on the Notes for a period of seven days or more after any date on which the payment of principal is due or 14 days or more after any date on which the payment of interest is due, then the Trustee at its discretion may and, if so requested in writing by Noteholders of at least one quarter of the aggregate Current Principal Amount of the outstanding Notes, shall, in each case, subject to section 166D of the Financial Sector Regulation Act and to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction and Conditions 2(c) (*Subordination*), 8(b) and 8(c), without further notice, institute proceedings for the winding-up of the Issuer and/or prove in any winding-up of the Issuer, but take no other action in respect of that default (provided that no action may be taken by the Trustee if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of any relevant jurisdiction or to comply with any order by a court of competent jurisdiction). If an order is made or an effective resolution is passed for the winding-up of the Issuer (other than pursuant to a Solvent Reconstruction), then the Trustee at its discretion may, and, if so requested in writing by Noteholders of at least one quarter of the aggregate Current Principal Amount of the outstanding Notes, shall, declare the Notes to be forthwith due and payable. If the Issuer breaches any of its obligations under the Notes (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation, payment of any principal or interest) then the Trustee at its discretion may and, if so requested in writing by Noteholders of at least one quarter of the aggregate Current Principal Amount of the outstanding Notes, shall (subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) without further notice, bring such proceedings as it may think fit to enforce the obligation in question provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest or satisfy any other payment obligation in relation to the Notes sooner than the same would otherwise have been payable by it.

There is no other right of acceleration in the case of non-payment of principal or interest on the Notes or of the Issuer's failure to perform any of its obligations under or in respect of the Notes. See Condition 8 (*Events of Default*).

Non-Viability Trigger Event:

If a Non-Viability Trigger Event occurs, then the Issuer shall, in accordance with the Tier 2 Capital Regulations, Write-off the Notes by such amount as the Prudential Authority shall require, all as more fully described herein under Condition 9 (*Loss Absorption following a Non-Viability Trigger Event*).

Recognition of RSA Bail-in Powers

Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a beneficial interest in the Notes), each Noteholder by its acquisition of the Notes will be deemed to acknowledge, accept, and agree that, upon the occurrence of a Resolution Event in relation to the Issuer, any Amounts Due arising under the Notes may be subject to the exercise of any RSA Bail-in Power by the Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by the exercise of any RSA Bail-in Power by the Resolution

Authority, or determination under the Resolution Framework, which may include and result in certain Resolution Actions, all in accordance and as more fully described in Condition 10 (*Recognition of RSA Bail-in Power*).

Rating:

The Notes are expected to be rated Ba3 by Moody's.

Withholding Tax:

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of South Africa or any political subdivision thereof or any authority thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer will, save in certain limited circumstances, pay additional amounts to cover the amounts so withheld or deducted, all as described in Condition 7 (*Taxation*).

Governing Law:

The Notes, the Trust Deed, the Agency Agreement and the Subscription Agreement will be governed by English law, save that save that Conditions 2(b) (*Status of the Notes*), 2(c) (*Subordination*), 2(d) (*Set-off*), Condition 5(f)(i) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*), Condition 9 (*Loss Absorption following a Non-Viability Trigger Event*) and Condition 10 (*Recognition of RSA Bail-in Power*) (the “**RSA Law Provisions**”) and related provisions contained in the Trust Deed (as specified therein) and any non-contractual obligations arising out of or in connection with the RSA Law Provisions and related provisions of the Trust Deed (as specified therein), which will be governed by South African law.

Listing and Trading:

Application has been made to the FCA for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's main market.

Clearing Systems:

Euroclear and Clearstream, Luxembourg.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of offering material, including in the United States of America, the United Kingdom, the EEA, South Africa, Hong Kong, Singapore and Switzerland, see “*Subscription and Sale*”.

Risk Factors:

Investing in the Notes involves risks. See “*Risk Factors*”.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industries in which it operates together with all other information contained in this Prospectus, including the information incorporated by reference, and in particular the risk factors described below. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer or that it currently deems immaterial may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the value of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Prospectus and their personal circumstances.

Risks relating to the Issuer

Geopolitical tensions including ongoing armed conflicts in the Middle East and Ukraine as well the United State’s reassessment of its diplomatic and trade relations, are expected to have an ongoing impact on the world economy and markets

Geopolitical risks to financial market participants, the global economy as well as the domestic economy are expected to remain elevated and present uncertainty to the outlook. The armed conflict between Russia and Ukraine is continuing and efforts to restore peace in the region are yet to yield a positive result. Separately, tensions in the Middle East also persist. The risks associated with these conflicts on geopolitical stability, commodity markets and the global economy more broadly require close monitoring on an ongoing basis.

The United States of America’s (the “US”) clear focus on reshaping the terms of exchange with trading partners has manifested in a significant shift in the country’s trade policy. The US has imposed tariffs on many of its trading partners and its policies may continue to change. The effects on various markets that the Group is exposed to are unlikely to be uniform and monitoring the risks across the different markets is an ongoing exercise. See also “–The investments, business, profitability and results of operations of the Group may be adversely affected by difficult conditions in the global and South African financial markets – Global economic conditions”.

The Group's financial condition and results of operations as well as the Group's strategy and financial prospects may be adversely affected by events outside the Group's control such as those mentioned above.

The Group’s focus remains on proactive risk and capital management to positively position itself as this situation unfolds. Risks are actively identified, and the consolidated response monitored to ensure effective implementation achieving the targeted result. Scenario analyses are used in the early detection of potential areas of weakness and to assess response effectiveness.

The investments, business, profitability and results of operations of the Group may be adversely affected by difficult conditions in the global and South African financial markets

The Group’s operations are predominantly concentrated in South Africa, with the majority of its revenues deriving from operations in South Africa. The Issuer is therefore highly exposed to South African macroeconomic conditions and, as a result of their impact on the South African economy, global economic conditions. Any material deterioration in global or South African macroeconomic conditions could lead to a reduction in business activity, higher impairment charges, increased funding costs and reduced profitability and revenues.

Global economic conditions

As a small open economy, South Africa is exposed to the global economic environment through the current and capital accounts of the balance of payments. The performance of its exports is both directly and indirectly affected by economic activity and the trade policies of some of the world’s largest economies, including China and the US. Given that South Africa’s export basket is heavily skewed towards primary and semi-processed commodities, changes in global commodity prices and the exchange rate can also have a material impact on the performance of South Africa’s exports. Moreover, the country is also reliant on foreign capital flows to fund its twin current and fiscal deficits.

The global economic outlook is currently characterised by elevated uncertainty, which has been triggered by significant policy changes in some of the world's largest economies. The most significant of these has been the US's decision to fundamentally reshape its terms of exchange with its trading partners. Since early February 2025, the current US administration has made a series of announcements to impose tariffs against its trade partners. Some of the US' trading partners, including China, the European Union, India and Japan, amongst others, have responded with countermeasures of their own. While the US has indicated a desire to make trade deals with partners, only a handful of its partners have been able to secure trade deals thus far. This leaves a lot of uncertainty about the direction of global trade policy. Away from trade, the US has also moved to slash its aid efforts, which may have adverse effects on countries dependent on this.

On 7 August 2025, the US implemented a 30% tariff on South African products exported to the US. South Africa is currently negotiating a new trade deal with the US to replace the African Growth and Opportunity Act, which expired in September 2025, and to mitigate the impact of U.S. tariffs, which have significantly affected sectors like automotive and agriculture. However, for South Africa, the risks stemming from the US extend beyond tariffs. US President Trump has expressed concerns about some of South Africa's policies, even though some of his claims appear to be unsubstantiated. Members of the current US administration have skipped G20 meetings in South Africa and President Trump did not attend the G20 Leaders' Summit held on 22-23 November 2025. Outside of the current US administration, a bill to review South Africa's bilateral relationship with the US is currently going through the US's legislative process. At this stage, it is difficult to determine how these factors will affect the nature of South Africa's diplomatic relationship with the US and what the practical implications will be.

The ongoing global policy shifts are expected to result in a slowdown in global economic growth this year, according to observers of international economic conditions. In its July World Economic Outlook Update published in July 2025, the International Monetary Fund (the "IMF") noted that while early evidence pointed to some resilience in global economic activity, it projected global economic growth of 3.0% for 2025 and 3.1% for 2026. This is weaker than estimated global economic growth of 3.3% and 3.5% in 2024 and 2023, respectively. The economy of the Sub-Saharan Africa region is projected to grow by 3.8% in 2025, slowing from growth of 4.0% in 2024. However, the IMF cautioned that there is a high degree of uncertainty to these projections given the nature of current policy shifts taking place. A slowdown in global economic activity will affect a significant number of the Group's customers, dampening income growth, sentiment and consumer spending. Such conditions could have a material adverse effect on the Group's business, financial condition and results of operations.

One of the major policy challenges of the post-pandemic period has been elevated and persisting inflation, particularly in advanced economies. Inflation has eased recently, but this easing has been uneven across many countries. Moreover, in the US, inflation remains above the target of the central bank. An environment of sharply escalated trade tensions and higher tariffs has raised some concern about inflation risks. That said, the inflation effects of tariffs will likely vary across markets. In the US, the Federal Reserve has cautioned that the effects of tariffs could lift inflation and lower economic growth. This creates a policy tension for its dual mandate of employment and inflation. Similarly, other major central banks have expressed concern about the impacts of tariffs on the economic outlook. As at the date of this Prospectus, observers such as the IMF expect that the major central banks will prioritise growth and cut interest rates further in the periods ahead but acknowledge more uncertainty than usual in relation to this outlook. The monetary policy actions of major central banks influence global financing conditions and affect foreign capital flows into South Africa's bond and equity markets. In turn, this could affect the exchange rate, domestic inflation, interest rates and economic growth.

The Group's financial performance is, in large part, linked to the performance of the South African economy, which in turn is inherently linked to the performance of the global economy and the actions of major global central banks. The ongoing uncertainty about the outlook for global economic activity as well as the wider effects of ongoing policy shifts adds significant uncertainty to the outlook for the domestic exchange rate, inflation and interest rates, which could in turn have an important bearing on economic growth and the Group's financial performance.

South African economic conditions

The South African economy has experienced a protracted period of weak economic growth resulting from a combination of structural and cyclical factors, as well as the effects of the Covid-19 pandemic, which had a negative effect on the South African economy. According to data from Statistics South Africa, in 2024, South Africa's real gross domestic product ("GDP") increased by just 0.5%. This comes after GDP growth was recorded at just 0.6% in 2023, having only grown by 0.3% between 2019 and 2022. This level of economic growth remains below the rate of growth in population and implies declining per capita GDP. A range of factors explain this

growth performance. One is the weakened performance of critical economic infrastructure. Electricity supply constraints, logistics network bottlenecks and increased incidents of water supply have disrupted economic activity and reduced both business confidence and private sector investment growth. Weak economic growth has adversely affected tax receipts, and strong growth in expenditure, particularly on the government wage bill, resulted in significant deterioration in South Africa's public finances. In 2024, dry weather conditions related to an "El Nino" weather event also left significant output damage in the agricultural sector.

Encouragingly, some of the recent drivers of economic weakness have improved. Electricity supply has improved markedly with state-owned power utility lowering incidents of 'loadshedding' or power cuts. Meanwhile, data from Transnet shows that the performance of the logistics network, and in particular the rail network have improved slightly in recent quarters although performance remains far from most recent peaks in 2018. These gains partly reflect the progress that has been made under the Operation Vulindlela initiative, aimed at accelerating structural reforms in network industries.

Separately, dry weather conditions in 2024 have given way to more favourable weather conditions with agricultural output set to improve in 2025 according to the Crop Estimates Committee. From a more cyclical perspective, South Africa's inflation has moderated. According to data from Statistics South Africa, domestic inflation as measured by CPI has averaged just 3.1% in the first 8 months of 2025. This is lower than the average CPI inflation of 4.4% recorded in 2024. As inflation has fallen, the South African Reserve Bank (the "SARB") has reduced the repo rate by 125bp since September 2024. The lower levels of inflation and lower interest rates have helped to support the disposable incomes of households and spending momentum in the economy. South Africa is also undergoing some reform in its monetary policy with the SARB announcing in July 2025 to lower the anchor for monetary policy to 3% from 4.5%. The central bank has argued that this will provide scope for lower interest rates over time.

The Rand exchange rate has remained highly volatile, reflecting shifts in the balance of payments, increased global uncertainty as well as perceptions about the outlook for domestic economic performance broadly and the political outlook. Notwithstanding the volatility, South Africa's prudential limits, which determine how much local asset managers can invest offshore, are an important buffer for the currency. The Rand will remain vulnerable to global risk sentiment, terms of trade as well as South Africa's economic growth and outlook for public finances.

After a protracted period of fiscal deterioration, South Africa has seen some improvement in the health of its public finances. Data from the National Treasury of South Africa show that the main budget deficit narrowed to 4.5% of GDP in fiscal year 2024/25. The primary main budget balance showed a surplus for the second consecutive year of 0.7% of GDP. The primary budget surpluses recorded in the last two fiscal years are the first in more than a decade and reflect stronger spending discipline in an environment of constrained economic growth. In the 2025 Budget that the government presented in May, the National Treasury aimed to pursue a policy mix that stabilises the gross public debt to GDP ratio at 77.4% in fiscal year 2025/26. It is worth noting that the tabling of the 2025 Budget was delayed, reflecting policy disagreements with the Government of National Unity (the "GNU") about the policy mix that the finance minister presented in February. This highlights implementation risks for fiscal policy. An inability to stabilise public finances could have adverse implications for South Africa's economic performance.

While major credit ratings have largely commended South Africa's progress with structural reforms and gradual fiscal improvement, their ratings have largely been unchanged. Fitch Ratings Limited and Moody's have 'Stable' Outlook to their sovereign credit ratings of "BB-" and "Ba2", respectively. S&P Global Ratings raised its foreign currency and local currency long-term ratings on South Africa in November 2025 to "BB" and "BB+" from "BB-" and "BB", respectively, retaining the positive outlook.

The Issuer's financial performance has been and will remain linked to the performance of the South African economy. No assurance can be given that the Group would be able to sustain its current performance levels if the current South African macroeconomic conditions were to persist or materially worsen from levels at the date of this Prospectus.

Eskom's operational and financial performance have improved but risks remain

Eskom, South Africa's power utility, implemented a record amount of load shedding (a controlled process of planned power outages) in 2023 as the performance of its generation capacity sharply deteriorated. However, South Africa's electricity supply challenges have since abated, with the utility's efforts to stabilise generation seeming to be paying off with plant outages significantly reduced. According to data from Eskom, the energy available factor (EAF), a measure of generation capacity availability, has averaged around 60% in the first eight months of 2025, which compares to about 50% at the height of the load shedding crisis. Against this, the frequency

of load shedding has been reduced with only 14 days in the first eight months of 2025 seeing brief episodes of load shedding, compared with 335 days in 2023 and 83 days in 2024.

Eskom has not only seen operational improvements, but its finances are also in a much better position in recent years. The government's decision to implement a debt relief program in 2024 has helped to lower the utility's debt and debt-service costs, creating financial space for stronger focus on maintenance. That said, other challenges remain, including growing debt owed to Eskom by municipalities. Moreover, further reforms will likely be needed to secure the recent stability in electricity supply. This includes further progress with the unbundling of the utility and investment in expanding the transmission grid to allow greater penetration of private sector generation capacity. These reforms face execution risks. Therefore, the risks related to Eskom's operational performance and the progress with associated reforms to secure South Africa's longer-term energy security require close monitoring in the periods ahead.

The operational and financial sustainability of Eskom as well as energy security more broadly are critical to the performance of the South African economy, to which the financial performance of the Issuer is inextricably linked. The persistence or worsening of energy shortages could result in low private sector investment and negatively affect the pace of the economy, which could in turn adversely affect the financial performance of the Group.

South African political conditions

South Africa's political landscape underwent a major shift in 2024. After governing the country for three decades, the African National Congress (the "ANC") lost its majority support following the outcome of the May 2024 general elections. This resulted in the country transitioning from one-party dominance in national government to a multi-party government. South Africa is currently governed by a Government of National Unity that includes the two largest political parties in parliament, namely the ANC and the Democratic Alliance (the "DA"), as well as several other small political parties. President Ramaphosa has outlined three strategic priorities for the GNU: (i) economic growth and job creation, (ii) addressing poverty and the cost of living and (iii) building a capable state. Moreover, the GNU has indicated support for the continuation of "Operation Vulindlela", the government's initiative to accelerate structural reforms.

While the GNU has held together since its formation in the middle of 2024, the relationship between the major political parties has often been conflictive. The DA has publicly opposed the signing of several major pieces of legislation including the National Health Insurance, the Basic Education Laws Amendments and the Expropriation Act. The DA also opposed the initial version of the finance minister's fiscal policy proposals that were outlined in the draft 2025 Budget on 12 March 2025. This resulting in a restarting of the Budget process. But despite these issues, both the ANC and the DA have reaffirmed their commitment to continued participation in the GNU.

As coalition politics are tested at the national level, uncertainty about both the stability of government and its ability to implement needed policies and structural reforms will remain. Outside of the GNU, internal party issues in the ANC and the DA also remain uncertain. The ANC is due to hold its five-yearly national conference in December 2027. This conference will elect new leadership for the party and the outcomes of this process may change the party's attitude to its participation in the GNU in its current form. South Africa is also due to hold its local government elections in 2026.

Political instability, including the inability of the Government to implement necessary structural reforms, may have an adverse impact on the South African economy and could consequently have an adverse effect on the Group, its business, financial condition and results of operations. Ongoing political developments may impact private sector investment, and the Issuer will continue to monitor the political and policy landscape carefully.

South African socio-economic conditions

Some socio-economic challenges in South Africa are more acute than in many similarly rated emerging markets. Serious public health system deficiencies and a poor public education system are reflected in South Africa's low United Nations Human Development ranking at 106 out of 188 countries as of May 2025. South Africa's Gini coefficient index representing income inequality is one of the most extreme globally. Joblessness also remains a major challenge. Even as overall economic activity gradually recovers from the pandemic shock, South Africa's unemployment rate has remained above 30%. The unemployment rate was reported at 33.2% in the second quarter of 2025 with jobless rates higher amongst younger people. These persistent socio-economic challenges adversely impact South Africa's creditworthiness and give rise to long-term expenditure needs, heightened social pressures and constrained growth which in turn could adversely impact the implementation of the Group's strategy and the financial position of the Issuer.

South African conditions specific to the banking sector

The South African banking sector is well capitalised, adequately funded, prudently regulated, and professionally managed. It is widely recognised as a pillar of the country's financial stability and has demonstrated strong post-pandemic resilience, with major banks reporting improved profitability in the financial year ending 2024, supported by cost discipline and lower credit impairment charges. However, banks remain exposed to structural economic challenges, including weak GDP growth, high unemployment, and low fixed investment, which continue to weigh on credit appetite and affordability. While the recent cumulative rate cuts by the SARB's Monetary Policy Committee have eased some pressure on borrowers, sustained recovery still depends on broader macroeconomic stability. Further, deterioration in policy predictability, political or social stability, or sovereign creditworthiness could materially affect the Group's borrowers and counterparties, impacting asset quality, earnings momentum, credit demand/worthiness and capital flow which, in turn, could have a material adverse impact on the Group's business, results, financial condition or prospects. Further, rising competition from fintechs and non-bank players poses structural risks to traditional revenue lines for banks, though a high financial inclusion rate (85% vs. global average of 76%) supports bank-led financial intermediation.

There are a number of risks inherent in the banking industry which may impact the performance of the Issuer

The Issuer is exposed to a variety of risks arising in the ordinary course of its business, the most significant of which are credit risk (including credit concentration risk), market risk, capital and liquidity risk, insurance risk, strategic, sustainability and reputational risk, model risk and non-financial risks including operational and resilience risk and compliance risk, with credit risk constituting the largest financial risk. Investors should note that any failure by the Issuer to manage these risks adequately could have a material adverse effect on the Issuer's financial condition and reputation.

Credit Risk

Credit risk is the risk of suffering financial loss due to a borrower, counterparty to a derivative transaction, or an issuer of debt securities defaulting on its contractual obligations. Changes in the credit quality of the Issuer's borrowers and counterparties or arising from systemic risk in the financial systems could reduce the value of the Issuer's assets, and require increased provisions for bad and doubtful debts. In addition, changes in economic conditions may result in deterioration in the value of security held against lending exposures and increase the risk of loss in the event of borrower default.

The Issuer has developed and implemented risk management policies, procedures and processes designed to reduce this risk through proactive monitoring, management and reporting of the Issuer's credit risk position, however there is no assurance that such measures will adequately address all credit risks that the Issuer may face.

Credit Concentration Risk

Due to the Issuer's position and role in the South African economy, natural concentrations exist in areas where it is largely unavoidable. In particular, due to the Issuer's position as a major retail bank in the South African market, should private household clients, and specifically the home loans asset class, experience economic stress, this may have an adverse impact on the Issuer's business, results, financial condition or prospects.

Large sovereign exposures that are mainly due to the Issuer's liquid asset portfolio holdings. Should a deterioration in the South African sovereign credit rating be experienced, this may have an adverse impact on the Issuer's business, results, financial condition or prospects.

The Issuer's funding and hedging activities may be negatively impacted in the event that other South African banks experience stress.

Market Risk

Market risk is 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. This includes but is not limited to changes in interest rates, credit spreads, commodity prices, equity prices and foreign exchange levels. The Issuer's key market risks are trading book market risk and banking book market risk.

Trading book market risk results from trading activities booked in trading books across the Group in accordance with regulatory requirements. Banking book market risk is 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.

The Issuer's primary non-trading related exposures to foreign currency risk arise as a result of the translation effect on the Group's net assets in foreign operations, intragroup foreign-denominated debt and foreign-denominated cash exposures and accruals.

Although the Issuer has implemented risk management methods, including hedging, scenario analysis and stress testing, to seek to mitigate and control these and other market risks to which it is exposed and these exposures are constantly measured and monitored, there can be no assurance that these risk management methods will be effective, particularly in unusual or extreme market conditions which, in turn, could have a material adverse impact on the Issuer's business, results, financial condition or prospects.

Capital and Liquidity Risk

Capital risk is 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.

The Group's capital management strategy, which supports and aligns with the Group's strategy, is to create sustainable value for shareholders within approved risk appetite through effective financial resource management.

Risks to the Issuer's capital management are inefficient deployment of capital to legal entities, inefficient implementation of regulatory changes which negatively impact on capital utilisation, and inadequate maintenance of capital resources in excess of regulatory requirements and within capital targets. During times of economic stress, access to markets for raising capital may be limited for new issuances, which may negatively impact on the Issuer's ability to meet regulatory capital requirements.

Liquidity risk is 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.

Liquidity risk is inherent in banking operations and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding (including, for example, wholesale and overnight funding), credit rating downgrades or market-wide stress scenarios such as market dislocation and major disasters (such as the financial crisis in 2008, which resulted in severe liquidity problems for financial institutions and unprecedented financial assistance to enable financial markets to continue to operate).

An inability on the Issuer's part to access funds or to access the markets from which the Issuer raises funds may lead to the Issuer being unable to meet its obligations as they fall due, which in turn could have a material adverse impact on the Issuer's reputation, liquidity positions, solvency position, business, results, or prospects. The underlying operations of the Issuer and the rest of the Group takes deposits with maturities which are contractually shorter than loans made by the Issuer. This exposes the Issuer to the risk that depositors could withdraw their funds at a rate faster than the rate at which borrowers repay their loans, thus causing liquidity strains. Additionally, the Issuer's ability to raise or access funds may be impaired by factors that are not specific to the Issuer, such as general market conditions, severe disruption of the financial markets or negative views about the prospects for the Issuer, or the industries or regions in which the Issuer operates. In addition, the Issuer's borrowing costs and access to funds may be adversely affected by any credit rating downgrade. The Issuer has developed and implemented risk management policies, procedures and processes designed to reduce this risk through proactive monitoring, management and reporting of the Issuer's liquidity risk position, however there is no assurance that such measures will adequately address all liquidity risks that the Issuer may face.

The Issuer is reliant on both retail deposits and wholesale funding. Although the Issuer believes that its level of access to domestic and international inter-bank and capital markets and its prudent liquidity risk management will continue to allow the Issuer to meet its short-term and long-term liquidity needs, any severe liquidity stress events could have a material adverse impact on the Issuer's liquidity and solvency position results or prospects. During a liquidity stress event the Issuer is likely to obtain additional sources of funds at an increased cost which could adversely affect the financial position of the Issuer.

The Issuer has developed and implemented risk management policies, procedures and processes designed to reduce capital and liquidity risk through proactive monitoring, management, reporting of the Issuer's risk positions and maintenance of adequate capital and funding position. However, there is no assurance that such measures will adequately address all risks that the Issuer may face.

Insurance Risk

Insurance risk is 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. The Issuer has a number of subsidiaries which offer long and short-term insurance products. These operations are capitalised to withstand claims within industry norms. The Issuer has developed and implemented risk management policies, procedures and processes designed to reduce this risk through proactive monitoring, management, reporting of the Issuer's insurance risk position and the adequate capitalisation of the insurance subsidiaries. However, there is no assurance that such measures will adequately address all risks that the Issuer may face. Any significant shortfall between the Group's underlying assumptions and the actual amount paid out by the Group under its insurance products could have an adverse effect on the Group's cash flow, profitability and financial position.

Strategic, Sustainability and Reputational Risk

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

The Issuer has a Board approved corporate strategy (for more information, see "*Description of the Group's Business – Strategy*"). This strategy, or the implementation of it, may not achieve some or all of the Issuer's objectives. If the strategy is not successful, the Issuer's financial prospects and results of operations may not develop in the way it expects. The Issuer may not be able to achieve all or some of its strategic objectives, including as a result of internal and external factors, such as management's ability to implement the strategic priorities, economic conditions, competition, and changes in government policy, laws and regulations. Failure by the Issuer to achieve its strategic objectives could have an adverse impact on the Issuer's competitive position and its results.

The adverse impact of ongoing and rapid climate and social change on communities and customers will negatively impact communities. Risks may arise from the failure of the Issuer 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 it operates in, and may have an adverse impact on the Issuer.

The Issuer has developed and implemented risk management policies, procedures and processes designed to reduce strategic, sustainability and reputational risk through proactive monitoring, management and reporting of the Issuer's risk position. However, there is no assurance that such measures will adequately address all risks that the Issuer may face.

Model Risk

This is the risk of the potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and reports. The Issuer makes extensive use of financial and risk modelling to understand expected outcomes and support decision making. Failure by the Issuer to ensure the accuracy and robustness of these models could have an adverse impact on the Issuer.

Non-Financial Risk

Non-financial risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. While the Issuer maintains a system of controls designed to monitor and control compliance risk and operational and resilience risk, there can be no assurance that the Issuer will not suffer losses from such risks. Losses from the failure of the Issuer's system of internal controls to discover and rectify such matters could have a material adverse impact on the Issuer's business, results, financial condition or prospects.

Terrorist acts, and other acts of war or hostility and responses to those acts, may create economic and political uncertainties, which could have a negative impact on the Issuer's markets, and international economic conditions generally, and more specifically on the Issuer's business and results of operations in ways that cannot be predicted.

The Issuer's risk management policies and procedures may not have identified or anticipated all potential risk exposures

The Issuer has devoted significant resources to developing its risk management policies and procedures, particularly in connection with the risk types mentioned above, and expects to continue to do so in the future. Nonetheless, its risk management techniques may not be fully effective in mitigating its risk exposure in all market

environments or against all types of risk, including risks that are unidentified or unanticipated. Some of the Issuer's methods of managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than indicated by historical measures. Other risk management methods depend upon evaluation of information regarding the markets in which the Issuer operates, its clients or other matters that are publicly available or otherwise accessible by the Issuer. This information may not be accurate in all cases, complete, up-to-date or properly evaluated. Any failure arising out of the Issuer's risk management techniques may have an adverse effect on its results of operations and financial condition.

Legal Proceedings

The Issuer and members of the Group are engaged in various legal, competition and regulatory matters both in South Africa and a number of other jurisdictions. They are 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 Issuer and members of the Group are 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 Issuer is or has been engaged.

At the present time, the Issuer 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 above, there can be no assurance that the outcome of a particular matter or matters will not be material to the Issuer's results of operations or cashflow 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. The Group does, however, report its contingent liabilities on an aggregated basis.

Provisions have been made in the Group's financial statements for all liabilities which are expected to materialise in relation to ongoing matters described above.

The Issuer may face potential risks related to failures, interruptions or breaches of its Information Technology ("IT") systems, which could disrupt business operations. The ability to quickly adapt to these disruptions is essential for maintaining continuous services.

Key IT Risks comprises of both IT and IT Change risks:

- IT Risk refers to threats associated with the use, ownership, and management (operation, involvement, influence and adoption) of IT systems within the Issuer.
- IT Change Risk arises from system changes, updates or modifications that may impact service reliability and availability.
- Critical IT risks include critical system failures, cybercrime and unauthorised access which could result in the inability of the Issuer to serve its customers' needs in a timely manner (service disruptions) or unauthorised disclosures of customer information.

Dependence on Third-Party Service Providers:

The Issuer relies heavily on both its internal IT infrastructure, systems, operations and third-party service providers to conduct its business. Contracts with third-party service providers must include:

- A clearly articulated incident management processes, roles, and responsibilities.
- Contractual obligations that specify compliance to the information security standards. This validation may include, but not limited to, third-party assurance audits and security testing such as vulnerability scans and penetration testing.

- Contractual arrangements that outline accountability and penalties for breaches including responsibility for incurring losses relating to data breaches.

Impact of IT Failures or Breaches:

The Issuer regards IT systems as critical for ensuring the Group and Issuer remain competitive in the market whilst adhering to applicable industry legislation and regulation. Any potential failure or interruption could impact the Issuer's risk management processes, general ledger processing, deposit servicing, loan servicing, debt recovery, payment custody, the unauthorised use or disclosure of customer information and or other important systems. A failure in these systems, particularly those without disaster recovery or backup management solutions could prevent the Issuer from serving its customers which could lead to a loss of business.

Impact of geopolitical and external environmental risks:

Turbulent external environment particularly in relation to geopolitical developments/ tensions is driving significant uncertainty that could result in supply chain and market disruptions impacting the technology services landscape.

Business Continuity & Resilience:

To mitigate IT risks, the Issuer must ensure IT resilience in the form of cyber security processes and tools, systems disaster recovery, backup solutions and data restoration capabilities are in place. The absence of these controls could lead to operational disruptions which could have a materially adverse effect on the Issuer's business, reputation, financial condition including the overall performance of operations.

A downgrade in the Issuer's credit ratings or the credit rating of South Africa could have an adverse effect on the Issuer's access to liquidity sources and funding costs

The Issuer's credit ratings affect the cost and other terms upon which the Issuer is able to obtain funding. Rating agencies regularly evaluate the Issuer and their ratings of its long-term debt are based on a number of factors, including capital adequacy levels, quality of earnings, credit exposure, the risk management framework and funding diversification. These parameters and their possible impact on the Issuer's credit rating are monitored closely and incorporated into its liquidity risk management and contingency planning considerations.

The Issuer's credit ratings and credit outlook are subject to change at any time and the Issuer's credit ratings could be downgraded or the credit outlook changed as a result of many factors, including the failure to successfully implement the Issuer's strategies, the general downgrading of the credit ratings of financial institutions in the South African banking sector or a downgrade in the South African sovereign rating, which could negatively impact the ratings of the Issuer due to the Issuer's sizeable exposure to government securities, effectively linking its creditworthiness to that of the national government. A downgrade or potential downgrade of the South African sovereign rating or a change in rating agency methodologies relating to systemic support provided by the South African sovereign could also negatively affect the credit rating of the Issuer. A downgrade of the Issuer's credit ratings, or being placed on a negative ratings watch, may increase its cost of borrowing, adversely affect its liquidity and competitive position, limit its ability to raise capital, result in reputational damage and could lead to a loss of clients which could have a material adverse impact on its business, results, financial condition or prospects.

There can also be no assurance that the rating agencies will maintain the Issuer's current ratings or outlooks or those of South Africa. Ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation. Each rating should be evaluated independently of any other rating.

In addition to any direct losses that the Issuer might incur, a default, or the perception of increased risk of default on obligations, and any further downgrade in South Africa's credit rating would likely have a significant negative impact on the South African banking sector generally and could have a material adverse impact on the Issuer's business, results, financial condition, prospects or rating.

At the date of this Prospectus, the Issuer's long-term foreign currency rating is Ba2 by Moody's and the Issuer's long-term foreign currency default rating is BB- by Fitch Ratings Limited.

Competitive landscape

The Group is subject to significant competition from other major banks operating in its markets, including competitors such as international banks. Many of these banks compete for substantially the same customers as the Issuer and/or other members of the Group. The Issuer also faces competition from other non-bank entities that increasingly provide similar services to those offered by banks, including entities such as retailers, mobile telephone companies and other technology companies, including “fintech”, and entities in the shadow banking industry. Increased competition from non-bank entities in the money markets and capital markets could impact the Issuer’s ability to attract funding. Competition may increase in some or all of the Issuer’s principal markets and may have an adverse effect on its financial condition and results of operations.

The Issuer is subject to capital and liquidity requirements that could affect its operations

The Issuer is subject to capital adequacy requirements specified by the Prudential Authority, which provide for a minimum common equity tier 1 (“CET 1”) ratio, tier 1 ratio and total capital adequacy ratio (“CAR”).

The Third Basel Accord, introduced by the Basel Committee on Banking Supervision (“BCBS”), (“Basel III”) introduced capital buffers which continue to make it more challenging for banks to comply with minimum capital ratios. Failure by the Issuer to meet certain of these buffers, for example the capital conservation and counter-cyclical buffers, could result in restrictions being placed on distributions, including dividends and discretionary payments, and any failure by the Issuer to maintain its capital ratios may result in action taken in respect of the Issuer, which may in turn impact on its ability to fulfil its obligations under the Notes.

In addition, Basel III prescribes two minimum liquidity standards for funding liquidity. The first is the liquidity coverage ratio (“LCR”) which aims to ensure that banks maintain an adequate level of high-quality liquid assets to meet liquidity needs for a 30 calendar day period under a severe stress scenario. The second is the net stable funding ratio (“NSFR”), which aims to promote medium and long-term funding of banks’ assets and activities.

Failure by the Issuer to meet the minimum capital ratios and/or liquidity requirements for funding liquidity (both LCR and NSFR), could limit the Group’s ability to support planned lending activities which, in turn, could have a material adverse impact on the Issuer’s business, results, financial condition or prospects.

The Issuer faces potential risks related to the complete detection of money laundering and other illegal activities. Despite efforts to implement comprehensive policies and procedures, there is no guarantee that these measures will fully or promptly identify such activities. This could potentially expose the Issuer to additional liabilities and materially adverse effects.

The Issuer is required to comply with applicable anti-money laundering and anti-terrorism laws in South Africa, including the Financial Intelligence Centre Act, 2001 (“FICA”) and the Money Laundering and Terrorist Financing Control Regulations. These laws mandate the adoption and enforcement of a “Risk Management and Compliance Programme”, which includes customer due diligence policies and procedures as well as the requirement to report suspicious and unusual transactions and activity to the applicable regulatory authorities.

While the Issuer has established such a programme with supporting policies and procedures aimed at detecting and preventing the misuse of its banking network for money laundering and terrorist financing activity, these measures implemented under this programme may not completely eliminate the risk of such activities.

Failure to comply with applicable laws and regulations by the Group, could result in fines and other penalties imposed by regulatory authorities. Additionally, the Issuer could suffer reputational damage if clients are found to have used its services for money laundering or illegal purposes. These factors could collectively have a material adverse effect on the Issuer’s reputation, business, results, financial condition or prospects.

The Issuer may be unable to recruit, retain and motivate key personnel

An engaged workforce is a critical factor in the successful delivery of the Issuer’s sustainability objectives. An inability to recruit, retain and motivate key personnel could negatively affect the ability of the Issuer to adequately and efficiently serve clients, support operations and deliver on its business strategy.

The Issuer’s performance is dependent, to a material extent, on the talents and efforts of key personnel, some of whom may have been employed by the Group for a substantial period of time and have developed with the business. Loss of key staff could have a financial and operational impact on the Issuer. The Issuer’s continued ability to compete effectively and further develop its businesses also depends on its ability to attract new talent.

There is a requirement for continuous development of all employees at the Group, including the young talent pipeline, for which the Group is reliant on the education sector in South Africa, its skills and facilities, at least in

part. Internally the Group develops bespoke programmes linked to the business strategy and skills requirements with both public and private service providers (tertiary education providers, nationally and globally).

However, if the educational sector within South Africa does not continue to develop in the way the Issuer anticipates, this may, in turn, result in staffing shortages which could have a material adverse impact on the Issuer's operations and financial results.

Risks relating to emerging markets

Investors in emerging markets should be aware that these markets may be subject to greater risk than more developed markets, which may adversely affect the value or liquidity of the Notes

The Group has a presence in 12 African countries and 4 other countries, and is headquartered in South Africa. South Africa and the other African countries in which the Group operates are generally considered by international investors to be emerging market countries. Investors in emerging markets such as South Africa should be aware that these markets may be subject to greater risk than more developed markets. These risks include economic instability as well as, in some cases, significant legal and political risks.

Economic and financial market volatility in South Africa has been caused by many different factors. Due to its liquidity and use as a proxy for emerging market trades, the Rand is particularly exposed to changes in investor sentiment and resulting periods of volatility. In addition to this, economic instability in South Africa and the other African countries in which it operates is caused by many different factors, including the following:

- infrastructure instability
- social and labour unrest;
- a deteriorating fiscal outlook;
- policy uncertainty and change both globally and domestically;
- pressure on sovereign debt sustainability
- currency volatility and foreign exchange (FX) shortages;
- falling commodity prices;
- high levels of interest rates;
- high levels of inflation;
- perceived or actual security issues;
- capital outflows; and
- a general decline in domestic demand.

Any of these factors, amongst others, as well as volatility in the markets for securities similar to the Notes, may adversely affect the value or liquidity of the Notes.

Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in developing markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved, and prospective investors are urged to consult with their own legal and financial advisers before making an investment in the Notes.

Investors should also note that emerging markets, such as South Africa, are subject to rapid change and that the information set out in this Prospectus may become outdated relatively quickly.

Exchange Control regulations may impact the Group's operations in the relevant countries in which they operate

There has been a gradual relaxation in exchange controls in South Africa since 1995. The extent to which the Government may further relax such exchange controls cannot be predicted with certainty, although the Government has committed itself to a gradual approach of further relaxation. Further relaxation or the abolition of exchange controls may precipitate a change in the capital flows to and from South Africa. If the net result of this were to cause large capital outflows, this could adversely affect the Group's business and financial condition as a whole.

In the context of Absa Regional Operations (“ARO”), the introduction of exchange controls, or changes to existing exchange control regulations, may similarly impact the Group’s business and financial condition in the relevant country in which the exchange controls are introduced or changed, as applicable.

Risks Relating to the Notes

Regulatory action in the event the Issuer or any Subsidiary of the Issuer which is a Designated Institution is failing or likely to fail, including the exercise by the Resolution Authority of the RSA Bail-in Power or the taking of Resolution Actions, could materially adversely affect the value of the Notes

The Issuer and any Subsidiary of the Issuer which is a Designated Institution are each subject to substantial Resolution powers

Chapter 12A of the Financial Sector Regulation Act, 2017 of South Africa (the “**Financial Sector Regulation Act**”) sets out a framework (the “**Resolution Framework**”) for the resolution of “*designated institutions*” (“**Designated Institutions**”) in South Africa. The Resolution Framework came into effect on 1 June 2023. The Resolution Framework applies to Designated Institutions (which includes South African banks, holding companies of South African banks and, if a South African bank is a member of a “*financial conglomerate*” designated as such by the Prudential Authority under section 160(1) of the Financial Sector Regulation Act, each member of such “*financial conglomerate*” (unless the Governor of the SARB has determined that a member of a “*financial conglomerate*” is not a Designated Institution under section 29A(2) of the Financial Sector Regulation Act)).

The Issuer and its Subsidiaries have been designated as a “*financial conglomerate*” by the Prudential Authority. The Issuer, Absa Bank Limited (“**Absa Bank**”) and each other Subsidiary of the Issuer (unless specifically excluded under section 29A(2) of the Financial Sector Regulation Act) are therefore Designated Institutions and subject to the Resolution Framework. Under the Resolution Framework substantial powers are granted to the South African Reserve Bank (the “**SARB**”), as the Resolution Authority to implement various Resolution measures and stabilisation options (including, but not limited to, exercising the RSA Bail-in Power) with respect to Designated Institutions which have been put into Resolution.

The Resolution powers consists of, amongst other things: (a) the transfer of assets and liabilities of the Designated Institution, (b) an amalgamation or merger, or a scheme of arrangement of a kind contemplated in the South African Companies Act, 2008 (the “**Companies Act**”) that involves the Designated Institution, (c) transfer of some or all of shares in the Designated Institution to a “bridge company” established by the SARB, (d) the RSA Bail-in Power and (e) temporary ownership of shares in the Designated Institution by the Resolution Authority.

The Financial Sector Regulation Act also provides for additional insolvency and administration procedures for Designated Institutions and for certain ancillary powers, such as the power to modify contractual arrangements in certain circumstances (which could include a variation of the terms of the Notes), powers to impose temporary suspension of payments, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the Resolution powers. Noteholders should assume that, in a Resolution situation, financial public support will only be available to a Designated Institution as a last resort after the Resolution Authority has assessed and used, to the maximum extent practicable, the Resolution tools, including the RSA Bail-in Power.

The exercise of any Resolution power in relation to the Issuer or any of its Subsidiaries, or any suggestion of any such exercise could materially impact the Issuer’s ability to fulfil its obligations under the Notes and adversely affect the value of any Notes and could lead to Noteholders losing some or all of the value of their investment in the Notes.

Resolution powers triggered prior to insolvency may not be anticipated and Noteholders may have only limited rights to challenge them

The Resolution powers conferred on the Resolution Authority are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant entity could have been initiated. The purpose of the Resolution powers is to address the situation where all or part of a business of a Designated Institution has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Although the Resolution Framework provides specific conditions to the exercise of any Resolution powers, it is uncertain how the Resolution Authority would assess such conditions in any particular pre-insolvency scenario affecting the Issuer and/or any of its Subsidiaries which are Designated Institutions in deciding whether to exercise a Resolution power. The Resolution Authority is also not required to provide any advance notice to Noteholders of

its decision to exercise any Resolution power. Therefore, Noteholders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer, any Subsidiary of the Issuer which is a Designated Institution and the Notes. Furthermore, Noteholders may have only limited rights to challenge and/or seek a suspension of any decision of the Resolution Authority to exercise its Resolution powers (including the RSA Bail-in Power) or to have that decision reviewed by a judicial or administrative process or otherwise.

The Resolution Authority may exercise the RSA Bail-in Power in respect of the Issuer and the Notes, which may result in Noteholders losing some or all of their investment

Where the relevant statutory conditions for use of the RSA Bail-in Power have been met, the Resolution Authority would be expected to exercise the RSA Bail-in Power without the consent of the Noteholders. Any such exercise of the RSA Bail-in Power in respect of the Issuer and the Notes may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of the Notes into shares or other securities or other obligations of the Issuer or another person, or any other modification or variation to the terms of the Notes. The exercise of the RSA Bail-in Power in respect of the Issuer and the Notes or any suggestion of any such exercise could materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and could lead to Noteholders losing some or all of the value of their investment in such Notes.

The provisions of the Financial Sector Regulation Act contain an express safeguard (known as the 'no creditor worse off' safeguard) with the aim that shareholders and creditors do not receive a less favourable treatment than they would have received in a winding-up of the Designated Institution. However, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the Resolution Action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the Resolution and there can be no assurance that Noteholders would recover such compensation promptly.

Noteholders agree to be bound by the exercise of any RSA Bail-in Power, and the taking of any Resolution Action, by the Resolution Authority

Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a beneficial interest in the Notes) and/or the Trustee, in recognition of the Resolution powers granted by South African law to the Resolution Authority, by acquiring the Notes, each Noteholder and the Trustee will be deemed to acknowledge, accept and agree that, upon the occurrence of the Resolution Event in relation to the Issuer, any Amounts Due arising under the Notes may be subject to the exercise of the RSA Bail-in Power and acknowledges, accepts, consents to and agrees to be bound by the effect of the exercise of any RSA Bail-in Power by the Resolution Authority, or determination under the Resolution Framework, which may include and result in any of the following Resolution Actions, or some combination thereof: (i) the reduction or write-off of all, or a portion, of the Amounts Due, including on a permanent basis; (ii) the conversion of all, or a portion, of the Amounts Due into ordinary shares or other securities or other obligations of the Issuer or another person (or the issue to or conferring on the Noteholder of such shares, securities or obligations) including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept *in lieu* of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person; (iii) the cancellation of the Notes; (iv) the replacement or substitution of the Issuer; (v) transfer of the Notes; (vi) the amendment or alteration of the maturity of the Notes, or the amendment of the amount of interest, and any Additional Amounts (if any), due or payable on the Notes, or the dates on which interest, and any Additional Amounts (if any), becomes payable, including by suspending payment for any period contemplated in the Resolution Framework; and/or (vii) the variation of the terms of the Notes, as determined by the Resolution Authority, to give effect to the exercise of the RSA Bail-in Power by the Resolution Authority.

Each Noteholder and the Trustee further acknowledges, consents, agrees and accepts that the rights of the Noteholders and the Trustee are subject to, and may, without the consent of Noteholders or the Trustee be varied, if necessary, solely to give effect to, the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority. Accordingly, the RSA Bail-in Power may be exercised, and Resolution Actions may be taken, in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes or receiving a different security from the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Resolution Authority may exercise the RSA Bail-in Power, or take any Resolution Action, without providing any advance notice to, or requiring the consent of, the Noteholders. In addition, under the Terms and

Conditions, the exercise of the RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to the Notes or the Issuer is not an Event of Default or a default or breach of the Term and Conditions for any purpose nor will it give rise to any acceleration rights for the Noteholders.

The Notes are subordinated to most of the Issuer's liabilities and rank junior to Senior Creditors (including the holders of Flac Instruments)

The Notes constitute unsecured and subordinated obligations of the Issuer and the payment obligations of the Issuer under the Notes will rank behind Senior Creditors. See Condition 2(b) (*Status of the Notes*), and Condition 2(c) (*Subordination*) for a full description of subordination and the payment obligations of the Issuer under the Notes. In particular, the Notes will in Resolution rank behind to present or future claims of Senior Creditors under the Ranking Legislation.

The Ranking Legislation provides that, after the payment of any preferred and unsecured creditors, the balance of the free residue in liquidation of a Designated Institution should be applied first in the payment of any claims in connection with Flac Instruments and thereafter the balance of the free residue is to be applied to payments in connection with debt instruments designated as regulatory capital (i.e. Additional Tier 1 Capital instruments and Tier 2 Capital instruments) in the order provided in the Capital Regulations (i.e. first towards Tier 2 Capital Instruments and second towards Additional Tier 1 Capital instrument). It is possible that the Ranking Legislation may be interpreted in an unexpected manner, or may be amended over time, which could affect the ranking of Notes (relative both to other notes issued by the Issuer and/or to other liabilities issued by the Issuer).

In the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or is wound-up (in each case, other than pursuant to a Solvent Reconstruction), the Issuer will be required to pay or discharge claims of Senior Creditors in full before it can make any payments in respect of the Notes. If this occurs, and the assets of the Issuer are insufficient to enable the Issuer to repay the claims of Senior Creditors in full, the holders of the Notes will lose their entire investment in the Notes. If there are sufficient assets to enable the Issuer to pay the claims of Senior Creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Notes and all other claims that rank *pari passu* with the Notes, holders of the Notes will lose some (which may be substantially all) of their investment in the Notes.

The Issuer is a holding company

The Notes are the obligation of the Issuer only. The Issuer is a holding company and conducts substantially all of its operations through its Subsidiaries, and accordingly the claims of the Noteholders under the Notes will be structurally subordinated to the claims of creditors of the Issuer's Subsidiaries. The Issuer's rights to participate in the assets of any Subsidiary if such Subsidiary is liquidated will be subject to the prior claims of such Subsidiary's creditors and any preference shareholders, except in the limited circumstance where the Issuer is a creditor of such Subsidiary with claims that are recognised to be ranked ahead of or *pari passu* with such claims. The Issuer's Subsidiaries are separate and distinct legal entities, and have no obligation to pay any amounts due or to provide the Issuer with funds to meet any of the Issuer's payment obligations under the Notes.

As well as the risk of losses in the event of a subsidiary's insolvency, the Issuer may suffer losses if any of its loans to, or investments in, a Subsidiary (including but not limited to Absa Bank) are subject to contractual or statutory write down and conversion powers or if the Subsidiary is otherwise subject to the Resolution Framework.

Furthermore, as a result of the structural subordination of the Notes described above, if any Subsidiary were to be wound up, liquidated or dissolved, (i) the holders of the Notes would have no right to proceed against the assets of such Subsidiary, and (ii) the Issuer would only recover any amounts (directly, or indirectly through its holdings of other Subsidiaries) in the winding-up, liquidation or dissolution of that Subsidiary in respect of its direct or indirect holding of ordinary shares in such Subsidiary, if and to the extent that any surplus assets remain following payment in full of the claims of the creditors (which may include the Issuer) and preference shareholders (if any and which may include the Issuer) of that subsidiary. Similarly, if Absa Bank or any other of the Issuer's subsidiaries were subject to any Resolution proceedings (a) the holders of the Notes issued by the Issuer would have no direct recourse against Absa Bank or such other Subsidiary, and (b) holders of the Notes themselves may also be exposed to losses pursuant to the exercise by the Resolution Authority of the Resolution powers or pursuant to the exercise of any contractual write-down powers.

The Issuer has in the past made, and will continue to make, loans to, and investments in, Absa Bank and its other Subsidiaries, with the proceeds received from the Issuer's issuance of debt instruments (including Additional Tier 1 Capital instruments, Tier 2 Capital instruments and Flac Instruments). Interest and principal payments on such loans and investments are in the ordinary course utilised to make payments on the Issuer's debt instruments. Such

loans to, and investments made by, the Issuer in Absa Bank or any such Subsidiary will generally be subordinated to depositors and other unsubordinated creditors and may be subordinated further to meet regulatory capital requirements and furthermore may contain mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition of Absa Bank or such Subsidiary or upon regulatory direction would result in a write-off or conversion into equity of such loans and investments. Such loans to and investments in the Issuer's Subsidiaries may also be subject to the exercise of the RSA Bail-in Power. Consequently, the ability of the Issuer to receive interest and principal payments from Absa Bank or any of its other Subsidiaries, and consequently its ability to make payments on the Notes, may be adversely affect.

The Issuer retains its absolute discretion to restructure such loans to, and any other investments in, Absa Bank and any of its Subsidiaries at any time and for any purpose including, without limitation, in order to provide different amounts or types of capital or funding to Absa Bank or any such Subsidiary, as part of wider changes made to the corporate structure of the Issuer's group of companies or otherwise as part of meeting regulatory requirements. A restructuring of a loan or investment made by the Issuer in Absa Bank or any of its Subsidiaries could include changes to any or all features of such loan or investment, including its legal or regulatory form, how it would rank in the event of insolvency proceedings in relation to Absa Bank or such Subsidiary, and the inclusion of a mechanism that provides for an automatic write-down, write-off and/or conversion into equity upon specified triggers. Any restructuring of the Issuer's loans to, and investments in, Absa Bank or any of its subsidiaries may be implemented by the Issuer without prior notification to, or consent of, the Noteholders.

No restrictions on the issuance of securities or indebtedness which ranks senior to, or pari passu with, the Notes

There is no restriction on the amount of securities or indebtedness which the Issuer may issue or incur which rank senior to, or *pari passu* with, the Notes. The issue of any such securities or indebtedness may reduce the amount recoverable by Noteholders on a winding-up or liquidation of the Issuer or in the event of the occurrence of a Non-Viability Trigger Event (as defined in the "*Terms and Conditions of the Notes*").

Holders of the Notes will have limited remedies

Payment of principal and accrued but unpaid interest on the Notes may be accelerated only in the event that an order is made or an effective resolution is passed for the winding up of the Issuer (other than pursuant to a Solvent Reconstruction). There is no other right of acceleration in the case of non-payment of principal or interest on the Notes or of the Issuer's failure to perform any of its obligations under or in respect of the Notes.

The sole remedy against the Issuer available for recovery of amounts owing in respect of any non-payment of any amount that has become due and payable under the Notes is, subject to certain conditions and to the provisions set forth in "*Terms and Conditions of the Notes – Events of Default*", for the Trustee to institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer.

If the Issuer breaches any of its obligations under the Notes (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation, payment of any principal or interest) then the Trustee at its discretion may and, if so requested in writing by Noteholders of at least one quarter of the aggregate Current Principal Amount of the outstanding Notes, shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction) without further notice, bring such proceedings as it may think fit to enforce the obligation in question provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum or satisfy any payment obligation in relation to the Notes sooner than the same would otherwise have been payable by it.

In addition, enforcement of certain remedies may be subject to regulatory constraints under South African law. Section 166D of the Financial Sector Regulation Act provides that no person may, without the prior written concurrence of the SARB, initiate or proceed with certain actions against a designated institution (including banks and bank controlling companies). These actions include, but are not limited to, applying for winding-up or business rescue, appointing a liquidator or trustee or entering into compromise arrangements. Any such action taken without the required concurrence may be rendered void under South African law.

As a result, the ability of the Trustee or Noteholders to enforce rights under the Note – particularly in the event of default – may be limited or delayed. Investors should carefully consider these legal and regulatory constraints when assessing the risk profile of the Notes.

Loss Absorption at the Point of Non-Viability of the Issuer (Contractual Bail-in) and bail-in at the Point of Resolution of the Issuer (Statutory Bail-in)

The Tier 2 Capital Regulations require that in order for the proceeds of an issuance of Tier 2 Capital Securities, such as the Notes, to qualify as Tier 2 Capital, the terms and conditions of such Tier 2 Capital Securities must contain a contractual provision that requires such Tier 2 Capital Securities, at the option of the Prudential Authority, to either be (as specified in the terms and conditions of such Tier 2 Capital Securities) written off or converted into the most subordinated form of equity upon the occurrence of the trigger event specified in writing by the Prudential Authority (unless duly enforceable legislation (a “**Statutory Loss Absorption Regime**”) is in place) that:

- (a) requires such Tier 2 Capital Securities to be written off or converted (as applicable) upon the occurrence of the aforesaid trigger event; or
- (b) otherwise requires such Tier 2 Capital Securities to fully absorb losses before taxpayers or ordinary depositors are exposed to loss,

and the relevant bank or controlling company complies with such further requirements as may be directed by the Prudential Authority in writing.

The trigger event for Tier 2 Capital Securities (the “**Point of Non-Viability**” or “**PONV**”) is the earlier of: (a) a decision that a write-off, without which the issuing bank or controlling company would become non-viable, is necessary, as determined by the Prudential Authority, or (b) the decision to make a public sector injection of capital, or equivalent support, without which the issuing bank or controlling company would have become non-viable, as determined by the Prudential Authority.

Under the Terms and Conditions of the Notes, and in accordance with the Tier 2 Capital Regulations, the Prudential Authority has the power to trigger contractual Write-off of the Notes at the Point of Non-Viability, i.e. where the Prudential Authority determines it necessary to prevent the institution from becoming non-viable or when public sector support would be required to prevent failure (“**Contractual Bail-in**”).

However, under the Financial Sector Regulation Act, a Designated Institution can be placed into Resolution by the Minister of Finance, acting on the recommendation of the Resolution Authority, where the Resolution Authority is of the opinion that the Designated Institution is, or will likely be, unable to meet its obligations, irrespective of whether or not the Designated Institution is insolvent, and the Resolution of the Designated Institution is necessary to maintain financial stability or, in the case of a bank or a member of a group of companies of which a bank is a member, to protect the depositors of the bank. The Financial Sector Regulation Act therefore provides for the RSA Bail-in Power under the Resolution Framework for Designated Institutions that will subject most types of debt (including the Notes) of Designated Institutions to bail-in, in accordance with their statutory hierarchy in Resolution (“**Statutory Bail-in**”). The Issuer is a Designated Institution and is therefore subject to the Resolution Framework.

Contractual Bail-in may be effected by the Prudential Authority outside of Resolution, and not by the Resolution Authority in accordance with the RSA Bail-in Power of the Resolution Authority. Statutory Bail-in, by contrast, can only be exercised by the Resolution Authority and only once a Designated Institution has been placed in Resolution.

Importantly, the Prudential Authority may not exercise any such power to effect a Contractual Bail-in without the concurrence of the Resolution Authority as prescribed in section 166D(1)(k) of the Financial Sector Regulation Act and any exercise of such power without the concurrence of the Resolution Authority is void under section 166D(2) of the Financial Sector Regulation Act.

The Prudential Authority provided guidance in relation to loss absorption for additional tier 1 and tier 2 capital instruments in Directive 5 of 2024 (*Loss absorbency requirements for additional tier 1 and tier 2 capital instruments*) issued on 22 October 2024 (“**Directive 5/2024**”). Directive 5/2024 replaced Guidance Note 6 of 2017 published on 14 August 2017.

Directive 5/2024 indicates that Contractual Bail-in and Statutory Bail-in will co-exist since it is not intended that the statutory provisions under the Resolution Framework relating to Statutory Bail-in replace Contractual Bail-in. This is reinforced in paragraph 2.4.4 of Directive 5/2024, which clarifies that the PONV and the “point of resolution” (“**POR**”) are distinct concepts, even though they may occur simultaneously in some cases.

In accordance with Directive 5/2024, in exercising its discretion to apply Contractual Bail-in to Additional Tier 1 Capital or Tier 2 Capital instruments, such as the Notes, the Prudential Authority may consider a range of factors, including:

- the SARB's broader resolution strategy and its considerations relating to financial stability, market confidence, and the resolution plans of the banking group;
- the need for broader support measures to stabilise the institution;
- the principle that losses should be absorbed by investors before taxpayers or ordinary depositors are exposed to loss; and
- the probability of success of the resolution strategy.

Directive 5/2024 indicates that, in terms of ranking, Additional Tier 1 Capital instruments will be converted or written off (as applicable) prior to any conversion or write-off (as applicable) of Tier 2 Capital instruments. Directive 5/2024 requires banks and controlling companies to clearly indicate, in the contractual terms and conditions of any Tier 2 Capital Securities issued, whether such instruments would be either written-off or converted into the most subordinated form of equity of the bank and/or its controlling company at the occurrence of a trigger event determined at the Prudential Authority's discretion, as envisaged in the Tier 2 Capital Regulations.

The Terms and Conditions of the Notes accordingly provide for the Write-off of the Notes (or a part thereof), in accordance with the Tier 2 Capital Regulations, as the Prudential Authority may require upon the occurrence of a Non-Viability Trigger Event. See Condition 9 (*Loss Absorption following a Non-Viability Trigger Event*) for further details.

Directive 5/2024 further requires banks and controlling companies to clearly indicate in their respective issuing documentation or contractual terms and conditions of Tier 2 Capital Securities that such instruments could be subject to Statutory Bail-in. The Terms and Conditions of the Notes accordingly include a provision wherein Noteholders and the Trustee acknowledge that the Notes may be subject to Contractual Bail-in at a Point of Non-Viability outside of Resolution or subject to Statutory Bail-in in Resolution. See Condition 9(g) *Acknowledgement of contractual bail-in upon the occurrence of a Non-Viability Trigger Event or statutory bail-in pursuant to the RSA Bail-in Power in Resolution*) for further details.

Whether through the Contractual Bail-in provisions set out in Condition 9 (*Loss Absorption following a Non-Viability Trigger Event*) or the Statutory Bail-in provisions under the Resolution Framework as contemplated in Condition 10 (*Recognition of RSA Bail-in Power*), Noteholders should be aware that there is a possibility of losing some or all of their investment. Furthermore, Noteholders may be subject to a Write-off pursuant to Contractual Bail-in outside of Resolution upon the occurrence of a Non-Viability Trigger Event (without requiring the consent of such Noteholders), in which event the “no creditor worse off” rule and the creditor hierarchy under the Resolution Framework would not apply in relation to a Write-off pursuant to Contractual Bail-in outside of Resolution upon the occurrence of a Non-Viability Trigger Event. Consequently, the exercise of any such powers by the Prudential Authority and/or the Resolution Authority or any suggestion of such exercise could materially adversely affect the price or value of a Noteholder's investment in Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Payment of any amounts of principal and interest in respect of the Notes will be cancelled or written-off upon the occurrence of a Non-Viability Trigger Event

Upon the occurrence of a Non-Viability Trigger Event, in accordance with the Capital Regulations and as determined by the Prudential Authority, the Notes will be cancelled (in the case of a write-off in whole) or written-off in part on a *pro rata* basis (in the case of a write-off in part), subject to and in accordance with the Non-Viability Loss Absorption Condition. Further to such cancellation or write-off, Noteholders will no longer have any rights against the Issuer with respect to amounts cancelled or written-off and the Issuer shall not be obliged to pay compensation in any form to Noteholders. Furthermore, any such cancellation or write-off will not constitute an Event of Default or any other breach of the Issuer's obligations under the Terms and Conditions of the Notes.

Substitution or Variation of the Notes upon the occurrence of a Capital Disqualification Event or a Tax Event

Upon the occurrence and continuation of a Tax Event or a Capital Disqualification Event, the Issuer may, subject as provided in Condition 5(e) (*Redemption and Purchase; Substitution and Variation*) and without the need for

any consent of the Noteholders, substitute all (but not some only) of the Notes for, or vary the terms of all (but not only some) the Notes so that they remain or, as appropriate, become, Qualifying Tier 2 Securities.

There can be no assurance that, due to the particular circumstances of each Noteholder, any Qualifying Tier 2 Securities will be as favourable to each Noteholder in all respects or that, if it were entitled to do so, a particular Noteholder would make the same determination as the Issuer as to whether the terms of the relevant Qualifying Tier 2 Securities are not materially less favourable to Noteholders than the terms of the Notes. The Issuer bears no responsibility towards the Noteholders for any adverse effects of such substitution or variation (including, without limitation, with respect to any adverse tax consequences suffered by any Noteholder).

There is no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Notes to be admitted to listing on the main market of the London Stock Exchange, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

The Notes may be redeemed prior to maturity

Upon the occurrence of a Tax Event or Capital Disqualification Event, the Issuer may redeem all outstanding Notes subject to and in accordance with the Conditions. A Tax Event shall occur if, as a result of a Tax Law Change (i) the Issuer has paid or will or would on the next Interest Payment Date be required to pay Additional Amounts; or (ii) in respect of the Issuer's obligation to make any payment of interest on the next Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is materially reduced, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it.

A Capital Disqualification Event shall occur if, as a result of a Regulatory Change, the Notes are fully or, to the extent permitted by the Capital Regulations, partially excluded from the Tier 2 Capital of the Issuer on a solo and/or consolidated basis (save where such exclusion is only as a result of any applicable limitation on the amount of such capital or any amortisation of recognition as Tier 2 Capital under the Capital Regulations in the final five years prior to maturity of the Notes).

In addition, the Conditions provide that the Notes are redeemable at the Issuer's option on the Call Date and accordingly the Issuer may choose to redeem the Notes at a time when prevailing interest rates may be relatively low. Noteholders will not receive a make-whole amount or any other compensation in the event of any early redemption of the Notes. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

Any redemption of the Notes prior to the Maturity Date is subject to certain conditions as described in Condition 5(f) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*) including, if required by the Tier 2 Capital Regulations, the consent of the Prudential Authority.

Furthermore, Noteholders will have no right to request the redemption of the Notes and should not invest in the Notes in the expectation that the Issuer would exercise its option to redeem the Notes. Any decision by the Issuer as to whether it will exercise its option to redeem the Notes will be taken at the discretion of the Issuer with regard to factors such as, but not limited to, the economic impact of exercising such option to redeem the Notes, any tax consequences, regulatory capital requirements and prevailing market conditions. Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes until maturity.

The interest rate on the Notes will reset on the Call Date, which can be expected to affect the interest payment on the Notes and could affect the market value of the Notes

The Notes will initially bear interest at the Initial Rate of Interest until (but excluding) the Call Date. On the Call Date, the interest rate will be reset to the Reset Interest Rate as described in Condition 4 (*Interest*). The Reset Interest Rate could be less than the Initial Rate of Interest and could affect the market value of an investment in the Notes.

Waiver of set-off, netting, counterclaim, compensation or retention

Noteholders waive any right of set-off, netting, counterclaim, compensation or retention in relation to the Notes insofar as permitted by Applicable Laws.

Therefore, Noteholders will not be entitled (subject to Applicable Laws) to exercise, claim or plead any right of set-off, netting, compensation or retention in respect of the Issuer's obligations under the Notes against obligations owed by them to the Issuer. See Condition 2(d) (*Set-off*). Holders of Notes may therefore be required to initiate separate proceedings to recover amounts in respect of any counterclaim and may receive a lower recovery in the event of a winding-up or Resolution of the Issuer than if set-off, netting, counterclaim, compensation or retention were permitted.

Investors to rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Note Certificate except in certain limited circumstances described in the Global Note Certificate. The Global Note Certificate will be registered in the name of a nominee for, and deposited with the common depositary for Euroclear and Clearstream, Luxembourg. Individual Note Certificates evidencing holdings of Notes will only be available in certain limited circumstances. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Note Certificate. While the Notes are represented by the Global Note Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by the Global Note Certificate, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Note Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificate.

Holders of beneficial interests in the Global Note Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Minimum Denomination

As the Notes have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of U.S.\$200,000 (or its equivalent) that are not integral multiples of U.S.\$200,000 (or its equivalent). In such case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive an Individual Note Certificate in respect of such holding (should Individual Note Certificates be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum denomination.

Changes in law may adversely affect the rights of Noteholders and the market value of the Notes

The Terms and Conditions of the Notes are based on English law (save for the status, subordination, set-off and loss absorption provisions (including the write-off provisions) which will be governed by South African law) in effect as at the Issue Date. No assurance can be given as to the impact of any possible judicial decision or change to English or South African law or administrative practice after the Issue Date. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes.

In addition, any change in law or regulation that triggers a Capital Disqualification Event or a Tax Event would entitle the Issuer, at its option (subject to, amongst other things, receipt of the prior consent of the Prudential Authority (if such consent is then required by the Capital Regulations)), to redeem the Notes in whole but not in part or substitute the Notes for, or vary the terms of the Notes so that they remain or become, Qualifying Tier 2 Securities. See "*The Notes may be redeemed prior to maturity*" and "*Substitution or Variation of the Notes upon the occurrence of a Capital Disqualification Event or a Tax Event*" above.

Such legislative and regulatory uncertainty could also affect an investor's ability to accurately value the Notes and, therefore, affect the trading price of the Notes given the extent and impact on the Notes that one or more regulatory or legislative changes, including those described above, could have on the Notes.

Modification, waivers and substitution

The Terms and Conditions of the Notes and the Trust Deed contain provisions for calling meetings of Noteholders to consider matters affecting interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders, agree to any modification of, or waiver or authorisation of any breach or proposed breach of, any of the Conditions or the Trust Deed which, in each case, in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders or, in the case of a modification, in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Conditions also provide for the substitution of another entity in place of the Issuer without the consent of the Noteholders (subject to certain conditions as referred to therein).

Any such modification, waiver or substitution is subject to the Issuer obtaining the consent of the Prudential Authority (if and to the extent that such consent is required by the Capital Regulations).

Exchange rate risks

The Issuer will pay principal and interest on the Notes in U.S. dollars (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Similarly, the Issuer may be exposed to potential losses if the Specified Currency were to depreciate against key currencies in which the Issuer's revenues are based, which may have an adverse effect on its financial condition and results of operations.

The investment in, and disposal or write-off of, the Notes may have tax consequences for the Noteholders, the Issuer or both

The investment in, and disposal or write-off upon the occurrence of a Non-Viability Trigger Event of, the Notes, may have considerable tax consequences for the Noteholders, the Issuer or both. As any such potential consequences depend on various factors, prospective investors in the Notes are strongly advised to consult their own professional advisers as to the tax consequences of investing in the Notes, and particularly as to whether a disposal or write-off of the Notes will result in an income tax liability. See "*Taxation – South Africa*".

A downgrade of the credit rating assigned by any credit rating agency to the Issuer or to the Notes could adversely affect the liquidity or market value of the Notes. Credit ratings downgrades could occur as a result of, among other causes, changes in the ratings methodologies used by credit rating agencies

Upon issuance, it is expected that the Notes will be rated Ba3 by Moody's and may in the future be rated by additional credit rating agencies, although the Issuer is under no obligation to ensure that the Notes are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these risk factors and other factors that may affect the liquidity or market value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the credit rating agency at any time.

Any rating assigned to the Issuer and/or the Notes may be withdrawn entirely by a credit rating agency, may be suspended or may be lowered, if, in that credit rating agency's judgment, circumstances relating to the basis of the rating so warrant. Ratings may be impacted by a number of factors which can change over time, including the credit rating agency's assessment of: the Issuer's strategy and management's capability; the Issuer's financial condition including in respect of capital, funding and liquidity; competitive and economic conditions in the Issuer's key markets; the level of political support for the industries in which the Issuer operates; the implementation of

structural reform; and legal and regulatory frameworks affecting the Issuer's legal structure, business activities and the rights of its creditors. The credit rating agencies may also revise the ratings methodologies applicable to issuers within a particular industry or political or economic region. If credit rating agencies perceive there to be adverse changes in the factors affecting an issuer's credit rating, including by virtue of change to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to an issuer and/or its securities. Revisions to ratings methodologies and actions on the Issuer's ratings or Absa Bank's ratings by the credit rating agencies may occur in the future.

If the Issuer determines to no longer maintain one or more ratings, or if any credit rating agency withdraws, suspends or downgrades the credit ratings of the Issuer or the Notes, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places the credit ratings of the Issuer or, if applicable, the Notes on "credit watch" status in contemplation of a downgrade, suspension or withdrawal), whether as a result of the factors described above or otherwise, such event could adversely affect the liquidity or market value of the Notes (whether or not the Notes had an assigned rating prior to such event).

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes, for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

The Notes are not investment grade and are subject to the risks associated with non-investment grade securities

The Notes, upon issuance, will not be considered to be investment grade securities, and as such will be subject to a higher risk of price volatility than higher-rated securities. Furthermore, increases in leverage or deteriorating outlooks for the Issuer, or volatile markets, could lead to a significant deterioration in market prices of below-investment grade rated securities such as the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus shall be incorporated in, and form part of, this Prospectus:

- (a) the audited annual consolidated and separate financial statements of the Issuer for the reporting period ended 31 December 2024 together with the audit report thereon, which may be obtained from the website of the Issuer at:

<https://www.absa.africa/wp-content/uploads/2025/03/Absa-Group-Annual-Consolidated-and-Separate-Financial-Statements-single-page.pdf>

- (b) The unaudited results booklets for the period 31 December 2024, which may be obtained from the website of the Issuer at:

<https://www.absa.africa/wp-content/uploads/2025/03/Results-booklet-for-the-period-ended-31-December-2024-double-page.pdf>

- (c) the audited annual consolidated and separate financial statements of the Issuer for the reporting period ended 31 December 2023 together with the audit report thereon, which may be obtained from the website of the Issuer at:

<https://www.absa.africa/wp-content/uploads/2024/04/Absa-Group-Annual-Consolidated-and-Separate-Financial-Statements-single-page.pdf>

- (d) the unaudited results booklets for the period 31 December 2023, which may be obtained from the website of the Issuer at:

<https://www.absa.africa/wp-content/uploads/2024/04/Results-booklet-for-the-period-ended-31-December-2023-double-page.pdf>

- (e) the unaudited condensed consolidated interim financial statements of the Issuer and related notes as of and for the six months ended 30 June 2025, which may be obtained from the website of the Issuer at:

<https://www.absa.africa/wp-content/uploads/2025/08/Results-booklet-for-the-period-ended-30-June-2025-double-page.pdf>

- (f) the unaudited Absa Group Pillar 3 risk management report for the Issuer for the reporting period ended 31 December 2024, which may be obtained from the website of the Issuer at:

<https://www.absa.africa/wp-content/uploads/2025/05/Absa-Group-Pillar-3-risk-management-report-as-at-31-December-2024.pdf>

The documents referred to above shall be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Following the publication of this Prospectus but prior to the Issue Date a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form:

The U.S.\$ 150,000,000 Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2036 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series therewith) of Absa Group Limited (the “**Issuer**”) are constituted by, are subject to, and have the benefit of, a trust deed dated 8 December 2025 (as amended or supplemented from time to time, the “**Trust Deed**”) between the Issuer and BNY Mellon Corporate Trustee Services Limited as trustee (the “**Trustee**”, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated 8 December 2025 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), The Bank of New York Mellon, London Branch as principal paying agent (the “**Principal Paying Agent**” (which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and, together with any further or other paying agents appointed from time to time in respect of the Notes, the “**Paying Agents**”) and calculation agent (the “**Calculation Agent**”, which expression includes any successor calculation agent appointed from time to time in connection with the Notes), the transfer agent named therein (the “**Transfer Agent**”, which expression includes any successor or additional transfer agent appointed from time to time in connection with the Notes) and the Trustee. References herein to the “**Agents**” are to the Registrar, the Principal Paying Agent, the Transfer Agent and the Paying Agents and any reference to an “**Agent**” is to any one of them. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of the Principal Paying Agent, whose initial Specified Office is set out below.

1. Interpretation

(a) Definitions

In these Conditions, the following expressions have the following meanings:

“**Additional Amounts**” has the meaning given to such term in Condition 7 (*Taxation*).

“**Additional Tier 1 Capital**” means “*additional tier 1 capital*” as defined in section 1(1) of the Banks Act.

“**Amounts Due**” means the Current Principal Amount of, and any accrued but unpaid interest, and Additional Amounts (if any), due on, the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any RSA Bail-in Power by the Resolution Authority.

“**Applicable Laws**” means, in relation to a person, all and any:

- (a) statutes and subordinate legislation;
- (b) regulations, ordinances and directives;
- (c) by-laws;
- (d) codes of practice, circulars, guidance notices, prudential standards, judgments and decisions of any competent authority; and
- (e) other similar provisions,

from time to time, compliance with which is mandatory for that person.

“**Authorised Denomination**” has the meaning given to such term in Condition 2(a) (*Form and denomination*).

“**Authorised Signatories**” has the meaning given to it in the Trust Deed.

“**Banks Act**” means the Banks Act, 1990 of South Africa.

"Bloomberg Screen" means page H15T5Y on the Bloomberg L.P. service or any successor service or such other page as may replace that page on that service for the purpose of displaying, "treasury constant maturities" as reported in H.15.

"Calculation Amount" means U.S.\$1,000.

"Call Date" means 8 June 2031.

"Capital Disqualification Event" means an event which has, or will be deemed to have, occurred with respect to the Notes if, as a result of a Regulatory Change, the Notes are fully or, to the extent permitted by the Capital Regulations, partially excluded from the Tier 2 Capital of the Issuer on a solo and/or consolidated basis (save where such exclusion is only as a result of any applicable limitation on the amount of such capital or any amortisation of recognition as Tier 2 Capital under the Capital Regulations in the final five years prior to maturity of the Notes).

"Capital Regulations" means, at any time, any law, legislation, regulations, rules, requirements, guidelines, guidance notes, directives, prudential standards and policies relating to capital adequacy then in effect in South Africa in relation to "*banks*" registered under the Banks Act and licensed to conduct "*the business of a bank*" (as defined in the Banks Act) in South Africa and "*controlling companies*" registered under the Banks Act, including the Banks Act, the Regulations Relating to Banks and any regulations, requirements, guidelines, guidance notes, directives, prudential standards and policies relating to capital adequacy adopted or made by the Prudential Authority applicable to the Issuer from time to time (whether or not such requirements, guidelines, guidance notes or policies have the force of law and whether or not such requirements, guidelines, guidance notes, directives, prudential standards or policies are applied generally or specifically to the Issuer or to the Issuer and any Subsidiary of the Issuer), in each case as amended, supplemented or replaced from time to time, and in each case as applied by the Prudential Authority.

"CMT Rate" means, in relation to the Reset Determination Date, the rate determined by the Calculation Agent and expressed as a percentage equal to:

- (a) the yield for United States Treasury Securities at "constant maturity" for a designated maturity of five years, as published in the H.15 under the caption "treasury constant maturities (nominal)", as that yield is displayed on the Reset Determination Date, on the Bloomberg Screen; or
- (b) if the yield referred to in paragraph (a) above is not published by 4:00 p.m. (New York City time) on the Bloomberg Screen on the Reset Determination Date, the yield for the United States Treasury Securities at "constant maturity" for a designated maturity of five years as published in the H.15 under the caption "treasury constant maturities (nominal)" on the Reset Determination Date; or
- (c) if the yield referred to in paragraph (b) above is not published by 4:30 p.m. (New York City time) on the Reset Determination Date, the Reset Reference Dealer Rate on the Reset Determination Date; or
- (d) if fewer than three Reference Dealers selected by the Issuer (following consultation with an independent financial adviser of international repute with experience in the international debt capital markets) provide bid prices for the purposes of determining the Reset Reference Dealer Rate referred to in paragraph (c) above, 3.654 per cent.

"Common Equity Tier 1 Capital" means "*common equity tier 1 capital*" as defined in section 1(1) of the Banks Act.

"Common Equity Tier 1 Capital Securities" means securities of the Issuer which rank, or are expressed to rank, equally with Common Equity Tier 1 Capital (including, without limitation, the Issuer Ordinary Shares).

"Conditions" means these terms and conditions of the Notes.

"Current Principal Amount" means:

- (a) with respect to the Notes or a Note (as the context requires), the principal amount thereof, calculated on the basis of the Original Principal Amount, as such amount may

be reduced, on one or more occasions, pursuant to a Write-off following the occurrence of a Non-Viability Trigger Event; or

- (b) with respect to any other Loss Absorbing Instrument, the principal amount thereof (or amount analogous to a principal amount), calculated on an analogous basis to the calculation of the Current Principal Amount of the Notes.

"Day Count Fraction" means the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed).

"Designated Institution" means a *"designated institution"* under and as defined in section 1(1) of the Financial Sector Regulation Act.

"Event of Default" means any of the events described in Condition 8 (*Events of Default*).

"Extraordinary Resolution" has the meaning given to such term in the Trust Deed.

"Financial Sector Regulation Act" means the Financial Sector Regulation Act, 2017 of South Africa.

"Flac Instrument" means a *"flac instrument"* as defined in section 1(1) of the Financial Sector Regulation Act.

"H.15" means the weekly statistical release designated as H.15, or any successor publication, published by the board of governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15> or any successor site or publication.

"Initial Rate of Interest" has the meaning given to such term in Condition 4(b) (*Rate of interest*).

"Interest Payment Date" has the meaning given to such term in Condition 4(c) (*Interest Payment Dates*).

"Issue Date" means 8 December 2025.

"Issuer Ordinary Shares" means ordinary shares in the share capital of the Issuer.

"Junior Securities" means, in relation to the Notes:

- (a) any securities issued by the Issuer which qualify (or were intended to qualify at issue) as Common Equity Tier 1 Capital;
- (b) any securities issued by the Issuer which qualify (or were intended to qualify at issue) as Additional Tier 1 Capital; and
- (c) any securities issued by, or any other obligations of the Issuer which rank, or are expressed to rank, junior to the Notes on liquidation, winding-up or bankruptcy of the Issuer.

"Loss Absorbing Instrument" means, at any time, any Other Tier 2 Securities which may have all or some of its principal amount written-off (whether in whole or in part or on a permanent or temporary basis) or converted (whether in whole or in part) (in each case in accordance with its conditions or otherwise) on the occurrence or as a result of a Non-Viability Trigger Event.

"Maturity Date" has the meaning given to such term in Condition 5(a) (*Scheduled redemption*).

A **"Non-Viability Trigger Event"** shall occur when a *"trigger event"* specified in writing by the Prudential Authority in accordance with the Capital Regulations has occurred, upon which the Notes are required to be Written-off (in whole or in part), which trigger event shall be in the discretion of the Prudential Authority and shall at minimum be the earlier of:

- (a) a decision that a write-off, without which the Issuer would become non-viable, is necessary as determined by the Prudential Authority; or
- (b) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable as determined by the Prudential Authority.

"Non-Viability Trigger Event Notice" has the meaning given to such term in Condition 9(a) (*Non-Viability Trigger Event*).

"**Note Certificate**" has the meaning given to such term in Condition 3(a) (*Register, Title and Transfers – Register*).

"**Noteholder**" and "**Holder**" have the meaning given to such terms in Condition 3(a) (*Register*).

"**Original Principal Amount**" means the principal amount (which, for these purposes, is equal to the nominal amount) of the Notes at the Issue Date without having regard to any subsequent Write-off.

"**Other Tier 2 Securities**" means, in relation to the Notes, any obligations or securities of the Issuer (other than the Notes):

- (a) which upon issue qualified (or were intended to qualify at issue) as Tier 2 Capital; or
- (b) which otherwise rank or are expressed to rank on a liquidation, bankruptcy or winding-up of the Issuer *pari passu* with the Notes or with other obligations or securities falling within paragraph (a) above.

"**Payment Business Day**" means any weekday, other than one on which banking institutions are authorised or obligated by law or executive order to close in New York City and, in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate, in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed).

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) or other legal entity.

"**Prudential Authority**" means the Prudential Authority established in terms of section 32 of the Financial Sector Regulation Act of South Africa and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer.

"**Qualifying Tier 2 Securities**" means securities, whether debt or otherwise, issued by the Issuer that:

- (a) have terms not materially less favourable to a Noteholder than the terms of the Notes being substituted or varied (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing (which in either case is independent of the Issuer), and provided that a certification to such effect by two Authorised Signatories of the Issuer shall have been delivered to the Trustee prior to the issue or, as appropriate, variation of the relevant securities), and, subject thereto, which:
 - (i) contain terms which comply with the then current minimum requirements of the Prudential Authority in relation to Tier 2 Capital, required to ensure that such Qualifying Tier 2 Securities qualify as Tier 2 Capital;
 - (ii) include terms which provide for the same Rate of Interest or rate of return from time to time applying to the Notes, and preserve the Interest Payment Dates;
 - (iii) rank at least *pari passu* with the ranking of the Notes;
 - (iv) preserve any existing rights under the Conditions to any accrued interest or other amounts which have not been paid;
 - (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption;
 - (vi) have the same currency as the Notes;
 - (vii) have a solicited published rating ascribed to them or expected to be ascribed to them if the Notes had a solicited published rating from a rating agency immediately prior to such substitution or variation; and
- (b) if the Notes are listed on the main market of the London Stock Exchange plc (i) are listed on the main market of the London Stock Exchange plc, or (ii) listed on such other

international stock exchange at that time as selected by the Issuer and approved by the Trustee.

"Ranking Legislation" means the Insolvency Act, 1936 of South Africa as read with and amended by section 166W of the Financial Sector Regulation Act, and any other law or regulation from time to time which is applicable to the Issuer and relevant for determining the rights of members and creditors of the Issuer in respect of the ranking of their respective claims against the Issuer in a winding-up, liquidation or bankruptcy of the Issuer.

"Rate of Interest" means the Initial Rate of Interest and/or the Reset Interest Rate, as the case may be.

"Record Date" has the meaning given to such term in Condition 6(f) (*Record date*).

"Register" has the meaning given to such term in Condition 3(a) (*Register*).

"Regulations Relating to Banks" means the Regulations relating to Banks promulgated under section 90 of the Banks Act (published under Government Notice R1029 in Government Gazette 35950 of 12 December 2012), as such Regulations may be or may have been amended, supplemented or replaced from time to time and any other prevailing capital adequacy regulations promulgated under the Banks Act and applicable to the Issuer, as supplemented, amended or replaced from time to time.

"Regulatory Change" means a change in, or amendment to, the Capital Regulations and/or any change in the application of or official or generally published guidance or interpretation of the Capital Regulations, which change or amendment becomes, or would become, effective on or after the Issue Date.

"Relevant Date" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in New York by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

"Relevant Part" means the portion of the aggregate Current Principal Amount of the Notes which the Prudential Authority requires to be Written-off upon the occurrence of a Non-Viability Trigger Event whether expressed as a value, a percentage or otherwise, as determined and notified to the Issuer by the Prudential Authority.

"Reset Determination Date" means the second Payment Business Day immediately preceding the Call Date.

"Reset Interest Rate" means a rate per annum equal to the then applicable Reset Rate plus the Reset Margin.

"Reset Margin" means 2.92 per cent. per annum.

"Reset Rate" means the prevailing CMT Rate on the Reset Determination Date.

"Reset Reference Dealer Rate" means, on the Reset Determination Date, the rate calculated by the Calculation Agent as being a yield-to-maturity based on the arithmetic mean of the secondary market bid prices for Reset United States Treasury Securities at approximately 4:30 p.m. (New York City time) on the Reset Determination Date, of leading primary United States government securities dealers in New York City (each, a **"Reference Dealer"**). The Issuer (following consultation with an independent financial adviser of international repute with experience in the international debt capital markets) will select five Reference Dealers to provide such bid prices and will eliminate the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); provided, however, that, if fewer than five but more than two such bid prices are provided, then neither the highest nor the lowest of those quotations will be eliminated prior to calculating the arithmetic mean of such bid prices.

"Reset United States Treasury Securities" means, on the Reset Determination Date United States Treasury Securities with an original maturity equal to five years, a remaining term to maturity of no more than one year shorter than five years and in a principal amount equal to an amount that is representative for a single transaction in such United States Treasury Securities in the New York City market. If two United States Treasury Securities have remaining terms to

maturity equally close to five years, the United States Treasury Security with the shorter remaining term to maturity will be used.

"Resolution" means *"resolution"* as defined in section 1(1) of the Financial Sector Regulation Act.

"Resolution Action" means *"resolution action"* as defined in section 1(1) of the Financial Sector Regulation.

"Resolution Authority" means the SARB in accordance with the Financial Sector Regulation Act or any successor or replacement thereto and/or such other authority in South Africa with the ability to exercise the RSA Bail-in Powers.

"Resolution Event" means the event that occurs when the Minister of Finance of South Africa makes a written determination, addressed to the Governor of the SARB, placing a Designated Institution in Resolution in terms of section 166J(2) of the Financial Sector Regulation Act.

"Resolution Framework" means Chapter 12A of the Financial Sector Regulation Act and any other Applicable Law applicable to the Issuer or any of its Subsidiaries that are Designated Institutions at the relevant time pursuant to, or which implement, or are enacted within the context of, Chapter 12A of the Financial Sector Regulation Act, establishing a framework for the recovery and Resolution of Designated Institutions.

"RSA Bail-in Power" means any write-down, write-off, conversion, transfer, modification, suspension or similar or related power existing from time to time under the Resolution Framework (including, without limitation, under section 166S and section 166T of the Financial Sector Regulation Act) or any Applicable Law relating to the Resolution of Designated Institutions in effect and applicable in South Africa to the Issuer and its Subsidiaries which are Designated Institutions, pursuant to which any obligation of a Designated Institution can be reduced, written-off, cancelled, modified, transferred and/or converted into shares, other securities or other obligations of the obligor or any other person (or suspended for a temporary period) or pursuant to which any right in a contract governing such obligation may be deemed to have been exercised.

"SARB" means the South African Reserve Bank as referred to in section 223 of the Constitution of the Republic of South Africa, 1996, read with the South African Reserve Bank Act, 1989 of South Africa, or the relevant replacement or successor regulator.

"Senior Creditors" means creditors of the Issuer:

- (a) who are unsubordinated creditors of the Issuer; and
- (b) (other than the holders of Junior Securities, Tier 2 Capital Securities or Other Tier 2 Securities) whose claims are, or are expressed to be, subordinated (whether in the event of a dissolution, liquidation or winding-up of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer (including for the avoidance of doubt the claims of holders of Flac Instruments).

"Solvent Reconstruction" means the event where an order is made or an effective resolution is passed for the winding-up of the Issuer (other than under or in connection with a scheme of amalgamation or reconstruction involving a bankruptcy or insolvency) where the obligations of the Issuer in relation to the outstanding Notes are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving bankruptcy or insolvency is implemented.

"South Africa" means the Republic of South Africa.

"Subsidiary" means a *"subsidiary"* as defined in section 1(1) of the Companies Act, 2008 of South Africa.

"Tax Event" means an event where, as a result of a Tax Law Change (i) the Issuer has paid or will or would on the next Interest Payment Date be required to pay Additional Amounts as provided or referred to in Condition 7 (*Taxation*), or (ii) in respect of the Issuer's obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is materially reduced, and

the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it.

"Tax Law Change" means a change or proposed change in, or amendment or proposed amendment to, the laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a judgment by a court of competent jurisdiction), whether or not having retrospective effect, which actual or proposed change or amendment is announced on or after the Issue Date.

"Tier 2 Capital" means *"tier 2 capital"* as defined in section 1(1) of the Banks Act.

"Tier 2 Capital Regulations" means Regulation 38(12) of the Regulations Relating to Banks and/or such other provisions of the Capital Regulations with which the instruments and/or shares contemplated in that Regulation (including the Notes) must comply in order for the proceeds of the issue of such instruments and/or shares to rank as Tier 2 Capital.

"Tier 2 Capital Securities" means any obligations or securities of the Issuer which qualify (or were intended to qualify at issue) as Tier 2 Capital.

"United States Treasury Securities" means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis.

"US\$", "U.S. dollars" or "dollars" means the lawful currency for the time being of the United States of America.

"Write-off" means, in respect of the Notes:

- (a) the Notes shall be cancelled (in the case of a Write-off in whole) or written-off in part on a *pro rata* basis (in the case of a Write-off in part), in accordance with the Tier 2 Capital Regulations and as determined by the Prudential Authority; and
- (b) all rights of any Noteholder for payment of any amounts under or in respect of the Notes shall, as the case may be, be cancelled or written-off *pro rata* among the Noteholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Trigger Event Notice and even if the Non-Viability Trigger Event has ceased,

and the term **"Written-off"** shall be construed accordingly.

"Written-off Amount" has the meaning given to such term in Condition 9(a) (*Non-Viability Trigger Event*).

- (b) *Construction of certain references*

In these Conditions, unless otherwise specified or unless the context otherwise requires:

- (i) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (ii) references to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment; and
- (iii) headings and sub-headings are for ease of reference only and shall not affect the construction of these Conditions.

2. **Form, Denomination and Status**

- (a) *Form and denomination:* The Notes are in registered form in the denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (each, an **"Authorised Denomination"**).
- (b) *Status of the Notes:* The Notes constitute direct, unsecured and, in accordance with Condition 2(c) (*Subordination*), subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for the claims of those creditors that have been accorded preferential rights by law):

- (i) *pari passu* with Other Tier 2 Securities (or any other securities that are deemed under the Capital Regulations to qualify as Tier 2 Capital) and (save for those that have been accorded preferential rights by law) at least *pari passu* with all other claims of creditors of the Issuer which rank or are expressed to rank (or are deemed under the Capital Regulations to rank) *pari passu* with the Notes;
 - (ii) senior to Common Equity Tier 1 Capital Securities and the obligations of the Issuer under any Junior Securities; and
 - (iii) junior to the present and/or future claims of Senior Creditors.
- (c) **Subordination:** The claims of the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed) and the Noteholders entitled to be paid amounts due in respect of the Notes (including any damages or other amounts (if payable)) are subordinated to the claims of Senior Creditors and, accordingly, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or is wound-up (in each case other than pursuant to a Solvent Reconstruction):
- (i) notwithstanding that any Noteholder shall have proved a claim for any amount in respect of the Notes in the event of the dissolution, liquidation or winding-up of the Issuer, no such amount shall be paid to the Trustee (on behalf of the Noteholders) or that Noteholder, as the case may be; and
 - (ii) no amount due under the Notes shall be eligible for set-off, netting, counterclaim, abatement or other similar remedy which the Trustee (on behalf of the Noteholders) or a Noteholder, as the case may be, might otherwise have under the laws of any jurisdiction in respect of the Notes nor shall any amount due under the Notes be payable to the Trustee (on behalf of the Noteholders) or any Noteholder, as the case may be,
- in each case, until the claims of all Senior Creditors which are admissible in any such dissolution, liquidation or winding-up have been paid or discharged in full.
- (d) **Set-off:** Subject to Applicable Laws, neither the Trustee (on behalf of Noteholders) nor any Noteholder may exercise, claim or plead any right of set-off, netting, compensation or retention in respect of any amount owed to it by the Issuer under or in connection with the Notes and the Trustee (on behalf of the Noteholders) and each Noteholder (by virtue of being the holder of any Notes), as the case may be, shall be deemed to have waived all such rights of set-off, netting, compensation or retention. Notwithstanding the preceding sentence if any of the amounts owing to any Noteholder by the Issuer is discharged by set-off or netting (whether by operation of law or otherwise), such Noteholder shall, unless such payment is prohibited by law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of its winding-up or Resolution, the liquidator or (as the case may be) resolution practitioner of the Issuer for payment to the Senior Creditors in respect of amounts owing to them by the Issuer, and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer, or the liquidator or (as the case may be) the resolution practitioner of the Issuer, for payment to the Senior Creditors in respect of amounts owing to them by the Issuer and accordingly any such discharge shall be deemed not to have taken place.

3. **Register, Title and Transfers**

- (a) **Register:** The Registrar will maintain a register (the "**Register**") in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly. A certificate (each, a "**Note Certificate**") will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) **Title:** The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder. No

person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

- (c) *Transfers*: Subject to Conditions 3(f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*), a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) the Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.
- (d) *Registration and delivery of Note Certificates*: Within five business days of the surrender of a Note Certificate in accordance with Condition 3(c) (*Transfers*), the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the Transfer Agent has its Specified Office.
- (e) *No charge*: The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but against such indemnity as the Registrar or (as the case may be) the Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods*: Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.
- (g) *Regulations concerning transfers and registration*: All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. Interest

(a) *Interest accrual*

The Notes bear interest on their Current Principal Amount at the applicable Rate of Interest from (and including) the Issue Date and the amount of such interest will (subject to Condition 6 (*Payments*) and Condition 9 (*Loss Absorption following a Non-Viability Trigger Event*)) be payable on each Interest Payment Date, in accordance with the provisions of this Condition 4 (*Interest*). Each Note will cease to bear interest from the date fixed for redemption (if any) unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest in accordance with, and subject to, the Conditions (both before and after judgment) until the day on which such principal is received by or on behalf of the relevant Holder.

(b) *Rate of interest*

- (i) The rate of interest in respect of the period from (and including) the Issue Date to (but excluding) the Call Date will be 6.625 per cent. per annum (the "**Initial Rate of Interest**").
- (ii) The rate of interest in respect of the period from (and including) the Call Date to (but excluding) the date on which the Notes are fully redeemed in accordance with these Conditions shall be the Reset Interest Rate.

(c) *Interest Payment Dates*

Interest will be payable semi-annually in arrear on 8 June and 8 December of each year (each, an "**Interest Payment Date**"), commencing on 8 June 2026.

(d) *Calculation of interest amount*

Subject to Condition 6 (*Payments*), the amount of interest payable in respect of each Note shall be calculated by applying the relevant Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Current Principal Amount of such Note divided by the Calculation Amount.

(e) *Determination of Reset Interest Rate*

The Reset Interest Rate shall be determined by the Calculation Agent on the Reset Determination Date.

(f) *Publication*

The Calculation Agent will cause the Reset Interest Rate determined by it to be notified to the Issuer, the Paying Agents, the Trustee and any competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading as soon as possible after such determination but in any event not later than the Call Date. Notice thereof shall also be given to the Holders by the Calculation Agent in accordance with Condition 16 (*Notices*) as soon as possible after the determination thereof.

(g) *Notifications etc.*

All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 (*Interest*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Paying Agents and the Holders. No Holder shall be entitled to proceed against the Calculation Agent, the Trustee, the Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including without limitation in respect of any notification, opinion, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 4 (*Interest*). The Calculation Agent shall not be responsible to the Issuer, the Holders or any third party for any failure of the Reference Dealers to provide quotations as requested of them or as a result of the Calculation Agent having acted on any quotation or other information given by any Reference Dealers which subsequently may be found to be incorrect or inaccurate in any way.

(h) *Determination by the Trustee*

If the Calculation Agent does not at any time for any reason determine the Reset Interest Rate, the Trustee, or an agent on its behalf appointed at the expense of the Issuer, may (but shall not be obliged to) do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee or its agent shall apply the foregoing provisions of this Condition 4 (*Interest*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

5. **Redemption and Purchase; Substitution and Variation**

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Current Principal Amount on 8 June 2036 (the "**Maturity Date**"), subject as provided in Condition 6 (*Payments*).

(b) *Redemption for tax reasons*: Subject to the provisions of Condition 5(f) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*), if at any time a Tax Event occurs and is continuing, the Issuer may, at its option at any time having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Noteholders (in accordance with Condition 16 (*Notices*)), which notice shall be irrevocable, redeem the Notes in whole, but not in part, at their Current Principal Amount together with unpaid interest accrued thereon to (but excluding) the date of redemption, *provided, however, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (i) would be obliged to pay such Additional Amounts if a payment in respect of the Notes

were then due or (ii) would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities. Upon the expiry of any such notice as is referred to in this Condition 5(b) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b) (*Redemption for tax reasons*).

- (c) *Redemption following the occurrence of a Capital Disqualification Event:* Subject to the provisions of Condition 5(f) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*), if at any time a Capital Disqualification Event occurs and is continuing, the Issuer may, at its option at any time having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Noteholders (in accordance with Condition 16 (*Notices*)), which notice shall be irrevocable, redeem the Notes in whole, but not in part, at their Current Principal Amount together with unpaid interest accrued thereon to (but excluding) the date of redemption. Upon the expiry of any such notice as is referred to in this Condition 5(c) (*Redemption following the occurrence of a Capital Disqualification Event*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(c) (*Redemption following the occurrence of a Capital Disqualification Event*).
- (d) *Redemption at the option of the Issuer:* Subject to Condition 5(f) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*), the Notes may be redeemed at the option of the Issuer in whole, but not in part on the Call Date at their Current Principal Amount on the Issuer giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Noteholders (in accordance with Condition 16 (*Notices*)), which notice shall be irrevocable, redeem the Notes in whole, but not in part, at their Current Principal Amount together with unpaid interest accrued thereon to (but excluding) the Call Date.
- (e) *Substitution or Variation:* If a Capital Disqualification Event or a Tax Event has occurred and is continuing, then the Issuer may, subject to Condition 5(f) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*) and/or as directed or approved by the Prudential Authority and having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Noteholders (in accordance with Condition 16 (*Notices*)) (which notice shall be irrevocable) but without any requirement for the consent or approval of the Noteholders, at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Tier 2 Securities.
- (f) *Conditions to Redemption, Purchase, Modification, Substitution or Variation:* The Notes may be redeemed, purchased, modified, substituted, varied or cancelled (as applicable) prior to the Maturity Date only at the option of the Issuer, and only if:
 - (i) Subject to the Tier 2 Capital Regulations, the Notes may be redeemed, substituted, varied or purchased by the Issuer in the circumstances described in this Condition 5 (*Redemption and Purchase; Substitution and Variation*), provided that, for so long as is, and to the extent required by the Tier 2 Capital Regulations:
 - (1) the Notes may only be redeemed at the option of the Issuer after a minimum initial period of issue of five years from the Issue Date of the Notes, provided that unless the Prudential Authority determines that the Issuer is duly capitalised above the minimum capital requirements after the relevant redemption option is exercised, the Issuer may not redeem such Notes unless such Notes are replaced by the Issuer with instruments of similar or better quality and the replacement is on conditions that are sustainable for the income capacity of the Issuer;
 - (2) the Issuer has notified the Prudential Authority of, and the Prudential Authority has consented in writing to, such redemption, purchase, substitution or variation (as applicable), subject to such conditions (if any) as the Prudential Authority may specify in writing; and
 - (3) the redemption, substitution, variation or purchase of the Notes is not prohibited by the Tier 2 Capital Regulations.

This Condition 5(f)(i) does not apply in respect of a redemption in whole, but not in part, of the Notes upon a Capital Disqualification Event in accordance with

Condition 5(c) (*Redemption following the occurrence of a Capital Disqualification Event*).

- (ii) In the case of a redemption (other than with respect to any redemption of the Notes pursuant to Condition 5(d) (*Redemption at the option of the Issuer*)) and in the case of any substitution or variation in accordance with Condition 5(e) (*Substitution or Variation*), prior to the publication of any notice of redemption, substitution or variation, the Issuer shall deliver to the Trustee and the Principal Paying Agent a certificate signed by two Authorised Signatories, which they are entitled to rely on without any liability thereof, stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or, as appropriate, vary is satisfied and, in the case of a substitution or variation, that the relevant Qualifying Tier 2 Securities have terms not materially less favourable to an investor than the terms of the Notes and will as from the date of such substitution or variation otherwise comply with the requirements of the definition of Qualifying Tier 2 Securities;
- (iii) In the case of a redemption, substitution or variation upon the occurrence of a Tax Event in accordance with Condition 5(b) (*Redemption for tax reasons*) or Condition 5(e) (*Substitution or Variation*), prior to the publication of any notice of redemption, substitution or variation, the Issuer shall deliver to the Trustee an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing to the effect that the relevant Tax Event has occurred; and
- (iv) In the case of a redemption, substitution or variation upon the occurrence of a Capital Disqualification Event in accordance with Condition 5(c) (*Redemption following the occurrence of a Capital Disqualification Event*) or Condition 5(e) (*Substitution or Variation*), unless the Prudential Authority has confirmed to the Issuer that a Capital Disqualification Event has occurred (or been deemed to have occurred) in respect of the Notes (and the Issuer has certified to the Trustee that the Prudential Authority has provided such confirmation), prior to the publication of any notice of redemption, substitution or variation, the Issuer shall deliver to the Trustee an opinion of independent legal advisers of recognised standing in form and substance satisfactory to the Trustee to the effect that a Capital Disqualification Event has occurred (or been deemed to have occurred).

For the avoidance of doubt, no consent of the Noteholders shall be required for a redemption, purchase, modification, substitution, variation or cancellation of the Notes in accordance with this Condition 5 (*Redemption and Purchase; Substitution and Variation*) and the Trustee shall be obliged to effect such matters provided it would not (i) impose, in the Trustee's opinion, more onerous obligations on it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to the Trustee in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way or (ii) expose it to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction.

- (g) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 5(a) (*Scheduled redemption*) to (d) (*Redemption at the option of the Issuer*).
- (h) *Purchase:* Subject to the Tier 2 Capital Regulations and Condition 5(f) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*), the Issuer or any of its Subsidiaries may at any time purchase any outstanding Notes in the open market or otherwise and at any price.
- (i) *Cancellation:* All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries may (subject to the Tier 2 Capital Regulations) at the option of the Issuer be held or surrendered to the Principal Paying Agent for cancellation and may, if cancelled, not be re-issued or re-sold.

6. **Payments**

- (a) *Principal:* Payments of principal shall be made by U.S. dollar cheque drawn on, or, upon application by a Holder of a Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City and (in the case of redemption)

upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (b) *Interest:* Payments of interest shall be made by U.S. dollar cheque drawn on, or, upon application by a Holder of a Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to a U.S. dollar account, payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by U.S. dollar cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 6 (*Payments*) arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note, the Registrar shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

7. **Taxation**

- (a) *Additional Amounts:* All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of South Africa or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In such event, the Issuer will pay such additional amounts ("**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction except that no such Additional Amounts shall be payable with respect to any Note:
 - (i) held by or on behalf of a Noteholder, who is liable for such taxes or duties in respect of such Note by reason of his having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof;
 - (ii) presented for payment by or on behalf of, or held by, a Noteholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying with any statutory requirements in force at the present time or in the future by making a declaration of non-residency or other similar claim or filing for exemption to which it is entitled to the relevant tax authority, the Issuer or the Principal Paying Agent (the

- effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
- (iii) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days; or
 - (iv) if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of Noteholders being disputers or alleged tax defaulters.
- (b) *FATCA withholding:* Notwithstanding any other provision in these Conditions, the Issuer, the Trustee and the Paying Agents shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto ("**FATCA withholding**"). The Issuer will have no obligations to pay Additional Amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, the Trustee or a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.
 - (c) *Other references:* Any reference in these Conditions to principal or interest shall be deemed to include any Additional Amounts which may be payable under this Condition 7 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 7 (*Taxation*) pursuant to the Trust Deed.
 - (d) *Other taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than South Africa, references in these Conditions to South Africa shall be construed as references to South Africa and/or such other jurisdiction.
 - (e) *Redemption:* Save as described in Condition 7(a) (*Taxation*), a Noteholder whose Notes are redeemed shall pay all taxes payable in connection with the payment of interest, or the redemption of such Notes and/or the payment of the Current Principal Amount as a result of such redemption. The Issuer is not liable for or otherwise obliged to pay any taxes that may arise as a result of the ownership, transfer, redemption or enforcement of any Note.

8. Events of Default

- (a) *Non-payment:* The right to institute winding-up proceedings is limited to circumstances where payment of principal or interest (as the case may be) has become due and payable in respect of the Notes. If default shall be made in the payment of any principal or interest due on the Notes for a period of seven days or more after any date on which the payment of principal is due or fourteen days or more after any date on which the payment of interest is due (as the case may be), then the Trustee at its discretion may and, if so requested in writing by Noteholders of at least one quarter of the aggregate Current Principal Amount of the outstanding Notes, shall, in each case, subject to section 166D of the Financial Sector Regulation Act and to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction and Conditions 2(c) (*Subordination*), 8(b) and 8(c), without further notice, institute proceedings for the winding-up of the Issuer and/or prove in any winding-up of the Issuer, but take no other action in respect of that default; *provided that* no action may be taken by the Trustee if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of any relevant jurisdiction or to comply with any order of a court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such seven day period or fourteen day period (as the case may be) by independent legal advisers approved by the Trustee.
- (b) *Winding up:* If an order is made by a competent court with jurisdiction over the Issuer or an effective resolution is passed for the winding-up of the Issuer (other than pursuant to a Solvent Reconstruction), then the Trustee at its discretion may, and, if so requested in writing by Noteholders of at least one quarter of the aggregate Current Principal Amount of the outstanding Notes, shall (subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction), by written notice to the Issuer, declare the Notes to be forthwith due and

payable. Upon receipt of the notice by the Issuer, the Notes shall (subject to Condition 2(c) (*Subordination*) and the Tier 2 Capital Regulations) be forthwith due and payable at the Current Principal Amount together with accrued interest (if any) to the date of payment without further action or formality.

- (c) *Breach of obligation:* Without prejudice to Conditions 8(a) and 8(b) (*Events of Default*), if the Issuer breaches any of its obligations under the Notes or the Trust Deed (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation, payment of any principal or interest) then the Trustee at its discretion may and, if so requested in writing by Noteholders of at least one quarter of the aggregate Current Principal Amount of the outstanding Notes, shall (subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) without further notice, bring such proceedings as it may think fit to enforce the obligation in question provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest or satisfy any other payment obligation in relation to the Notes sooner than the same would otherwise have been payable by it.
- (d) *No other remedies:* No Holder of any Notes shall be entitled to institute any of the proceedings or take the steps or actions referred to in Conditions 8(a), (b) or (c) (*Events of Default*) or to prove in the winding-up of the Issuer except that if the Trustee, having become bound to proceed against the Issuer and/or prove in any winding-up of the Issuer as aforesaid, fails to do so within a reasonable period, and in each such case such failure shall be continuing, then any such Holder may itself institute such proceedings or take such steps or actions and/or prove in such winding up to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of its Notes. No remedy against the Issuer other than the institution of the proceedings referred to in Conditions 8(a), (b) or (c) (*Events of Default*) or proving in the winding up of the Issuer, shall be available to the Trustee or the holders of such Notes whether for the recovery of amounts owing in respect of such Notes or under the Trust Deed in relation thereto or in respect of any breach by the Issuer of any of its other obligations under or in respect of such Notes or under the Trust Deed in relation thereto.

9. **Loss Absorption following a Non-Viability Trigger Event**

(a) *Non-Viability Trigger Event:*

Upon the occurrence of a Non-Viability Trigger Event, the Issuer will as soon as reasonably possible notify the Trustee, the Principal Paying Agent, the Registrar and the Noteholders in accordance with Condition 16 (*Notices*) (a "**Non-Viability Trigger Event Notice**") of the occurrence of the Non-Viability Trigger Event and Write-off Date and subsequently Write-off the Current Principal Amount of the Notes (or the Relevant Part thereof), in accordance with the Tier 2 Capital Regulations and Condition 9(d) (*Write-off*).

- (b) Any delay in delivery or failure to deliver a Non-Viability Trigger Event Notice shall not affect the validity of any Write-off or the timing of any Write-off.
- (c) *Determination:* Whether a Non-Viability Trigger Event has occurred at any time shall be determined by the Prudential Authority or any agent appointed for such purpose by the Prudential Authority, and such determination shall be binding on the Trustee and the Noteholders.
- (d) *Write-off:*
 - (i) Upon the occurrence of a Non-Viability Trigger Event, the Issuer will Write-off the Current Principal Amount of the Tier 2 Notes (or the Relevant Part thereof), in accordance with the Tier 2 Capital Regulations, by such amount (the "**Written-off Amount**") as the Prudential Authority shall require; provided that:
 - (A) a Write-off of the Notes need only occur up until the point where the Issuer is deemed by the Prudential Authority to be viable again, as specified in writing by the Prudential Authority; and
 - (B) the Notes shall be Written-off in whole, or in part, on a *pro rata* basis with other Loss Absorbing Instruments.

- (ii) Any such Write-off shall take place on such date (the "**Write-off Date**") selected by the Issuer in consultation with the Prudential Authority but no later than 30 days following the occurrence of the Non-Viability Trigger Event unless in accordance with the Tier 2 Capital Regulations, the Prudential Authority has agreed with the Issuer in writing that the Current Principal Amount (or the Relevant Part thereof) of the Notes may be Written-off after a longer period, in which case, the Write-off shall take place on such date as agreed with the Prudential Authority.
- (iii) A Write-off may occur on more than one occasion following the occurrence of a Non-Viability Trigger Event and the Notes may be Written-off on more than one occasion.
- (iv) To the extent that the Write-off of any Loss Absorbing Instruments is not effective for any reason:
 - (A) the ineffectiveness of any such Write-off shall not prejudice the requirement to effect a Write-off of the Notes; and
 - (B) the Write-off of any Loss Absorbing Instrument which is not effective shall not be taken into account in determining the Written-off Amount of the Notes.
- (v) For the avoidance of doubt, following any Write-off of the Notes (or the Relevant Part thereof) the Issuer shall not be obliged to pay compensation in any form to the Noteholders.
- (e) *No Event of Default:* Any Write-off of the Notes (or the Relevant Part thereof) upon the occurrence of a Non-Viability Trigger Event will not constitute an Event of Default or any other breach of the Issuer's obligations, or a failure to perform by the Issuer, under the Conditions, and shall not entitle the Trustee or the Noteholders to petition or apply for the liquidation, winding-up or dissolution of the Issuer.
- (f) *No Restoration of Written-off Amount:* Once a Write-off of all or the Relevant Part of the Current Principal Amount of the Notes has occurred, no Written-off Amount shall be restored under any circumstances (including, without limitation, where the Non-Viability Trigger Event ceases to continue) and the Trustee (on behalf of the Noteholders) and the Noteholders will automatically irrevocably lose their rights to receive, and no longer have any rights against the Issuer with respect to, interest accrued on the Written-off Amount prior to the Write-off Date and repayment of the Written-off Amount; provided that, if the Notes are Written-off in part, interest will continue to accrue on the Current Principal Amount.
- (g) *Acknowledgement of contractual bail-in upon the occurrence of a Non-Viability Trigger Event or statutory bail-in pursuant to the RSA Bail-in Power in Resolution:* Notwithstanding any other term of the Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a beneficial interest in the Notes) and/or the Trustee, each Noteholder by its acquisition of the Notes and the Trustee will be deemed to acknowledge, accept, and agree that the Notes may either be bailed-in (i) under the Resolution Framework in accordance with the exercise of the RSA Bail-in Power, or the taking of Resolution Action, by Resolution Authority upon the occurrence of a Resolution Event in relation to the Issuer, or (ii) pursuant to the operation of this Condition 9 (*Loss Absorption following a Non-Viability Trigger Event*) upon the occurrence of a Non-Viability Trigger Event.

10. **Recognition of RSA Bail-in Power**

- (a) *Contractual recognition of RSA Bail-in Power:* Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a beneficial interest in the Notes) and/or the Trustee, each Noteholder by its acquisition of the Notes and the Trustee will be deemed to acknowledge, accept, and agree that, upon the occurrence of a Resolution Event in relation to the Issuer, any Amounts Due arising under the Notes may be subject to the exercise of any RSA Bail-in Power by the Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by the exercise of any RSA Bail-

in Power by the Resolution Authority, or determination under the Resolution Framework, which may include and result in any of the following Resolution Actions, or some combination thereof:

- (i) the reduction or write-off of all, or a portion of, the Amounts Due, including on a permanent basis;
- (ii) the conversion of all, or a portion, of the Amounts Due into ordinary shares or other securities or other obligations of the Issuer or another person (or the issue to or conferring on the Noteholder of such shares, securities or obligations) including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept *in lieu* of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;
- (iii) the cancellation of the Notes;
- (iv) the replacement or substitution of the Issuer;
- (v) transfer of the Notes;
- (vi) the amendment or alteration of the maturity of the Notes, or the amendment of the amount of interest, and any Additional Amounts (if any), due or payable on the Notes, or the dates on which interest, and any Additional Amounts (if any), becomes payable, including by suspending payment for any period contemplated in the Resolution Framework; and/or
- (vii) the variation of the terms of the Notes, as determined by the Resolution Authority, to give effect to the exercise of the RSA Bail-in Power by the Resolution Authority,

which RSA Bail-in Power may be exercised by means of amendment, modification or variation of the terms of the Notes to give effect to any exercise of any RSA Bail-in Power by the Resolution Authority. The exercise of the RSA Bail-Powers, and the taking of any Resolution Action, by the Resolution Authority and the implementation, and the rights of the Noteholders in respect, thereof shall be as prescribed and/or determined by the Resolution Framework.

- (b) *Variation of rights:* Each Noteholder and the Trustee further acknowledges, consents, agrees and accepts that the rights of the Noteholders and the Trustee are subject to, and may, without the consent of Noteholders or the Trustee be varied, if necessary, solely to give effect to, the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority.
- (c) *Payments of Amounts Due:* No Amounts Due in relation to the Notes will become due and payable or be paid after the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority if and to the extent such amounts have been reduced, written-down, written-off, converted, cancelled, amended or altered as a result of such exercise of any RSA Bail-in Power, or the taking of any Resolution Action, unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the Applicable Laws of South Africa applicable to the Issuer.
- (d) *Rescission of redemption:* If the Issuer has elected to redeem the Notes but prior to the payment of the redemption amount with respect to such redemption a Resolution Event occurs in relation to the Issuer or the Resolution Authority exercises any RSA Bail-in Power, or takes any Resolution Action, with respect to the Notes, the relevant redemption notices shall be automatically rescinded and shall be of no force and effect, and no payment of the redemption amount (or any other amount that would otherwise be payable as a result of such redemption) will be due and payable.
- (e) *No Event of Default:*
 - (i) None of a reduction, write-off, write-down or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to the Issuer, nor

the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to the Notes, will constitute an Event of Default or a default or breach of, or otherwise constitute non-performance of a contractual obligation under, these Conditions for any purpose or entitle any Noteholder or the Trustee to any remedies (including equitable remedies) which are hereby expressly waived.

- (ii) Neither the placing, or the proposed placing, of the Issuer in Resolution nor the taking, or the proposed taking, of any Resolution Action in relation to the Issuer following the occurrence of a Resolution Event in relation to the Issuer shall constitute an Event of Default, or breach of these Conditions or entitle the Noteholders or the Trustee to declare the Notes to be due and payable.
- (f) *No Acceleration*: No provision of these Conditions or any other agreement relating to the Notes is of any effect to the extent that the provision accelerates or varies an obligation of the Issuer upon, or as a result of, the occurrence of a Resolution Event in relation to the Issuer or as a result of any Resolution Action or proposed Resolution Action being taken in relation to the Issuer.
- (g) *Ranking of claims in Resolution*: In the event of any inconsistency or conflict between the provisions of Condition 2(c) (*Subordination*) and the Ranking Legislation, (subject to any Applicable Law providing to the contrary) the provisions of the Ranking Legislation shall prevail.
- (h) *Notice*: Upon:
 - (i) the occurrence of a Resolution Event in relation to the Issuer; or
 - (ii) the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to any Notes,

the Issuer shall give notice of the same to the Trustee and the Noteholders (in accordance with Condition 16 (*Notices*)). Any delay or failure by the Issuer in delivering any such notice shall not affect the validity and/or enforceability of exercise of any RSA Bail-in Power or the taking of any Resolution Action nor the effects on the Notes described in Condition 10(a) (*Contractual recognition of RSA Bail-in Power*) and/or Condition 10(b) (*Variation of rights*).

11. **Prescription**

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

12. **Replacement of Note Certificates**

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all Applicable Laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

13. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right (with the prior written approval of the Trustee (to be given in accordance with the terms of the Trust Deed)) at any time to vary or terminate the appointment of any Agent or the calculation agent and to appoint a successor registrar, principal paying agent or calculation agent and additional or successor paying agents and transfer agents; *provided, however, that* the Issuer shall at all times maintain a principal paying agent and a registrar.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

14. **Meetings of Noteholders; Modification and Waiver; Substitution**

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate Current Principal Amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing more than 50 per cent. of the aggregate Current Principal Amount of the outstanding Notes or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the Current Principal Amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to effect the exchange, conversion or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed (save for any exchange, conversion or substitution made pursuant to Condition 5(e) (*Substitution or Variation*) or Condition 10 (*Contractual recognition of RSA Bail-in Power*)), to modify the provisions of Condition 2 (*Form, Denomination and Status*) (save for Condition 2(a) (*Form and denomination*)) or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**") may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than 75 per cent. or, at any adjourned meeting, 25 per cent. of the aggregate Current Principal Amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders, who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed, holding not less than 75 per cent. in aggregate Current Principal Amount of the Notes outstanding, will take effect as if it were an Extraordinary Resolution, other than in respect of the appointment of a new Trustee or co-trustee (which may only be effected at a meeting of Noteholders). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification and waiver:* The Trustee may, without the consent of the Noteholders, agree to any modification of the Notes or the Trust Deed (other than in respect of a Reserved Matter) if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby. Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.
- (c) *Consent:* Any modification of or waiver in respect of the Notes in accordance with this Condition 14 (*Meetings of Noteholders; Modification and Waiver; Substitution*) is subject to the Issuer obtaining the consent of the Prudential Authority (if and to the extent that such

consent is required by the Tier 2 Capital Regulations) pursuant to Condition 5(f) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*).

15. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

16. **Notices**

Notices to the Noteholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

17. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law, save that Conditions 2(b) (*Status of the Notes*), 2(c) (*Subordination*), 2(d) (*Set off*), Condition 5(f)(i) (*Conditions to Redemption, Purchase, Modification, Substitution or Variation*), Condition 9 (*Loss Absorption following a Non-Viability Trigger Event*) and Condition 10 (*Recognition of RSA Bail-in Power*) (the “**RSA Law Provisions**”) and related provisions of the Trust Deed (as specified therein), and any non-contractual obligations arising out of or in connection with the RSA Law Provisions and related provisions of the Trust Deed (as specified therein) are governed by South African law.
- (b) *Jurisdiction:* The Issuer has in the Trust Deed (i) agreed for the benefit of the Trustee and the Noteholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes); (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; (iii) designated a person in England to *accept* service of any process on its behalf. The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee or any of the Noteholders from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes will be represented by a Global Note Certificate which will be registered in the name of a nominee for, and deposited with, the common depository for Euroclear and Clearstream, Luxembourg.

The Global Note Certificate will become exchangeable in whole, but not in part, for Individual Note Certificates if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (b) any of the circumstances described in Condition 8 (*Events of Default*) occurs; or (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Note Certificate in definitive form.

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, such Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered Holder of the Global Note Certificate and/or Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Note Certificate will contain provisions that modify the Terms and Conditions of the Notes as they apply to the Notes evidenced by the Global Note Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note Certificate which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note Certificate will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes.

Payments on business days: In the case of all payments made in respect of the Global Note Certificate, "**Payment Business Day**" means any day which is a day on which banks are open for general business (including dealings in foreign currencies) in New York City.

Payment Record Date: Each payment in respect of the Global Note Certificate will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

Notices: Notwithstanding "*Terms and Conditions of the Notes – Notices*", while all the Notes are represented by the Global Note Certificate and such Global Note Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with "*Terms and Conditions of the Notes – Notices*" on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Write-off

For so long as the Notes are represented by the Global Note Certificate, any Write-off (as defined in the "*Terms and Conditions*") will be effected in Euroclear and Clearstream, Luxembourg in accordance with their operating procedures by way of a reduction in the pool factor.

Written Resolution and Electronic Consent

For so long as the Notes are represented by the Global Note Certificate, then:

Electronic Consent: where the terms of the resolution proposed by the Issuer or the Trustee (as the case may be) have been notified to the Noteholders through the relevant clearing system(s) (subject to and in accordance with the provisions of the Trust Deed), each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75% in Current Principal Amount of the Notes outstanding ("**Electronic Consent**") by close of business on the relevant time and date for the blocking of their accounts in the relevant clearing system(s).

Written Resolution: where Electronic Consent is not being sought, for the purpose of determining whether a written resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, (a) by accountholders in the clearing system(s) with entitlements to such Global Note Certificate and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held.

BANKING AND PRUDENTIAL REGULATION IN SOUTH AFRICA

This section contains selected information on certain aspects of banking regulation and supervision in South Africa. The information in this section is intended to provide a brief overview of banking regulation and supervision in South Africa to which the Issuer and the Group are subject and is not intended to provide a comprehensive or complete description of banking regulation and supervision in South Africa.

Introduction

The South African banking sector is well developed, comprising a central bank, the SARB, several large, financially strong banks and investment institutions, and a number of smaller banks. As at 30 June 2025, there were 16 registered banks, 3 mutual banks, 4 foreign controlled banks, 11 local branches of foreign banks and 30 representative offices of foreign banks in South Africa (source: SARB website). In addition, as at June 2025, the South African banking sector had total assets of approximately ZAR8.4 trillion according to statistics published by the SARB (source: SARB monthly trends publication, June 2025). The five largest banks by assets (source: BA900 Economic Returns, 30 June 2025) were The Standard Bank of South Africa Limited, FirstRand Bank Limited, Absa Bank Limited, Nedbank Limited and Investec Bank Limited.

The South African banking sector is governed by a robust and well-established regulatory framework designed to promote financial stability, consumer and depositor protection, and the integrity of the financial system. South Africa, through the SARB, is a member of key international standard-setting bodies including the Basel Committee on Banking Supervision (the “BCBS”), the Financial Stability Board (the “FSB”) and the Committee on Payments and Market Infrastructures (the “CPMI”). Accordingly, the South African banking regulatory and supervisory framework is closely aligned with international standards and is designed and maintained with explicit reference to such international standards and global best practice, while addressing local market dynamics. South Africa is also a member country of the International Monetary Fund (the “IMF”) and World Bank. The South African banking regulatory and supervisory framework has been subject to assessments under the IMF’s and the World Bank’s respective Financial Sector Assessment Programs, which have confirmed a commitment to independent supervision and the implementation of, and alignment with, international standards and best practices (source: IMF, South Africa Financial System Stability Assessment, January 21, 2022 and World Bank, South Africa Financial Sector Assessment, January 2022).

South Africa is undergoing major payments reforms through its Payments Ecosystem Modernisation framework to increase competition, innovation, and financial inclusion by opening its National Payment System to non-bank firms like fintechs. Key aspects include creating a public payments utility, allowing direct access to settlement systems for fintechs, and developing a new rapid payment program, PayShap. The reforms, driven by SARB, aim to make digital payments faster, cheaper, and more convenient while still preserving the option to use cash.

Primary Regulators of the Banking Sector

The primary regulators of the South African banking sector are:

South African Reserve Bank: The SARB is established under the South African Reserve Bank Act, 1989. The SARB is the central bank of South Africa responsible for protecting the value of the currency of South Africa and protecting and maintaining financial stability as envisaged in the Financial Sector Regulation Act, 2017 (the “Financial Sector Regulation Act”). The SARB oversees the banking system’s macroprudential regulation, sets high-level policies, designates domestic systemically important banks (“D-SIBs”), and acts as the resolution authority for failing banks under the Financial Sector Regulation Act. The SARB aims to ensure alignment with global standards, such as those of the BCBS and the FSB.

Prudential Authority: The Prudential Authority (the “Prudential Authority”) is established as a juristic person under the Financial Sector Regulation Act. The Prudential Authority operates within the SARB’s administration although it is operationally independent. The Prudential Authority is responsible for prudential regulation and supervision of financial institutions that provide financial products or securities services (including banks) and market infrastructures. The Prudential Authority’s objectives are to promote and enhance the safety and soundness of financial institutions that provide financial products and securities services and market infrastructures, protect financial customers against the risk that those financial institutions may fail to meet their obligations, and assist in maintaining financial stability.

Financial Sector Conduct Authority: The Financial Sector Conduct Authority (the “FSCA”) is established as a juristic person under the Financial Sector Regulation Act. The FSCA regulates market conduct to protect consumers and ensure market integrity. The FSCA oversees the fair treatment of customers by financial

institutions (including banks), transparency in product offerings, and compliance with the Treating Customers Fairly (TCF) framework set by the FSCA. The FSCA also administers the Financial Advisory and Intermediary Services Act, 2002 (the “**FAIS Act**”), which regulates the provision of advice and intermediary services in relation to financial products, including deposits. Banks must be authorised under the FAIS Act to market deposits or other financial products in South Africa, and compliance with the FAIS Act is overseen by the FSCA.

National Credit Regulator: The National Credit Regulator (the “**NCR**”) is established as a juristic under the National Credit Act, 2005 (the “**NCA**”). The NCR regulates provision of credit to consumers, ensuring responsible lending, affordability assessments, and transparent disclosures to protect borrowers.

Financial Intelligence Centre: The Financial Intelligence Centre (the “**FIC**”) is established as a juristic person under the Financial Intelligence Centre Act, 2001 (the “**FIC Act**”). The FIC regulates the implementation by accountable institutions (including banks) of anti-money laundering (“**AML**”), counter-terrorism financing (“**CTF**”) and counter proliferation financing (“**CPF**”) measures (including customer due diligence and suspicious transaction reporting) and the implementation of financial sanctions pursuant to resolutions adopted by the Security Council of the United Nations, under Chapter VII of the Charter of the United Nations.

Information Regulator: The Information Regulator (the “**Information Regulator**”) is established as a juristic person under the Protection of Personal Information Act, 2013. The Information Regulator regulates compliance by public and private bodies (including banks) with data protection and personal information protection rules in South Africa.

Twin Peaks Model of Financial Regulation

South Africa has adopted a “*twin peaks*” model of financial regulation, in line with international best practice, separating prudential regulation from market conduct regulation. The “*twin peaks*” model of financial regulation was introduced in South Africa with effect from 1 April 2018 through the enactment of the Financial Sector Regulation Act, which establishes the Prudential Authority as the body responsible for prudential regulation and the FSCA as the body responsible for market conduct regulation. The functions of both the Prudential Authority and the FSCA are carried out to protect consumers, maintain and enhance financial stability and promote financial inclusion. The Financial Sector Regulation Act regulates co-operation among the Prudential Authority, the FSCA, the SARB, the Financial Stability Oversight Committee (established in terms of the Financial Sector Regulation Act), the NCR, and the FIC.

Banking Regulation

Licensing and Authorisation to Conduct the Business of a Bank

The commercial and retail banking sector in South Africa is primarily regulated through the Banks Act, 1990 (the “**Banks Act**”). Conducting “*the business of a bank*” may only be undertaken by a public company (incorporated under the Companies Act, 2008 (the “**Companies Act**”)) that is registered and licensed as a bank under the Banks Act or a branch of a foreign bank registered under Section 18A of the Banks Act. Possession of a registration certificate entitles the bank or branch of a foreign bank to conduct the business of a bank in South Africa – in particular to solicit for and conduct deposit-taking activities and to use deposits to grant loans, for investment or to finance business activities. A foreign bank can alternatively register a representative office, but a representative office cannot conduct the business of a bank. Licences to conduct “*the business of a bank*” are granted by the Prudential Authority under the Banks Act. Registered banks must renew their licences annually. “[*T*]he business of a bank” is defined in the Banks Act. The definition excludes, *inter alia*, certain activities designated by the Prudential Authority, with the approval of the Minister of Finance of South Africa (the “**MoF**”), by notice in the Government Gazette, where such activities are performed in accordance with such conditions determined in such notice.

Regulation of the Activities of a Bank

The activities that may be undertaken by banks are highly regulated. The Banks Act prohibits undesirable conduct by imposing certain restrictions on the activities of banks. Generally, the assets of a bank must be held in its own name, unless the assets are hypothecated in good faith to secure an actual or potential liability, where such assets have either been exempted by the Prudential Authority in writing or have been designated as exempted by notice in the Government Gazette. Investments by a bank in immovable property or shares, and loans made to subsidiaries of the bank with the primary object of acquiring and holding or developing immovable property, are restricted.

Corporate Governance

The Banks Act requires that a bank's board of directors and executive officers must establish and maintain an adequate and effective process of corporate governance aimed at achieving the bank's strategic and business objectives efficiently, effectively, ethically and equitably within acceptable risk parameters. The board and officers must also ensure compliance with all applicable laws and corporate behaviour that is universally recognised as correct and proper. The board and officers must establish mechanisms and procedures to minimise potential conflicts of interest between the bank and the personal interests of directors and officers. The board must retain control over the strategic and business direction of the bank, while allowing executives to manage operations and achievement of objectives.

The Regulations relating to Banks, 2012 (promulgated in terms of the Banks Act) (the “**Regulations Relating to Banks**”) additionally make the board of directors responsible for ensuring that governance includes the maintenance of effective risk management and capital management. The maintenance process must be consistent with the nature, complexity and risk inherent in the bank's on-balance sheet and off-balance sheet activities, and the board must ensure that the bank's risk management and capital management are able to respond to changes in the bank's environment and conditions. The board can appoint supporting committees.

Each chief executive officer, director and executive officer of a bank owes towards the bank the duties set out in the Banks Act (including to act *bona fide* for the benefit of the bank and to avoid conflicts of interest) and the Companies Act.

The majority of the directors of a bank must not be employees of that bank, its subsidiary or its controlling company. Directors who are employees must not together be entitled to exercise more than 49% of the total vote on the board of the bank.

Directors, the chief executive officer and the executive officers of a bank owe a duty to the bank to act *bona fide* for the benefit of the bank, avoid conflicts of interest, possess and maintain the knowledge and skill reasonably expected of a person holding a similar role, and exercise care in the carrying out of functions as may reasonably be expected of a diligent person holding the same appointment.

The Banks Act requires a bank's board of directors to establish a remuneration committee consisting only of non-executive directors. It must assist the board to, *inter alia*:

- oversee the compensation system's design;
- exercise independent judgement on compensation policies and incentives created for managing risk, capital and liquidity;
- ensure that the system complies with the Regulations Relating to Banks;
- conduct an annual review of the compensation system; and
- consult with shareholders.

In addition, the Regulations Relating to Banks require that the board must ensure effective governance with respect to remuneration policies by actively overseeing the design of such policies. The board must monitor the operation of the policies and ensure the policies are aligned with the board-approved tolerance for risk. In particular, the board must ensure that:

- compensation outcomes are in line with risk outcomes;
- remuneration payout schedules are sensitive to time horizons of risk;
- risk and reward related to all relevant transactions concluded by executive directors and officers are considered;
- the remuneration policies support and promote the bank's other policies and the long-term safety of the bank; and
- the remuneration policies are subject to appropriate audit.

Ownership and Control of Banks and Bank Controlling Companies

The Banks Act prohibits any person (other than the bank's controlling company) from acquiring (including with concert parties) shares in a bank or the bank's controlling company amounting to more than 15% of the total value or voting rights of the bank's issued shares without permission of the Prudential Authority or the MoF. This includes an acquisition which, together with shares already held by that person or an associate of that person, amounts to more than 15% of the total nominal value or total voting rights of the bank's issued shares.

The Prudential Authority can authorise a person who has for 12 months, or any shorter period the PA determines:

- held 15% of shares or voting rights in respect of issued shares, to acquire more than 15% but no more than 24% of the shares or voting rights in a bank or controlling company; or
- held 24% of shares or voting rights in respect of a bank's issued shares, to acquire more than 24% but no more than 49% of those shares or voting rights.
- The MoF, acting through the Prudential Authority, can authorise a person who has for 12 months, or any shorter period the MoF determines:
- held 49% of those shares or voting rights in respect of a bank's issued shares, to acquire more than 49% but no more than 74% of those shares or voting rights; or
- held 74% of the shares or voting rights in respect of a bank's issued shares, to acquire more than 74% of those shares or voting rights.

To grant authorisation, the Prudential Authority and/or the MoF must be satisfied that the proposed acquisition is not contrary to the interests of the public or the bank, its depositors or its controlling company.

The Banks Act prohibits any person other than a registered bank controlling company, a bank or an institution approved by the Prudential Authority and conducting a business like the business of a bank in a country other than South Africa from exercising control over a bank.

Significant Ownership

"Significant owners" (which generally involves holding at least a 15% stake or having 15% control) in a bank are subject to various fitness and propriety requirements that have been determined by the FSCA and the Prudential Authority and published in Joint Standard 1 of 2020 (*Fitness, Propriety and other Matters Related to Significant Owners*) (the "**Fitness Joint Standard**"). The Fitness Joint Standard lists a number of circumstances that may indicate that a natural or juristic significant owner is not fit and proper, such as, *inter alia*, conviction for a financial crime, being the subject of a civil judgment for theft, fraud, forgery or other acts of dishonesty, removal from an office of trust, or sequestration or liquidation. A significant owner and the relevant bank are obliged to notify the FSCA and the Prudential Authority of the occurrence of any such circumstances.

Prudential Regulation

In December 2010, the BCBS published its report entitled "*A Global Regulatory Framework for More Resilient Banks and Banking Systems*" (as revised in June 2011) ("**Basel III**"). Basel III comprises three main pillars, namely: (i) the minimum capital requirements (Pillar 1); (ii) supervisory review (Pillar 2); and (iii) market disclosure and discipline (Pillar 3). Basel III was incorporated into South African law through the Regulations Relating to Banks promulgated under the Banks Act on 12 December 2012 (as amended from time to time thereafter)) with key components of Basel III effective from 1 January 2013 with the remainder of the Basel III being phased in between 2013 and 2019. The Prudential Authority has since published and continues to publish directives pertaining to the implementation of Basel III. In addition, (a) the Basel III Reforms, colloquially known as Basel IV, finalised by the BCBS in 2017 have been incorporated into the Regulations Relating to Banks with effect from 1 July 2025, and (b) the Fundamental Review of the Trading Book Framework finalised by the BCBS in 2019 has been implemented in South Africa with effect from 1 July 2025.

The key changes introduced by the implementation of the Basel III framework (including the Basel III Reforms) and the Fundamental Review of the Trading Book:

Capital Adequacy

The quality, consistency and transparency of the capital base levels have increased. In the framework, the regulatory deductions should mainly be applied to the common equity component of the capital base. Further, to be eligible as tier 1 and tier 2 capital, instruments need to meet more stringent requirements than were applied under Basel II.

The Basel III framework introduces a capital conservation buffer of 2.5% of RWA in addition to these minimum thresholds. If a bank does not meet this buffer, constraints will be imposed on the bank's capital distribution, such as dividends. A positive cycle neutral countercyclical buffer ("**PCN CCyB**") of 1% will be effective from 1 January 2026. The PCN CCyB serves as a macroprudential tool that can be released in the event of sudden shocks, including those unrelated to the credit cycle.

Leverage Ratio

The BCBS required the risk-sensitive capital framework be supplemented with a non-risk-based measure, the leverage ratio (the "**Leverage Ratio**"). The Leverage Ratio is calculated as the tier 1 capital divided by the exposure measure (being on and off-balance sheet exposures, with certain adjustments for selected items such as derivatives). In June 2025, the Prudential Authority published Directive 3/2025 indicating that a bank or controlling company is to maintain a leverage ratio buffer equal to 50% of their higher loss absorbency requirement imposed on common equity tier 1 (CET1) capital, where such a bank or controlling company is designated as a D-SIB. Directive 3/2025 also directs a bank or controlling company to apply capital distributions constraints when the leverage ratio declines below the minimum specified requirement. Over and above a Leverage Ratio of 4%, the Prudential Authority introduced a leverage ratio buffer applicable to D-SIBs effective 1 July 2025. For the Group, the applicable leverage ratio buffer is equivalent to 0.5%.

The effective date for the minimum leverage ratio buffer requirements, together with the capital distributions constraints was 1 July 2025.

Another key component of the Basel III framework is the introduction of increased regulations for liquidity risks. The objective of the liquidity reform is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thereby reducing the risk of spillover from the financial sector to the real economy.

The BCBS developed two quantitative liquidity standards as part of the Basel III framework; namely the liquidity coverage ratio ("**LCR**") and the net stable funding ratio ("**NSFR**"). The LCR's objective is to measure a bank's ability to manage short-term liquidity stress and ensure the appropriate holding of surplus qualifying liquid assets. The NSFR's objective is to measure long-term structural funding stability in order to address the structural liquidity mismatch inherent in banking operations.

The BCBS has also put a more stringent regulatory framework into place for the monitoring of intraday liquidity risk. Management of intraday liquidity risk forms a key element of a bank's overall liquidity risk management framework. The mandatory tools introduced by the BCBS are for monitoring purposes, and only international active banks will be required to apply them. National regulators will determine the extent to which the tools apply to banks that only operate domestically within their jurisdictions. Monthly reporting on the monitoring tools commenced on 1 January 2015.

Risk-Weighting

On 7 December 2017, the BCBS published the Basel III finalised reforms for the calculation of RWA and a capital floor. The BCBS date of implementation for these reforms was 1 January 2023. The Prudential Authority proposed an implementation date of 1 January 2024 in South Africa which was subsequently adjusted to 1 July 2025. The accompanying transitional arrangements for the output floor will extend until 1 January 2028 for South Africa in line with the BCBS timelines. These reforms are the completion of work that the BCBS has been undertaking since 2012 to address inefficiencies that emerged from the financial crisis in 2008 and impacts both standardised and advanced internal models.

Reducing Variation in the Internal Rating-Based ("IRB") Approach for Credit Risk

The advanced internal rating-based ("**AIRB**") approach allows banks to estimate the probability of default ("**PD**"), loss given default ("**LGD**"), exposure at default ("**EAD**") and maturity to calculate risk-weighted assets. The finalised reforms constrain the use of the AIRB and will no longer be used for large corporates, banks and other financial institutions, securities firms, local government and municipalities and public-sector entities. The Group's

relevant legal entities will now have to use the foundation internal ratings-based (“**FIRB**”) approach for these exposures.

The BCBS agreed on various additional enhancements to the IRB approaches to further reduce unwarranted RWA variability, including providing greater specification of the practices that banks may use to estimate their model parameters as well as PD (AIRB approach only), LGD and EAD floors for the IRB approaches. Given the enhancements to the IRB framework and the introduction of an aggregate output floor, the BCBS has removed the 1.06 scaling factor that is currently applied to RWAs determined by the IRB approach to credit risk.

The Group has received approval from the Prudential Authority to apply the AIRB approach for credit risk across its portfolios. These AIRB methodologies are also used internally for risk management and strategic decision-making wherever feasible. In addition, the Issuer has been granted approval to use the market-based approach for certain equity exposures.

The Group applies the New Standardised Approach (NSA) for operational risk, in alignment with the Basel III framework. The Fundamental Review of the Trading Book (FRTB) applies for Absa Bank whilst the rest of the entities are on the Standardised approach for market risk.

Standardised Approach for Credit Risk

The revisions to the standardised approach for credit risk enhances the regulatory framework by improving its granularity and risk sensitivity. It provides: a more granular approach for unrated exposures to banks; a recalibration of risk weighting for rated exposures; a more risk-sensitive approach for real estate exposures based on their loan to value; separate treatment for covered bonds; specialised lending; exposures to small and medium enterprises (SMEs); a more granular risk weight treatment for subordinated debt and equity exposures; and a recalibration of credit conversion factors for off balance sheet exposures.

CVA Risk Capital Charge

The initial phase of Basel III reforms introduced a capital charge for potential mark-to-market losses of derivative instruments as a result of the deterioration in the creditworthiness of a counterparty.

The final reforms introduce two new approaches for the calculation of the credit valuation adjustments (“**CVA**”) risk capital charge which are a basic approach (a full version including CVA hedges, or reduced version) and a standardised approach based on the fundamental review of the trading book market risk standardised approach with minimum requirements regarding sensitivity calculations.

These changes were implemented with effect from 1 July 2025.

Operational Risk

The BCBS has streamlined the operational risk framework through the introduction of the new standardised approach for calculating operational risk capital requirements. The new approach has replaced the standardised approaches and the advanced measurement approach (“**AMA**”), which is based on a bank’s internal models. The new standardised measurement approach aims to enhance the consistency of operational risk capital calculations by adopting a single risk-sensitive standardised approach to be used by all banks.

The new standardised measurement approach for operational risk, determines a bank’s operational risk capital requirements based on two components comprising a measure of a bank’s income and a measure of historical losses experienced by the bank. Conceptually, it assumes that operational risk increases at an increasing rate with a bank’s income and banks which have experienced greater operational risk losses historically are assumed to be more likely to experience operational risk losses in the future.

The Group has transitioned from its current Pillar 1 Operational Risk regulatory capital calculation approach (the AMA) to the new standardised measurement approach with effect from 1 July 2025.

Output Floor

The Basel III reforms replace the existing Basel II floor with a floor based on the revised Basel III standardised approaches. Consistent with the original floor, the revised floor places a limit on the regulatory capital benefits

that a bank using internal models can derive relative to the standardised approaches. In effect, the output floor provides a risk-based backstop that limits the extent to which banks can lower their capital requirements relative to the standardised approaches.

This helps to maintain a level playing field between banks using internal models and those on the standardised approaches. It also supports the credibility of banks' risk-weighted calculations and improves comparability via the related disclosures.

Under the revised output floor banks' risk-weighted assets must be calculated as the higher of total RWA calculated using the approaches that the bank has supervisory approval to use in accordance with the Basel capital framework (including both standardised and internal model-based approaches) and a specified percentage of the total RWA calculated using only the standardised approaches will be phased in over a specified period, as follows:

- from 1 July 2025: 60%;
- from 1 January 2026: 65%;
- from 1 January 2027: 70%; and
- from 1 January 2028: 72.5%.

Securitisation Framework

The BCBS has finalised changes to the Basel securitisation framework. The new framework was implemented in South Africa on 1 October 2022. The new framework provides a revised set of approaches for determining the regulatory capital requirements in relation to securitisation exposures with the following aims: reducing mechanistic reliance on external ratings; increasing risk weights for highly rated securitisation exposures; reducing risk weights for low-rated securitisation exposures; reducing cliff effects (where small changes in the quality of an underlying pool of securitised exposures quickly leads to significant increases in capital requirements); and making the framework more risk-sensitive.

Fundamental Review of the Trading Book

The Fundamental Review of the Trading Book framework to improve market risk was published by the BCBS on 14 January 2016 and subsequently revised on 14 January 2019 to address issues identified by the BCBS during its monitoring of the framework's implementation and impact. In South Africa, the Prudential Standard on Market Risk (commonly referred to as the Fundamental Review of the Trading Book) was finalised and published by the Prudential Authority on 30 June 2025, with an effective date of 1 July 2025 for both capital and reporting requirements. Banks were expected to ensure operational readiness, model validation (where applicable), and proactive regulatory engagement to meet these milestones.

Large Exposure Framework

The BCBS published the final standard that sets out a supervisory framework for measuring and controlling large exposures. The large exposure framework was implemented in South Africa on 1 April 2022. The large exposure framework protects banks from significant losses caused by the sudden default of an individual counterparty or a group of connected counterparties. The framework was designed so that the maximum possible loss a bank could incur if such a default were to occur would not endanger the bank's survival as a going concern. In cases where the bank's counterparty is another bank, large exposure limits will directly contribute towards the reduction of system-wide contagion risk. A large exposure is defined as an exposure that is equal to or above 10% of a bank's eligible capital base. Eligible capital base is defined as tier 1 capital as defined under the Basel III framework. The sum of all the exposure values of a bank to a single counterparty or to a group of connected counterparties should not be higher than 25% of the bank's available eligible tier 1 capital base. A tighter limit of 15% of tier 1 capital will apply to inter-globally systemically important banks ("G-SIBs") exposures and the local regulator may apply this limit to inter-D-SIB exposures. A limit of 15% of tier 1 capital may also be applied by the local regulator for exposures between a smaller bank and a G-SIB.

In South Africa, the Prudential Authority has stipulated that inter-D-SIB exposure and D-SIB to G-SIB exposure is limited to a monthly average of 15% of the sum of the bank or controlling company's qualifying tier 1 capital with a maximum of 18% of the sum of the bank or controlling company's qualifying tier 1 capital during the

month. Exposure between a smaller bank and a G-SIB is limited to a maximum of 25%. The Prudential Authority has also introduced limits for intra-group exposures.

Interest Rate Risk in the Banking Book

The BCBS issued standards for the Interest Rate Risk in the Banking Book (“**IRRBB**”) (the “**Revised Standards**”) in April 2016. The Revised Standards revise the BCBS’ 2004 “*Principles for the management and supervision of interest rate risk*”, which set out supervisory expectations for banks’ identification, measurement, monitoring and control of IRRBB, as well as its supervision. The Revised Standards also introduced a strengthened Pillar 2 approach. The Revised Standards for IRRBB cover the enhanced requirements over 12 principles. Nine principles are directed to banks including identification of IRRBB, sound methodologies, risk appetite and limits, internal reporting, external disclosures, data, controls and model risk management. Three principles are directed to supervisors and focus on review of the soundness of banks’ IRRBB management, collaboration among supervisors and identification of outlier banks.

The implementation date for South Africa of the Revised Standards for IRRBB was 1 January 2023. Following the implementation date, the Prudential Authority published Pillar 3 disclosure requirements relating to IRRBB.

Systemically Important Financial Institutions

The guidance developed by the BCBS and the Financial Stability Board form the basis for the requirements of domestic systemically important banks in South Africa. South African banks have developed their recovery plans in line with global standards. The specific D-SIB capital requirements have been applied to the relevant banks from 1 January 2016.

Recovery plans focus on plausible management or recovery actions that can be taken to reduce risk and conserve capital during times of severe stress. Resolution plans are typically developed by the supervisor with the objective of ensuring that systemically important financial institutions (“**SIFIs**”) are resolvable and will not become a burden to tax-payers.

Pillar 3 Disclosures

Pillar 3 of the Basel framework seeks to promote market discipline through regulatory disclosure requirements. The BCBS released the updated Pillar 3 disclosure requirements on 11 December 2018. These requirements, together with the updates published in January 2015 and March 2017, complete the Pillar 3 framework. The updated Pillar 3 disclosure requirements released on 11 December 2018 reflects the BCBS’s December 2017 Basel III post-crisis regulatory reforms and pertains to the following areas:

- credit risk, operational risk, the leverage ratio and CVA risk;
- RWAs as calculated by the bank’s internal models and according to the standardised approaches; and
- an overview of risk management, RWAs and key prudential metrics.

The implementation date for the disclosure requirements related to the December 2017 Basel III post-crisis regulatory reforms was revised by the BCBS on 27 March 2020, to 1 January 2023, a year later than what was initially proposed.

The BCBS also released a consultative paper on 14 November 2019 on revisions to market risk disclosure requirements, that set out adjustments to the Pillar 3 templates to reflect the changes introduced in the minimum capital requirements for market risk published in January 2019. The BCBS thereafter released final revisions to market risk disclosure requirements on 11 November 2021.

The Prudential Authority published Directive 10 of 2025 in August 2025, related to Pillar 3 disclosure requirements, which consolidates Pillar 3 disclosure requirements previously contained in Regulation 43 of the Regulations relating to Banks. The Group will implement the directive in accordance with the specified requirements.

Resolution Framework

A framework for resolution of banks became law in South Africa on 1 June 2023, implementing the FSB’s “*Key Attributes of Effective Resolution Regimes for Financial Institutions*” through the incorporation of Chapter 12A

into the Financial Sector Regulation Act (the “**Resolution Framework**”). The Resolution Framework requires the SARB, based on a risk analysis, to plan for the potential need for the orderly resolution of designated institutions (including banks and bank controlling companies).

The Resolution Framework creates a point of resolution, which is deemed to be the point when a designated institution is or will probably be unable to meet its obligations (including regulatory requirements) and it is necessary to trigger resolution to protect depositors or maintain financial stability. The SARB is the resolution authority; it can recommend to the MoF that a bank enters resolution if the triggers have been met and the SARB believes that recovery actions have failed or will not be successful. If the MoF agrees, the resolution process and resolution powers will be invoked.

The Resolution Framework introduces a number of powers to support an orderly resolution of designated institutions. The most significant of these powers is statutory bail-in, under which the SARB is empowered to take one or more of the following actions in relation to a designated institution in resolution:

- write down or issue new shares in the designated institution;
- write down, subject to exclusions, liabilities of the designated institution; and/or
- convert debt instruments into equity.

Statutory bail-in enables the SARB to recapitalise a designated institution at the point of entry into resolution. Banks must maintain a specified level of liabilities that are designated for bail-in in resolution, enabling the SARB to assign first losses to shareholders and creditors with sufficient capacity to restore the capital of a bank in resolution.

Statutory bail-in can only be applied in resolution and must strictly follow the statutory credit hierarchy and safeguards set out in the relevant provisions of the Resolution Framework.

Additionally, the SARB as resolution authority can transfer assets and liabilities of a bank in resolution, establish a bridge institution, institute temporary moratoria on certain proceedings and the exercise of early termination rights, and suspend obligations of the bank or bank controlling company in resolution.

Provisions in certain contracts that provide for acceleration and early termination on entry into resolution or the taking of resolution action are not effective in respect of a bank in resolution. The Prudential Authority has mandated a contractual recognition approach in this regard, requiring amendments to banks’ agreements that are governed by foreign law.

Creditors are protected by implementation of the “no creditor worse off” rule and the requirement that claims follow the insolvency hierarchy of claims, while allowing for some flexibility.

Flac Instrument Requirements

The Financial Sector Regulation Act introduces a new class of unsecured loss absorbing debt instruments known as “*flac instruments*” (“**Flac Instruments**”). Banks and bank controlling companies will, with effect from 1 January 2026, be required to issue Flac Instruments to ensure sufficient loss-absorbing and recapitalisation capacity in resolution. The requirements applicable to Flac Instruments were published by the Prudential Authority on 11 December 2024 in terms of Prudential Standard RA03: Flac Instrument Requirements for Designated Institutions (the “**Flac Standard**”), which sets out (i) the qualifying criteria for Flac Instruments, and (ii) the quantum of Flac Instruments and other eligible instruments that banks and controlling companies are required to issue. The Flac Standard provides for a phasing in of the minimum required quantum of Flac Instruments to be issued with 60% minimum requirement to be met by 31 December 2028 and full implementation required by 31 December 2031.

Flac Instruments are designed to be written off or written down or converted into equity (i.e., bailed in) in Resolution (as defined in the Terms and Conditions of the Notes) in order to absorb losses and recapitalise a designated institution, thereby reducing reliance on taxpayer funded bailouts. Flac Instruments are integral to the SARB’s resolution powers under the Resolution Framework.

Deposit Insurance Scheme and Depositor Preference

The Financial Sector Regulation Act makes provision for the establishment of a deposit insurance scheme (“**DIS**”) for banks, which includes a Corporation for Deposit Insurance (the “**CODI**”) and Deposit Insurance Fund (the

“DIF”). A bank is a member of the CODI from the date it is licensed or registered in terms of the relevant financial sector law that allows it to hold “covered deposits”. Where a bank is in resolution, the CODI must apply the DIF in a manner specified in section 166AA of the Financial Sector Regulation Act to ensure that depositors of the bank have reasonable access to their “covered deposits”.

On 6 March 2024, the PA published Prudential Standard CODI 1 – Fund Liquidity, which provides for the (i) minimum amount to be maintained by members of the CODI in the account of the DIF, (ii) transfer and maintenance of the bank’s liquidity fund contribution, and (iii) procedures applicable in the event that the DIF is applied to reimburse covered deposits or provide non-payout resolution support to banks. Directive 3 of 2024, published on 16 April 2024 (“D3/2024”), informs banks of the minimum regulatory requirements relating to covered deposits and their fund liquidity contributions to the CODI. Fund liquidity contributions are interest-bearing loans to the CODI, guaranteed by the SARB, which expose banks to credit risk. D3/2024 deals with the calculation of the minimum required capital and reserve funds related to such credit risk exposure to the CODI.

The procedural and administrative matters necessary for the effective operation of the CODI and DIF are captured in the Deposit Insurance Regulations (the “DI Regulations”). The maximum amount that the CODI may apply from the DIF in respect of a “qualifying depositor” of a bank in resolution for their “qualifying deposit balance” (each defined in the DI Regulations) is ZAR100,000. The DI Regulations set out (i) the coverage rules applicable to the CODI, (ii) the manner in which the DIF must be applied when reimbursing covered deposits, (iii) governance and oversight requirements applicable to banks in respect of the DIS, and (iv) reporting requirements. In this regard, the Prudential Authority published the Requirements for Monthly Data Submissions to the Corporation for Deposit Insurance.

The Financial Sector Regulation Act empowers the CODI to charge members deposit insurance levies and deposit insurance premiums. The imposition of financial sector levies on supervised entities such as banks, including (with effect from 1 April 2024) the deposit insurance levy, is provided for in the Financial Sector and Deposit Insurance Levies Act, 2002.

The Financial Sector Regulation Act also contains a simple depositor preference regime, which applies only to “covered deposits” and any bank in respect of which insolvency proceedings are commenced. The regime requires that in insolvency, “covered deposits” should be paid out of the estate of an institution in resolution before concurrent claims, regulatory capital instruments and shareholders. The Financial Sector Regulation Act provides that “covered deposits”, together with interest thereon, must be paid after payment of any preferred creditors (including secured creditors, the South African Revenue Services, the salaries and wages of employees, costs of liquidation, costs of execution and special notarial bonds) provided for in the Insolvency Act, 1936, but before payment of any other unsecured creditors.

Anti-Money Laundering, Counter Terror Financing, Counter Proliferation Financing and Sanctions Regulation

South Africa has a well-established AML, CTF, CPF and sanctions regulatory framework. Banks are obliged to comply with AML, CTF, CPF and sanctions legislation such as the Banks Act, the FIC Act, the Prevention of Organised Crime Act, 1998 (the “POC Act”), the Prevention and Combating of Corrupt Activities Act, 2014, the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (the “POCDATARA Act”) and the Directive for Conduct within the National Payment System in respect of the FATF Recommendations for Electronic Fund Transfers (“D1/2022”). In this regard:

The POC Act creates three general money-laundering offences, being: the substantive money-laundering offence; assistance of another in laundering the proceeds of unlawful activities; or acquiring, using or possessing the proceeds of unlawful activities.

The FIC Act seeks to combat money laundering through the creation of the FIC, which is responsible for identifying the proceeds of unlawful activities. The FIC Act imposes extensive obligations on accountable institutions, including banks, such as “know-your-customer” requirements, in terms of which accountable institutions must establish and verify the identity of prospective clients. Banks are also required to report cash transactions and international electronic transfers above a prescribed limit, as well as “suspicious and unusual” transactions, to the FIC.

Regulation 50(1) of the Regulations Relating to Banks requires banks to establish policies and processes to protect themselves from being used for financial crimes such as money laundering.

D1/2022 was issued to regulate the conduct of accountable institutions relating to electronic fund transfers (“EFTs”) as prescribed by FATF recommendations.

Section 31 of the FIC Act requires that accountable institutions authorised to conduct international funds transfer transactions report transactions above a prescribed limit to the FIC by way of an international funds transfer report (“IFTR”). According to Guidance Note 9 on International Funds Transfer Reporting in terms of section 31 of the FIC Act, issued by the FIC on 17 November 2023 (“**Guidance Note 9**”), the threshold is currently R19,999. Guidance Note 9 deals with the period for reporting an IFTR, methods for submission of an IFTR, and practical implementation of such reporting.

D1/2022 applies to accountable institutions that facilitate or enable the origination or receipt of both domestic and cross-border EFTs, and/or act as an intermediary in receiving or transmitting EFTs. The Directive sets out the responsibilities of ordering, intermediary and beneficiary financial institutions. The ordering financial institution must, inter alia, include as part of an EFT certain information concerning the originator of the EFT, including the originator’s name, account number, identity/passport number and address. The ordering financial institution is also required to include certain information of the beneficiary.

South Africa’s targeted financial sanctions regime is implemented by way of the FIC Act and the POCDATARA Act. In terms of the FIC Act, the financing of a person or entity that is the subject of targeted financial sanctions, which sanctions have been imposed by way of a resolution of the United Nations Security Council under Chapter VII of the Charter of the United Nations, is prohibited. The Director of the FIC is required to give notice of such persons or entities “*by appropriate means of publication*”. Furthermore, section 4 of the POCDATARA Act provides that the culpable financing and facilitation of the activities of an entity that is the subject of targeted financial sanctions, not only by accountable institutions but by “any person”, either “directly or indirectly”, constitutes an offence. The person in question must intend that the assistance be used for the benefit of that entity, or must know or ought reasonably to have known or suspected that the assistance would be used for the benefit of that entity.

Banks must take a risk-based approach to their AML policies and adjust their procedures to assess and mitigate specific risks. Recently, the FIC imposed new requirements to screen employees in high-risk roles for competence and integrity prior to their appointment and at least annually during employment. Such screening involves, inter alia, checking for criminal records, particularly in relation to crimes of dishonesty, and past AML/CFT failures while the employee was in a senior decision-making role, and screening for domestic or foreign politically exposed persons.

In October 2021, the FATF published the Mutual Evaluation Report (the “**Report**”) for South Africa, summarising the findings in relation to the adequacy of AML/CFT measures in place in South Africa, competent authorities’ level of compliance with the FATF 40 Recommendations and the level of effectiveness of South Africa’s AML/CFT/CPF and sanctions framework.

Some of the key findings from the Report can best be summarised as follows:

- some money laundering risks are being mitigated but some significant risks remain to be addressed, and terrorist financing risks are not adequately addressed;
- South Africa has suffered from a sustained period of “state capture”, which undermined key agencies with roles to combat such activity;
- South Africa has had some good results pursuing corruption cases and recovering proceeds of corruption, but has been less successful addressing such issues resulting from “state capture”; and
- larger banks are more developed at understanding their money laundering risks and implementing mitigation measures commensurate with those risks, notwithstanding, overall, the risk-based approach is inadequately implemented.

Following engagements with FATF over progress made by South Africa since the publication of the Report, the FATF assessed that the country needed to make further and sustained progress in addressing eight areas of strategic deficiencies related to the effective implementation of South Africa’s AML/CFT laws as set out. Consequently, on 24 February 2023, FATF made a decision to list South Africa as a “jurisdiction under increased monitoring” (commonly referred to as FATF’s “*grey list*”).

The key areas of strategic deficiencies identified by the FATF that are relevant to the business of the Group and the Issuer require South Africa to:

- ensure that competent authorities have timely access to accurate and up-to-date beneficial ownership information on legal persons and arrangements and applying sanctions for breaches of violation by legal persons to beneficial ownership obligations;
- demonstrate a sustained increase in law enforcement agencies' requests for financial intelligence from the Financial Intelligence Centre for its money laundering/terrorist financing investigations;
- update its terrorist financing risk assessment to inform the implementation of a comprehensive national counter financing of terrorism strategy; and
- ensure the effective implementation of targeted financial sanctions and demonstrating an effective mechanism to identify individuals and entities that meet the criteria for domestic designation.

As a response to the shortcomings that were identified in the Report, the Government enacted, the General Laws (Anti-Money Laundering and Combatting Terrorism Financing) Amendment Act, 2022 and the Protection of Constitutional Democracy Against Terrorist and Related Activities Amendment Act, 2022. The Government has indicated that these amendments address most of the legislative deficiencies identified.

Since February 2023, South Africa has taken steps towards improving its AML, CFT, CPF and sanctions regime including by demonstrating a sustained increase in outbound mutual legal assistance agreement requests, strengthening its AML, CFT, CPF and sanctions supervisory capacity by improving the risk-based supervision, enhancing its identification, seizure and confiscation of proceeds and instrumentalities of a wider range of predicate crimes, in line with its risk profile, updating and implementing its TF strategy and increasing relevant authorities' TF capabilities on the basis of an understanding of its TF risks, as well as ensuring the effective implementation of targeted financial sanctions.

South Africa continues to work on implementing its action plan to address its remaining strategic deficiencies, including by: (1) demonstrating that all AML, CFT, CPF and sanctions supervisors apply effective, proportionate, and effective sanctions for non-compliance; (2) ensuring that competent authorities have timely access to accurate and up-to-date beneficial ownership information on legal persons and arrangements and applying sanctions for breaches of violation by legal persons to beneficial ownership obligations; (3) demonstrate a sustained increase in investigations and prosecutions of serious and complex ML and the full range of TF activities in line with its risk profile.

The Government provides the FATF with a report on the progress of its implementation of the action plan every four months. Once all items in the action plan are implemented and the improvements effective, the grey listing of South Africa will be reconsidered by FATF. The FATF concluded an on-site assessment visit of South Africa over 29 to 30 July 2025, completing the last step before the October 2025 FATF Plenary can consider whether to remove South Africa from its grey-listing list. The onsite was completed following South Africa's confirmation that all 22 action items had been substantially completed. Following the conclusion of the onsite visit, the FATF Africa Joint Group submitted a report to the October 2025 FATF Plenary. On 24 October 2025, the FATF officially announced that South Africa had been removed from the grey list of jurisdictions under increased monitoring.

Rules Governing Banks' Relationships Customers

The Consumer Protection Act, 2008 (the "**CP Act**") applies to every "*transaction*" occurring within South Africa, unless one of the exemptions provided for in section 5 of the CP Act applies. "*Service*", as used in the definition of a "*transaction*", is, in turn, defined as including "*any banking services, or related or similar financial services*", subject to specified exceptions. The CP Act aims to "*promote and advance the social and economic welfare of consumers in South Africa*" by establishing national norms and standards regulating interactions with consumers and prohibiting certain unfair practices.

The Home Loan and Mortgage Disclosure Act, 2000 promotes "*fair lending practices, which require disclosure by financial institutions of information regarding the provision of home loans*" in their annual financial statements. Information that must be disclosed includes the total number and amount in South African Rand of home loan applications received, declined, closed and disbursed, and approved during a financial year in respect of which financial statements have been prepared.

The NCA aims to “*promote a fair and non-discriminatory marketplace for access to consumer credit and for that purpose to provide for the general regulation of consumer credit and improved standards of consumer information*”. A lender is required to be registered as a credit provider in terms of the NC Act “*if the total principal debt owed to that credit provider under all outstanding credit agreements, other than incidental credit agreements*” exceeds a prescribed threshold. Absent such registration, a lender is not permitted to offer, make available or extend credit, enter into a credit agreement, or agree to do any of the aforementioned activities. The NCA applies to credit agreements between parties on an arm’s-length basis, made within or having an effect within South Africa, subject to the exceptions provided for in section 4 of the NCA.

Treating Customers Fairly (TCF) forms part of the market conduct framework implemented by the FSCA. The TCF consumer protection framework (the “**TCF Framework**”) is applicable to all South African regulated financial institutions, including banks. The TCF Framework is built on principles that help drive a financial institutions business conduct towards a set of six outcomes, termed “*TCF outcomes*”. All financial institutions must demonstrate that they adhere to the TCF principles and treat their customers fairly. The TCF outcomes require financial institutions to embed fairness in their culture, design products for customer needs, provide clear and timely information, offer suitable advice, ensure products perform as expected, and remove unreasonable barriers to post-sale service.

The Conduct of Financial Institutions Bill (“**CoFI**”) was published in 2020 and is a key component of South Africa’s twin peaks reform aimed at consolidating and strengthening market conduct regulation for financial institutions (including banks). CoFI is set to replace all or a significant part of the FAIS Act, with a customer-focused regulatory framework that formalises the application of the TCF Framework. Its aim will be to promote financial inclusion, while ensuring fair treatment and protection of customers and trust and confidence in the financial sector. CoFI will also increase compliance and governance burdens. Although some aspects of CoFI will be aimed at improving operational processes and working capital at non-bank financial service providers, CoFI will also give the FSCA meaningful power to effect transformation in the financial services industry. It will require financial services providers of a certain size to meet concrete transformation goals and give the FSCA the tools to enforce those goals.

Climate Related Risks and Disclosure

On May 2024, the Prudential Authority published Guidance Note 2 of 2024 “Guidance on climate-related governance and risk practices for banks” (“**G2/2024**”) and Guidance Note 3 of 2024 “Guidance on climate-related disclosures for banks” (“**G3/2024**”), which provide guidance to banks regarding the integration of climate risks into their governance and risk management frameworks, and climate-related disclosures, respectively.

G2/2024 requires the bank’s board of directors to oversee and manage climate-related risks (“CRRs”) continuously. Material CRRs must be identified, integrated into the bank’s established risk framework, and considered in the bank’s internal capital adequacy assessment process. A bank should develop key risk indicators and metrics to quantify exposures to climate-related risks and be able to identify relevant climate-related risk drivers that may materially impair financial conditions. Stress-testing and scenario analysis can be used to assist with risk identification, monitoring and assessment. A bank’s internal capital adequacy assessment process should explain, *inter alia*:

- methodologies used to identify, assess, monitor and report climate-related risks;
- climate-related risks identified including their transmission channels and correlation among risks;
- potential impact of climate-related risks on the determination of total internal capital;
- type and nature of scenario analyses and stress tests adopted by the bank; and
- risk management and mitigation strategies, as well as contingency plans.

Banks’ internal policies must be adapted, and training programmes implemented, to ensure that the impact of CRRs on the bank’s risk profile is properly understood.

G3/2024 sets out the requirements for the disclosure of CRRs and opportunities, taking into consideration recommendations of the Task Force on Climate-Related Financial Disclosures and the International Sustainability Standards Board, under the four thematic areas of governance, strategy, risk management, and metrics and targets. Banks must ensure that their CRR disclosure reports are relevant, complete, objective, accurate, clear, balanced, understandable, consistent and timely. The manner in which CRRs and opportunities impact on the bank’s

business model, strategy and decision-making must be disclosed. Banks are expected to produce climate-related disclosures and reports that, at a minimum, fulfil the following principles:

- completeness of information – limitations of the data, assumptions and estimations should be declared;
- being clear, balanced, and understandable to a wide audience;
- comparability between sectors, industries or portfolios and institution reporting periods;
- comparability of methodologies and approaches;
- consistency over time, with descriptions of changes in approach;
- focus on relevant material issues;
- reliability and objectivity; and
- timeliness – disclosure should supply information relevant to current decisions and be future-focused.

Additionally, the board of directors should ensure that a bank annually discloses, inter alia, its practices in maintaining oversight and the role of senior management in relation to climate-related risks and opportunities. From a strategic point of view, a bank should disclose annually the current and expected impacts of climate-related risks and opportunities on the bank's business, strategy and financial planning. A bank should describe its risk management policies, processes and controls for identifying, assessing and managing climate-related risks, and incorporating these risks into the bank's overall risk management. A bank should disclose metrics and targets that enable stakeholders to evaluate the bank's exposure to, and measurement and management of, climate-related risk.

There are no hard deadlines for disclosures prescribed in G3/2024, but the Prudential Authority expects banks to be proactive and not be compliance driven. Mandatory disclosure will rather be determined by, inter alia, non-financial sector disclosure requirements and international standard-setting bodies.

Cyber Security

On 17 May 2024, the Prudential Authority and the FSCA published Joint Standard 2 of 2024: Cybersecurity and Cyber Resilience Requirements ("**Joint Standard 2**"), which came into effect on 1 June 2025. Joint Standard 2 requires banks to (i) establish, implement and maintain a "*sound and robust*" cybersecurity strategy and framework, (ii) co-operate with stakeholders to enable cyber resilience, and (iii) clearly define the cybersecurity roles and responsibilities of relevant management functions, committees and third-party service providers. Joint Standard 2 deals in detail with "*cybersecurity and cyber resilience fundamentals*" and "*cybersecurity hygiene practices*". Banks must notify the responsible authority should any "*cyber incident*" or "*information security compromise*" be classified as a "*material incident*" (each as defined in Joint Standard 2).

Under the Joint Standard 2, banks must, inter alia:

- maintain and keep updated a cybersecurity strategy;
- implement appropriate practices to prevent the impact of potential cyber threats;
- develop data loss prevention policies and measures;
- maintain effective cyber resilience capabilities to monitor, detect, respond to and recover from cyberattacks; and
- notify responsible authorities of material incidents involving cyber and information security.

Benchmark Reform and Transition to ZARONIA

As part of the ongoing global benchmark rate reforms driven by the FSB, the SARB has deemed it appropriate to plan for the discontinuation of the Johannesburg Interbank Average Rate ("**JIBAR**"), which will be replaced by the South African Overnight Index Average ("**ZARONIA**"), which is a risk-free rate. The date of discontinuation of JIBAR has yet to be announced by the SARB although it is expected to occur in December 2026. It is expected that a date will be set by the SARB from which no new JIBAR linked transactions will be permitted. It is expected

that this date will fall within the first half of 2026. The Prudential Authority and the FSCA on 11 September 2024 published Joint Communication 6 of 2024 requiring banks to take appropriate action ahead of the discontinuation of JIBAR to facilitate the transition to alternative rates. Banks are required to identify their JIBAR-related exposure and establish an “*enterprise-wide JIBAR transition programme*”, develop a product strategy including creating or adopting ZARONIA-based products, and develop a plan to address technological changes required for the transition.

DESCRIPTION OF THE GROUP'S BUSINESS

Overview

The Issuer is incorporated and domiciled in South Africa and has a primary listing on the JSE. The registered office of the Issuer is 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg, 2001. The telephone number of its registered address is +27 (0) 11 350 4000. The website of the Issuer is <https://www.absa.africa/>. The information on the Issuer's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus (see "*Documents Incorporated by Reference*").

The Group provides retail, business, corporate, investment and wealth banking, as well as investment management and insurance solutions. As of 30 June 2025, the Group had presence in 16 countries (12 African countries, the United Kingdom, United States of America, with non-banking advisory support in the People's Republic of China and with technology support resources in the Czech Republic) and employed approximately 37,272 people. The Group's customer base is approximately 12.8 million, 10 million of which are customers of the South African operations and 2.8 million of which are customers of the Africa regions.

Absa Bank Limited ("**Absa Bank**"), a wholly owned subsidiary of the Issuer, is one of South Africa's largest financial services organisations and the third largest bank in South Africa by revenue.

The Group owns 100% or majority stakes in banks in Botswana, Ghana, Kenya, Mauritius, Mozambique, Seychelles, South Africa, Tanzania, Uganda and Zambia. There are also Absa bank representative offices in Namibia, Nigeria and New York, securities entities in London and New York, a non-banking subsidiary in the People's Republic of China providing non-banking advisory services to clients based in China and technology support in the Czech Republic. There are also bancassurance operations, the most sizable being in South Africa.

The Group interacts with its customers and clients through a combination of physical and electronic channels, offering a comprehensive range of banking services (from basic products and services for the low-income personal market, to more sophisticated retail products and services, to customised solutions for the commercial and corporate markets), as well as investment and insurance solutions.

As at 30 June 2025, the Group's market capitalisation was R157.4 billion and the Group had total assets of R2.2 trillion (compared to R2.1 trillion as at 31 December 2024) of which gross loans and advances were R1.5 trillion (31 December 2024: R1.4 trillion). Headline earnings for the Group were R11.9 billion in the six months ended 30 June 2025, and R22.1 billion for the year ended 31 December 2024 (2023: R20.1 billion). Absa Bank, the largest Subsidiary in the Group, had total assets of R1.7 trillion, total liabilities of R1.6 trillion and generated headline earning of R5.0 billion, as at and for the six months ended 30 June 2025 (R1.7 trillion, R1.6 trillion and R10.5 billion, respectively, for the year ended 31 December 2024).

As at 30 June 2025, the Group had four principal segments, namely Personal and Private Banking ("**PPB**"), Business Banking, Absa Regional Operations – Retail and Business Banking ("**ARO RBB**"), Corporate and Investment Banking ("**CIB**") and Head office, Treasury and other operations. Each of the core businesses is led by a Chief Executive who is part of the Group Executive Committee (as defined herein) and has accountability over the strategy and performance thereof.

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. The hedging programme provides greater margin stability from an interest rate risk perspective over the entire cycle. Hence, in a decreasing rate scenario, the hedging programme enhances the net interest margin while the opposite is true for an increasing rate scenario.

The Group continues to manage interest rate risk within established risk parameters. As at 30 June 2025, the Group's NII sensitivity increased by R407 million to -R2.3 billion (30 June 2024: -R1.9 billion). The increase is mainly due to South Africa (R278 million), 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 (ARO's NII sensitivity increased by R129 million to -R1.34 billion as at 30 June 2025 (30 June 2024: -R1.21 billion)).

The priorities are to 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 South Africa, to prepare the Group for the adoption of the new benchmark rate reforms

in South Africa, as well as to continuously track Basel III finalisation metrics to ensure the accuracy and reliability of the Group's regulatory reporting.

Key Information

The following table presents selected key information of the Group for the reporting periods indicated. Prospective investors should read the following information in conjunction with the Annual Financial Statements and the Interim Financial Statements, incorporated by reference herein.

Salient features	For the reporting period ended			
	30 June 2025	30 June 2024	31 December 2024	31 December 2023
Statement of comprehensive income (Rm)				
Net interest income	36,307	35,310	71,105	68,055
Non-interest income	20,180	18,398	38,844	36,587
Total income	56,487	53,708	109,949	104,642
Operating expenditure	(30,044)	(28,326)	(58,508)	(55,704)
Credit impairment charges	(7,173)	(8,309)	(14,304)	(15,535)
Pre-provision profit	26,443	25,382	51,441	48,938
Profit attributable to ordinary equity holders	11,231	9,845	21,537	19,891
Headline earnings	11,874	10,180	22,059	20,074
Statement of financial position (Rm, unless otherwise stated)				
Gross loans and advances	1,464,828	1,358,983	1,402,568	1,320,923
Total assets	2,159,759	1,953,354	2,068,695	1,874,876
Deposits	1,578,217	1,395,345	1,506,927	1,339,536
Loans to deposits and debt securities ratio (%)	82.5	83.9	81.6	85.2
Financial performance (%)				
Return on equity ("RoE")	14.8	14.0	14.8	14.4
Return on average assets ("RoA")	1.14	1.04	1.11	1.07
Return on risk-weighted assets ("RoRWA")	2.03	1.91	2.02	1.96
Stage 3 loans ratio on gross loans and advances	5.90	6.14	6.12	6.05
Liquidity coverage ratio ("LCR")	129.0	126.2	126.7	123.9
Net stable funding ratio ("NSFR")	117.2	119.3	121.7	118.1
Operating performance (%)				
Net interest margin on average interest-bearing assets	4.58	4.69	4.63	4.68
Credit loss ratio	1.00	1.23	1.03	1.18
Non-interest income as percentage of total income	35.7	34.3	35.3	35.0
Cost-to-income ratio	53.2	52.7	53.2	53.2
JAWS	(1)	(5)	0	(2)
Effective tax rate	25.9	23.8	25.0	25.4
Share statistics (cents, unless otherwise stated)				
Headline earnings per ordinary share	1,431.6	1,228.4	2,662.2	2,422.3
Diluted headline earnings per ordinary share	1,422.9	1,227.7	2,657.7	2,415.1
Basic earnings per ordinary share	1,354.1	1,188.0	2,599.2	2,400.3
Diluted basic earnings per ordinary share	1,345.8	1,187.3	2,594.8	2,393.0
Dividend per ordinary share	785	685	1,460	1,370
Dividend payout ratio (%)	55	56	55	57

NAV per ordinary share	20,048	18,014	19,310	17,440
Capital adequacy (%)				
Absa Group Limited.....	15.2	15.9	15.8	15.8
Absa Bank Limited.....	16.0	16.0	17.1	16.2
CET1 (%)				
Absa Group Limited.....	12.5	12.7	12.6	12.5
Absa Bank Limited.....	12.2	11.8	12.6	11.9
Tier 1 (%)				
Absa Group Limited.....	14.0	14.6	14.4	14.2
CET1 % less 5.875% (%)				
Absa Group Limited.....	6.6	6.8	6.7	6.6

History

Absa Group Limited was formed as a result of a merger in April 1991 between three financial service-related holding companies: UBS Holdings Limited, Allied Group Limited and Volkskas Group Limited, under UBS Holdings Limited.

- UBS Holdings Limited represented the holding company of, inter alia, United Building Society Limited and United Bank Limited;
- Allied Group Limited represented the holding company of, inter alia, Allied Building Society Limited and Allied Bank Limited; and
- Volkskas Group Limited represented the holding company of, inter alia, Volkskas Bank Limited, MLS Bank Limited and Volkskas Motorbank Limited (which later changed its name to Absa Motorbank Limited).

UBS Holdings Limited changed its name to Amalgamated Banks of South Africa Limited, but traded under the names Allied Bank, United Bank and Volkskas Bank.

In April 1992, all the assets and liabilities of Bankorp Holdings Limited, the holding company of, inter alia, TrustBank, Senbank and Bankfin, were acquired.

Amalgamated Banks of South Africa Limited then changed its name to Absa Group Limited in 1997 and from November 1998, the Group's retail, business, corporate, investment and wealth banking operations in South Africa have traded as Absa Bank.

In 2005, Barclays Bank PLC acquired a controlling 56.4% stake in the Absa Group Limited. This made Absa Group Limited a subsidiary of the UK banking group.

In July 2013, Absa Group Limited's operations were expanded by acquiring selected African operations from Barclays Bank PLC. Included in the African operations acquired were Barclays Bank of Kenya Limited and Barclays Bank of Botswana Limited which continued to be listed on their respective stock exchanges. As a result of this acquisition, Barclays Bank PLC's shareholding in the newly formed Barclays Africa Group was increased to 62.3%. This resulted in Absa Group Limited undergoing a name change to Barclays Africa Group Limited (listed on the JSE).

On 1 March 2016 Barclays Bank PLC announced its intention to reduce its 62.3% interest in the Issuer to a level that would achieve regulatory and accounting deconsolidation. A comprehensive separation programme for implementing the separation (the "**Separation Programme**") was initiated by Barclays Bank PLC with the Issuer in 2016. Over 2016 and 2017, Barclays Bank PLC reduced its shareholding in the Issuer to 14.88% and in July 2018, Barclays Africa Group Limited was officially renamed Absa Group Limited. The Separation Programme was completed within agreed timelines. All 273 projects achieved separation and 198 service schedules were terminated. The final separation forum was held on 15 December 2020, where all formal closures were approved.

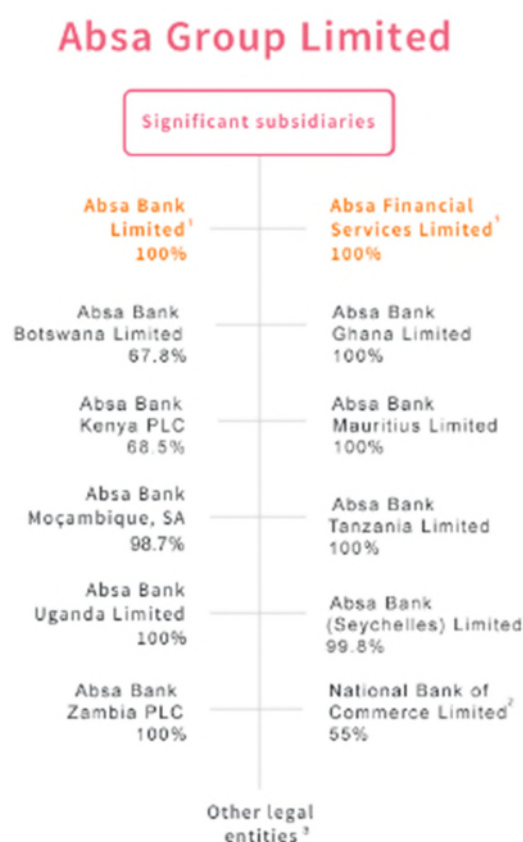
The SARB, ARO as well as the United Kingdom regulators were informed that Barclays Bank PLC and the Issuer had concluded and closed the Separation Programme.

The Issuer announced on 21 April 2022 that Barclays PLC had agreed to sell 7.44% of its shareholding and following the sale will then own 7.44% of the Issuer. The Issuer then announced on 1 September 2022 and 8 September 2022 that Barclays had agreed to sell its remaining shareholding, and that following the sale Barclays subsidiaries held 0.02% of the total issued ordinary shares of the Issuer.

Corporate Structure and Major Ordinary Shareholders

The Group follows a group holding company structure, as set out below, in which each operating Subsidiary is owned directly or indirectly by the Issuer. Absa Bank Kenya PLC and Absa Bank Botswana Limited both have significant minority shareholdings which are publicly traded on their respective stock exchanges.

Absa Bank represents the Group's principal South African banking operations, while the Group's insurance businesses are operated through Absa Financial Services Limited.



1. South Africa
2. Tanzania
3. Includes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings. Further information on subsidiaries and consolidated structured entities is set out in the 2024 Financial Statements and the Interim Financial Statements.

The Group has a diverse shareholder portfolio made up of institutional and individual investors.

The Issuer's largest ordinary shareholders as at 30 June 2025 and 31 December 2024:

	30 June 2025	31 December 2024
Major ordinary shareholders	%	
Newsshelf 1405 Limited (SA)	7.00	7.00
M&G (SA,UK)	4.95	5.72

Public Investment Corporation (SA)	4.54	4.86
BlackRock Incorporated (US, UK, JP, AU, CA)	4.31	4.38
Citigroup Global Markets (SA)	3.79	3.90
The Vanguard Group (US, AU)	3.77	3.85
Investec Securities (SA)	3.28	3.50
Schroders (UK, AU, SG, US, JP)	-	3.20
Old Mutual (SA, NA)	3.03	3.18
36One Asset Management (SA)	2.71	-
Sanlam Investment Management (SA)	2.44	2.77
Other	60.2	57.64

Major shareholding by geographical segment as at 30 June 2025 and 31 December 2024:

	30 June 2025	31 December 2024
Major shareholding split by geography		%
South Africa	63.94	61.81
United States and Canada.....	16.40	17.74
United Kingdom.....	10.10	10.50
Other Countries	9.56	9.95

Strategy

The Group is one of Africa's largest diversified financial services groups, with a legacy of over 130 years on the continent. The Group's ambition remains to be a leading pan-African bank. The relevance and resilience of the Group's strategy in serving the interests of its stakeholders remains. The growth strategy places greater emphasis on both expansion and returns, while ensuring a prioritised business unit focus across the remaining strategic pillars. These adjustments have been made through deliberate shifts aimed at enhancing focus and precision in the execution of the strategy.

The Group's strategy is designed to deliver sustainable growth by improving returns, embedding a performance-driven culture, and strengthening resilience through robust risk and compliance frameworks. The focus remains on executing deliberate strategic priorities to achieve measurable outcomes across the short, medium, and long term. This strategic clarity underpins the Group's ambition to become a leading pan-African bank while enhancing value for all stakeholders.

The Group remains cognisant of the persistent volatility and complexity of the macroenvironment, which continues to challenge and reshape its operating context. Despite these conditions, the Group continues to demonstrate resilience and agility in navigating macroeconomic complexities, while laying a solid foundation for growth and the realisation of its long-term strategic ambitions. With its long-standing presence on the continent and deep understanding of local markets, the Group is well positioned to continue responding effectively to the evolving economic landscape.

The Group's purpose is at the core of the strategy, which remains focused on five strategic pillars, established within a medium-term horizon, as the foundation for achieving its long-term ambition:



A diversified franchise with deliberate, returns-focused growth: The Group tailors its approaches to client needs, drive growth with strong returns in attractive segments, launch innovative products that deliver customer value, allocate capital sustainably, and maintain robust risk management.

The primary partner for clients: The Group understands its clients' needs and is committed to meeting them at every level. It aspires to build a brand that both its people and clients can take pride in.

A digitally powered business: The Group delivers a best-in-class digital experience, leverages data as a strategic asset, and continuously evolves to foster an agile and future-fit organisation.

A winning, talented, and diverse team: The Group turns its culture into a competitive advantage, attracts top talent across Africa, and is committed to supporting and enabling its people to thrive.

An active force for good in everything we do: The Group partners with its clients and communities to support an orderly and just transition toward a more sustainable and equitable future. It actively manages climate change and biodiversity risks and opportunities, makes meaningful contributions to the societies in which it operates, upholds the highest standards of governance and ethics, and plays a constructive role in shaping public policy and regulation.

The Board of Directors of the Issuer believes the Group is well-positioned to deliver on its strategy, and across the organisation, the Group remains committed to sustainable value creation, anchoring all efforts in its brand promise: driving human-centred empathy to deliver intuitive, seamless, and integrated experiences for clients and colleagues. As the strategic journey progresses, the Group remains steadfast in its commitment to excellence, integrity, and impactful value creation. As a purpose-led organisation, it actively champions initiatives that foster positive change, recognising that its success is deeply connected to the prosperity of the planet and the communities in which it operates.

Business of the Issuer

Group Overview – segmental analysis

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 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 has undergone 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 – 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 Small and Medium Enterprise (“SME”) and Commercial clients in targeted sectors.

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.

To fully unlock the potential across the continent, the Group has further identified the need to run all its business on a connected Pan-African basis. All three business units – CIB, Business Banking, and Personal and Private Banking will in due course (from 2026) align to a Pan African model. The Group is currently prioritising appointing Chief Executives for the Business Banking and Personal and Private Banking segments.

The following table sets out the Group’s income, headline earnings, loans and advances to customers, deposits due to customers and credit loss ratio for the reporting periods ended 30 June 2025, 30 June 2024 and 31 December 2024, broken down into its priority segments.

For the reporting period ended 30 June 2025					
	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	Credit loss ratio
		<i>Rm</i>			<i>%</i>
Personal and Private Banking	21,784	3,168	516,690	363,051	1.93
Business Banking	7,528	1,712	153,628	234,705	0.64
Absa Regional Operations – Retail					
Business Banking	9,642	1,092	90,903	149,803	1.69
Corporate and Investment Banking	17,578	6,440	552,853	538,913	0.18
Head Office, Treasury and Other Operations	(45)	(538)	5,071	115,716	n/a
Group	56,487	11,874	1,319,145	1,402,188	1.00

For the reporting period ended 30 June 2024					
	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	Credit loss ratio
		<i>Rm</i>			<i>%</i>
Personal and Private Banking	21,615	2,578	503,848	339,071	2.34
Business Banking	7,533	1,936	146,442	216,480	0.54
Absa Regional Operations – Retail					
Business Banking	8,530	810	83,546	128,354	1.61
Corporate and Investment Banking	16,437	5,863	494,667	470,054	0.33
Head Office, Treasury and Other Operations	(407)	(1,007)	4,502	108,526	n/a
Group	53,708	10,180	1,233,005	1,262,485	1.23

For the reporting period ended 31 December 2024					
	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	Credit loss ratio

		<i>Rm</i>			<i>%</i>
Personal and Private Banking	44,021	6,978	509,204	355,560	1.89
Business Banking	15,364	4,067	148,400	233,857	0.43
Absa Regional Operations – Retail Business Banking	17,447	1,615	91,060	147,824	1.81
Corporate and Investment Banking	33,266	11,680	524,226	510,733	0.29
Head Office, Treasury and Other Operations	(149)	(2,281)	4,225	109,461	n/a
Group	109,949	22,059	1,277,115	1,357,435	1.03

The following table shows the contribution of each segment to the Group's position for the reporting periods ended 30 June 2025, 30 June 2024 and 31 December 2024.

For the reporting period ended 30 June 2025				
Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	
		<i>%</i>		
Personal and Private Banking	39	27	39	26
Business Banking	13	14	12	17
Absa Regional Operations – Retail Business Banking	17	9	7	11
Corporate and Investment Banking	31	54	42	38
Head Office, Treasury and Other Operations	0	(5)	0	8
Group	100	100	100	100

For the reporting period ended 30 June 2024				
Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	
		<i>%</i>		
Personal and Private Banking	40	25	41	27
Business Banking	14	19	12	17
Absa Regional Operations – Retail Business Banking	16	8	7	10
Corporate and Investment Banking	31	58	40	37
Head Office, Treasury and Other Operations	(1)	(10)	0	9
Group	100	100	100	100

For the reporting period ended 31 December 2024				
Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	
		<i>%</i>		
Personal and Private Banking	40	32	40	26
Business Banking	14	18	12	17
Absa Regional Operations – Retail Business Banking	16	7	7	11
Corporate and Investment Banking	30	53	41	38
Head Office, Treasury and Other Operations	0	(10)	0	8
Group	100	100	100	100

Personal and Private Banking

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.

The following tables provide an overview of Personal and Private Banking by primary product segments and an overview of the contribution of each such product segment to total Personal and Private Banking operations for the reporting periods ended 30 June 2025, 30 June 2024 and 31 December 2024.

For the reporting period ended 30 June 2025					
	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	Credit loss ratio
	<i>Rm</i>				%
Transactions and Deposits	8,648	1,492	10,641	359,721	2.71
Unsecured Lending	6,519	269	70,923	1,914	7.66
Home Loans	3,015	775	312,658	1,380	0.47
Vehicle and Asset Finance	2,413	332	122,468	26	1.66
Insurance SA	1,223	614	-	-	n/a
Personal and Private Banking Other	(34)	(314)	-	-	n/a
Personal and Private Banking Total	21,784	3,168	516,690	363,051	1.93

For the reporting period ended 30 June 2024					
	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	Credit loss ratio
	<i>Rm</i>				%
Transactions and Deposits	8,593	1,526	10,240	335,672	4.69
Unsecured Lending	6,555	125	70,120	1,871	8.69
Home Loans	2,920	719	307,256	1,491	0.49
Vehicle and Asset Finance	2,374	39	116,232	27	2.32
Insurance SA	1,193	546	-	-	n/a
Personal and Private Banking Other	(20)	(377)	-	-	n/a
Personal and Private Banking Total	21,615	2,578	503,848	339,071	2.34

For the reporting period ended 31 December 2024					
	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	Credit loss ratio
	<i>Rm</i>				%
Transactions and Deposits	17,579	2,988	10,494	352,149	3.96
Unsecured Lending	13,203	1,040	70,273	1 948	7.43
Home Loans	5,952	1,724	310,116	1 433	0.39
Vehicle and Asset Finance	4,706	720	118,321	21	1.62
Insurance SA	2,602	1,252	-	-	n/a
Personal and Private Banking Other	(21)	(746)	-	-	n/a
Personal and Private Banking Total	44,021	6,978	509,204	355,560	1.89

For the reporting period ended 30 June 2025				
	<u>Total Income</u>	<u>Headline Earnings</u>	<u>Loans and advances to customers</u>	<u>Deposits due to customers</u>
		%		
Transactions and Deposits	40	47	2	99
Unsecured Lending	30	8	14	1
Home Loans	14	24	61	0
Vehicle and Asset Finance	11	10	24	0
Insurance SA	6	19	-	-
Personal and Private Banking Other	0	(10)	-	-
Personal and Private Banking Total	100	100	100	100

For the reporting period ended 30 June 2024				
	<u>Total Income</u>	<u>Headline Earnings</u>	<u>Loans and advances to customers</u>	<u>Deposits due to customers</u>
		%		
Transactions and Deposits	40	59	2	99
Unsecured Lending	30	5	14	1
Home Loans	14	28	61	0
Vehicle and Asset Finance	11	2	23	0
Insurance SA	6	21	-	-
Personal and Private Banking Other	0	(15)	-	-
Personal and Private Banking Total	100	100	100	100

For the reporting period ended 31 December 2024				
	<u>Total Income</u>	<u>Headline Earnings</u>	<u>Loans and advances to customers</u>	<u>Deposits due to customers</u>
		%		
Transactions and Deposits	40	43	2	99
Unsecured Lending	30	15	14	1
Home Loans	14	25	61	0
Vehicle and Asset Finance	11	10	23	0
Insurance SA	6	18	-	-
Personal and Private Banking Other	0	-11	-	-
Personal and Private Banking Total	100	100	100	100

Key business areas in Personal and Private Banking:

- **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.

Business Banking

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.

The business comprises two customer segments:

- **Small and Medium Enterprises (SMEs)** which are comprised 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 through a relationship-based model that incorporates branch-based staff and is supported by digital platforms and virtual channels.
- **Commercial Segment** which are comprised of 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.

Business banking 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.

- o *Islamic Banking* offering various Shari’ah-compliant banking solutions across the Group.

Absa Regional Operations-Retail and Business Banking

Absa Regional Operations-Retail and Business Banking (“**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.

Key business areas in ARO RBB:

- **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:
 - o *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.
 - o *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.
 - o *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.
 - o *Inclusive* banking provides access to the financial system and, where appropriate, finance to traditionally underbanked 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:

- o *Small and medium enterprise (SME)* banking serviced using a direct coverage model with a predominantly branch-based interface.
- o *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.

Corporate and Investment Banking

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 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 in CIB:

We partner with clients to develop and execute innovative solutions through end-to-end relationship management and origination activities across a 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 the Group's 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 services and client value proposition.
- **Investment Bank** comprising:
 - o *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.
 - o *Investment Banking Division (IBD)* – structures innovative solutions to meet clients' strategic financing and risk management requirements across industry sectors.
 - o *Commercial Property Finance (CPF)* – specialises in financing commercial, industrial, retail and residential development property.
 - o *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.

The following tables set out a breakdown of Corporate Bank and Investment Bank's contribution to total CIB operations for the reporting periods ended 30 June 2025, 30 June 2024 and 31 December 2024.

For the reporting period ended 30 June 2025					
	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	Credit loss ratio
		Rm			%
Corporate Bank	7,291	2,128	85,526	449,295	0.06
Investment Bank	10,287	4,312	467,327	89,618	0.20
Corporate and Investment Banking Total	17,578	6,440	552,853	538,913	0.18

For the reporting period ended 30 June 2024					
	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	Credit loss ratio
		Rm			%
Corporate Bank	7,368	2,280	80,039	398,616	0.40
Investment Bank	9,069	3,583	414,628	71,438	0.31
Corporate and Investment Banking Total	16,437	5,863	494,667	470,054	0.33

For the reporting period ended 31 December 2024					
	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers	Credit loss ratio
		Rm			%

Corporate Bank	14,661	4,372	81,912	431,857	0.29
Investment Bank	18,605	7,308	442,314	78,876	0.29
Corporate and Investment Banking Total	33,266	11,680	524,226	510,733	0.29

For the reporting period ended 30 June 2025

	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers
		%		
Corporate Bank	41	33	15	83
Investment Bank	59	67	85	17
Corporate and Investment Banking Total	100	100	100	100

For the reporting period ended 30 June 2024

	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers
		%		
Corporate Bank	45	39	16	85
Investment Bank	55	61	84	15
Corporate and Investment Banking Total	100	100	100	100

For the reporting period ended 31 December 2024

	Total Income	Headline Earnings	Loans and advances to customers	Deposits due to customers
		%		
Corporate Bank	44	37	16	85
Investment Bank	56	63	84	15
Corporate and Investment Banking Total	100	100	100	100

Key Operational Metrics

The following table sets out certain operational metrics of South Africa Banking and Absa Regional Operations as at 30 June 2025 and 31 December 2024:

	30 June 2025	31 December 2024
South Africa Banking		
Outlets (including number of branches and sales centres)	618	616
ATMs	5,096	5,138
Absa Regional Operations		
Outlets (including number of branches and sales centres)	403	403
ATMs	1,226	1,209
Number of permanent and temporary employees	37,272	37,268
South Africa (excludes Woolworth Financial Services employees)	27,002	27,031
Africa regions	10,061	10,037
International operations outside Africa ⁽¹⁾	209	200

(1) Headcount as disclosed is in relation to the Group's international offices in the United States and United Kingdom and the Czech Republic. 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 period headcount numbers have been adjusted to reflect the same.

Information Technology

The Issuer continues to advance its digital transformation agenda by modernizing its technology landscape and re-engineering foundational processes that underpin critical banking operations. This transformation is anchored in a hybrid technology architecture that integrates proprietary platforms with commercial off-the-shelf solutions, enabling scalable, secure, and resilient service delivery to both colleagues and customers. In support of servicing customers more effectively and reducing its physical service footprint, the Group's digital service ecosystem has expanded beyond traditional branch-based interactions, to include a comprehensive suite of digital channels. These include ATMs, internet banking, mobile banking, and emerging platforms such as social media banking, contactless payments, and digital onboarding journeys.

To ensure the resilience of the Group's technology, the Issuer uses a state-of-the-art data centre for on-premises solutions, combined with its transformative cloud-first strategy that includes the accelerated adoption of cloud-native technologies, which continue to drive operational resilience. Migration to the cloud enhances the experience of customers and colleagues by delivering improved operational agility and resilience. Through the enablement of high availability services, real-time data replication, and synchronization, the Issuer can respond more effectively to dynamic business needs and customer demands. Leveraging cloud-based services unlocks the power of big data, supports the delivery of advanced analytics and insights, and accelerates decision-making. This integrated approach strengthens the Issuer's ability to proactively address customer challenges and drive informed, timely actions. The shift to cloud-based solutions is also assisting to further reduce the Issuer's traditional infrastructure footprint, such as the dependency on physical data centres. The cloud adoption strategy is supported by the embedment of robust monitoring, governance, and audit processes embedded to maintain confidentiality, integrity, and availability.

Through its Chief Security Office (CSO), the Group continuously rolls out new mechanisms and tools to address cyber threats and weaknesses. The CSO plays an active role in the African cyber community in collaboration with both local and global law enforcement agencies and the South African Banking Risk Information Centre. Notably, the CSO has achieved the ISO/IEC 27001 certification, demonstrating the Issuer's commitment to international best practices in information security management. This certification underpins the Group's robust approach to cybersecurity, implementing advanced threat intelligence solutions, and driving continuous improvement through multiple initiatives and activities. These include increased cyber awareness across the Organization, regular employee phishing simulations, ongoing regional cybersecurity assessments, strategic alignment with evolving global threats, continuous enhancement of cybersecurity tools, and managing third-party risks. Annual disaster recovery testing is conducted to ensure business continuity in accordance with the Group's business continuity framework. The Issuer maintains a mature incident, problem, and change management process to ensure stability for technology used across the Group, and also to limit customer impact. A technology risk management framework ensures consistent risk monitoring and evaluation aligned with material changes within Group Technology.

In addition to engineering its existing applications and infrastructure to strengthen resilience, the Issuer has embraced an agile way of working to improve velocity, quality, and efficiency. This is achieved through the use of engineering disciplines and tools that enable rapid delivery of new technological solutions across the Group, addressing customer needs faster. The Issuer has transformed its legacy approach to building technology solutions by introducing new design thinking methodologies through its team of design specialists. It continues to invest in emerging technologies such as applied artificial intelligence (AI), generative AI, robotics process automation, hyperscale infrastructure, and is also assessing quantum readiness in preparation for quantum computing.

These technological advancements have led to a range of new solutions being released to market, including the Group's award-winning website and banking app; the AI-powered Abby Virtual Assistant for customers; Absa MobiTap Payments Solution for small and medium enterprises (SMEs); Absa Access Digital Banking Platform for Corporate customers; Social Media Banking via Facebook Messenger, Twitter, and WhatsApp; Retail Payments Solutions, including Contactless Payments Solutions, such as Absa Pay, integration into Samsung Pay and Apple Pay, and the Absa Digital Card; a new Youth Banking Application; the Virtual Investor Tool; the Absa Cash Flow Management Tool; an industry-first Instant Life Advisor Value Proposition; a new Vehicle Asset Finance Acquisition and Workflow Platform; and a Digital Sales Platform, CustomerOne, that allows customers to open an account online and seamlessly resulting in improved customer and employee sales experience.

MANAGEMENT AND GOVERNANCE

The Issuer's Board of Directors

The Issuer's Board of Directors (the "**Board**") is responsible for creating and delivering sustainable shareholder value, ensuring an appropriate balance between promoting long-term sustainable growth and delivering short-term performance. The Board sets and steers the strategic direction of the Issuer, approves the Issuer's policies and planning, provides oversight, monitors the Issuer's business and ensures accountability of management and the executive. Board members engage with regulators, provide leadership to management, contribute actively to the content of financial statements, results, announcements and the integrated report, and are available for matters that arise on an ad hoc basis. In order for the Board to form a quorum, a majority of members must be in attendance. Directors are appointed through a formal process which is facilitated by the Directors' Affairs Committee ("**DAC**") on behalf of the Board. The Board as a whole approves all director appointments on recommendation by the DAC. The DAC comprises only independent non-executive directors and is chaired by the Board Chairman. All independent non-executive directors are annually assessed in accordance with the JSE Listings Requirements and recommendations of the King IV Report on Corporate Governance for South Africa 2016 ("**King IV**"). Independent non-executive directors serve a maximum of nine years in accordance with a Banks Act Directive.

The Board is assisted by Nadine Drutman (BCom, LLB, LLM), the Issuer's Company Secretary. She maintains an arm's length relationship with the Board, providing guidance to Board members on fiduciary duties, corporate governance requirements and practices as well as the execution of their duties. All Board members have unhindered access to her services in all aspects of the Board's mandate and the operations of the Issuer.

The Board is assisted by various board committees described below under "*Board Committees*", and comprise the DAC, Information Technology Committee ("**ITC**"); Group Audit and Compliance Committee ("**GACC**"); Group Credit Risk Committee ("**GCRC**"); Group Risk and Capital Management Committee ("**GRCMC**"); Remuneration Committee ("**RemCo**"); Social, Sustainable and Ethics Committee ("**SSEC**") and Models Committee ("**MC**").

To streamline the Board and committee governance processes and reduce the number of meetings, the Board has decided to discontinue the activities of the Board Finance Committee ("**BFC**"), and to incorporate its mandate into the GACC and the Board itself.

The Board has 13 members, 11 of whom are independent and two of whom are executive directors. The following table sets out the members of the Board as at the date of this Prospectus, the year of their election or appointment to the Board, the expiration of their current term and their position(s).

Name	Year Elected/ Appointed	Year term expires		Born	Position
		Current term expiry ¹	9-year rule expiry ²		
René van Wyk ³	2020	2028	2029	1956	Chairman, Independent Non-executive Director
Nonhlanhla Mjoli-Mncube	2020	2027	2029	1958	Lead Independent Non-executive Director
Tasneem Abdool-Samad	2018	N/A	2027	1974	Independent Non-executive Director
Zarina Bassa	2025	2027	2034	1965	Independent Non-executive Director
Alison Beck ⁴	2023	2026	2032	1959	Independent Non-executive Director
Luisa Diogo	2023	2026	2032	1958	Independent Non-executive Director
Rose Keanly	2019	2027	2028	1958	Independent Non-executive Director
Peter Mageza	2023	2028	2032	1955	Independent Non-executive Director
Alpheus Mangale	2023	2027	2032	1976	Independent Non-executive Director
Fulvio Tonelli	2020	2028	2029	1960	Independent Non-executive Director

					Independent Non-executive
Sindi Zilwa	2025	2027	2034	1968	Director
Kenny Fihla ⁵	2025	2028	2034	1967	Group CEO
Deon Raju	2023	2027	2032	1977	Group CFO

Notes:

1 The provisions of the Issuer's MoI on director rotation requires that a minimum of one-third of the directors retire at each Annual General Meeting (AGM), and being eligible and available, and having offered themselves for re-election, are re-elected in terms of section 68 (2)(a) of the Companies Act by way of a series of votes. Directors retire in order of longest serving (since last election). The dates for 2023, 2024 and 2025 are indicative and subject to the total number of Board members.

2 Directors who have served for more than nine years are subject to annual re-election and are categorized as non-independent after the Board has assessed their performance and confirmed that they remain suitably qualified to serve on the Board. The general rule, however, is that directors will retire after having served nine years on the Board having regard to the provisions of the Directive D4/2018 (Matters related to the promotion of sound corporate governance, and in particular in relation to the appointment of directors and executive officers).

3 Renè van Wyk was appointed the Chairman of the Issuer and Absa Bank and, effective 15 July 2025.

4 John Cummins resigned from the Board of Directors of the Issuer, effective 30 September 2025 and Alison Beck took over as MC Chairman effective 1 October 2025.

5 Kenny Fihla was appointed as the permanent Group CEO with effect from 17 June 2025.

Recent changes to the Board

- Arrie Rautenbach stepped down as the Group CEO on 14 October 2024. Charles Russon was appointed as the Interim Group CEO with effect from 15 October 2024 until 16 June 2025. Kenny Fihla was appointed as the permanent Group CEO with effect from 17 June 2025.
- Sindi Zilwa and Zarina Bassa were appointed as independent non-executive directors, effective 1 April 2025.
- Sello Moloko stepped down as Chairman and an independent non-executive director of the Issuer and Absa Bank, effective 15 July 2025. Renè van Wyk was appointed as the Chairman of the Issuer and Absa Bank, effective 15 July 2025. Ihron Rensburg stepped down as an independent non-executive director of the Issuer and Absa Bank, effective 31 August 2025. Nonhlanhla Mjoli-Mncube took over as SSEC Chairman, effective 1 September 2025.
- John Cummins stepped down as an independent non-executive director of the Issuer, effective 30 September 2025. Alison Beck took over as MC Chairman, effective 1 October 2025.

Abridged curricula vitae of the Board

René van Wyk

René was appointed as the Chairman of the Issuer and Absa Bank, effective 15 July 2025. René originally joined the Board of Directors of the Issuer as an independent non-executive director on 1 February 2017. He served as the Group Chief Executive from 1 March 2019 to 14 January 2020, re-joined the board as a non-executive director from 1 August 2020 and became an independent non-executive director from 1 August 2021. He was appointed as an independent non-executive director of Absa Bank Limited on 1 February 2022.

He is the Chairman of the Directors' Affairs Committee (DAC) and a member of the Group Risk and Capital Management Committee (GRCMC), Group Credit Risk Committee (GCRC) and Remuneration Committee (RemCo). René is the former registrar of Banks and head of banking supervision of the South African Reserve Bank (SARB) and retired from that position in May 2016. Prior to that, René was with the Nedbank Group of companies from 1993 to 2011, where he occupied various positions, notably executive director responsible for risk at Nedcor Investment Bank, and CEO of Imperial Bank (a subsidiary of Nedbank). In his earlier years with KPMG he served as a partner in the financial services group.

René is a non-executive director of Motus Holdings Limited. He holds a Bachelor of Commerce, Bachelor of Accounting Science (Hons), Advanced Management Programme (Insead), and is a Chartered Accountant, CA (SA).

Committees: DAC (Chairman), GRCCM; GCRC; Remco.

Qualifications: BCom; BCompt (Hons); CA(SA).

Nonhlanhla Mjoli-Mncube

Nonhlanhla joined the board as an independent non-executive director on 15 October 2020. She is the Chairman of the Social, Sustainability and Ethics Committee (SSEC) and a member of the Directors' Affairs Committee (DAC), and the Group Credit Risk Committee (GCRC). She was appointed as the lead independent director of the Group and Absa Bank boards with effect from 8 February 2022. She is the former economic advisor to the Presidency, former chairman of the National Urban Reconstruction and Housing Agency and former deputy chair of the Construction Industry Development Board.

Nonhlanhla serves on the board and audit committee of Zeder Investment Limited, is a non-executive director of Zeder Financial Services Limited and has previously served on the boards of several other listed companies including Capitec Bank, WBHO Construction, Cadiz Financial Services, Tongaat Hulett and Pioneer Foods.

Qualifications: Post-Graduate Certificate (Engineering Business Management); Fellowship in Urban Development (MIT); Masters in Urban and Regional Planning.

Tasneem Abdool-Samad

Tasneem has been on the board of Absa Bank as an independent non-executive director since 2016 and joined the Board of Directors of the Issuer as an independent non-executive director on 1 February 2018. She joined the Group Audit and Compliance Committee (GACC) on 1 April 2018 and assumed the position of GACC chairman from 4 June 2020. She rejoined the board of Absa Bank Limited as independent non-executive director with effect from 4 June 2020. Tasneem is also a member of the Group Risk and Capital Management Committee (GRCCM) and Directors' Affairs Committee (DAC). She is the former Chairman of the Absa Financial Services Board. Tasneem started her career at Deloitte in KwaZulu-Natal. She then moved to the University of the Witwatersrand, where she was a lecturer in auditing from 2003 to 2006. In 2006 she rejoined Deloitte and is a former member of the Deloitte South Africa board.

Tasneem is a non-executive director of Reunert Limited and Bid Corporation Limited.

Qualifications: BCom; CA (SA).

Zarina Bassa

Zarina joined the Board as an independent non-executive director on 1 April 2025 and is a member of the Group Audit and Compliance Committee (GACC), Group Credit Risk Committee (GCRC) and Group Remuneration Committee (RemCo). Zarina is an experienced business executive and leader, having trained as a chartered accountant in the initial stages of her career. She spent 17 years in professional financial services with Ernst & Young (EY) in South Africa and the United Kingdom, six years as an executive in retail and private banking and wealth management at the Issuer, and 16 years as a non-executive director including at Kumba, Vodacom SA, Mediclinic and the Financial Services Board, amongst others, and Woolworths Holdings and Investec Group, where she was the lead independent director.

She is currently an independent non-executive director of Gold Fields Limited and the JSE Limited.

Qualifications: BAcc, Post Graduate Diploma in Accounting, CA (SA).

Alison Beck

Alison joined the Board as an independent non-executive director on 1 December 2023. She is a member of the Group Audit and Compliance Committee (GACC), Group Risk and Capital Management Committee (GRCCM) and will be chairing the Models Committee (MC) effective 1 October 2025. Alison joined KPMG in 1990 as a senior consultant and was made a director in 1996 and a partner in 1998 in Financial Services. She was head of Financial Risk Management for 15 years, representing the South African practice in the global

centres of excellence for Central Banking and Financial Risk Management. Alison retired from KPMG in May 2020.

Qualifications: BCom CA (Scotland) Associate Diploma (Institute of Bankers South Africa).

Luisa Diogo

Luisa joined the Board as an independent non-executive director on 1 September 2023 and is a member of the Group Risk and Capital Management Committee (GRCMC), Social, Sustainability and Ethics Committee (SSEC). Luisa is currently a non-executive director on the board of Total Mozambique. She is the former Prime Minister of the Republic of Mozambique (2004 to 2010) and the Minister of Planning and Finance (2000 to 2004). Luisa is also the former Chairman of Absa Bank Mozambique and Global Alliance Mozambique.

She is a seasoned leader with many years of experience in financial services and in the broader areas of economics, strategy and stakeholder management.

Qualifications: B Econ (Eduardo Mondlane University); Masters in Financial Economics (University of London).

Rose Keanly

Rose joined the board as an independent non-executive director on 1 September 2019. She is a member of the Directors' Affairs Committee (DAC), Information Technology Committee (ITC), Social, Sustainability and Ethics Committee (SSEC), and is the chairman of the Group Remuneration Committee (RemCo). She has been a member of the Absa Financial Services (AFS) Board since July 2020 and took over of Chair of that board from April 2025. She was appointed as an independent non-executive director of Absa Bank Limited with effect from 8 February 2022. Rose retired as the former Chief Operating Officer (COO) of Old Mutual Emerging Markets (OMEM) in February 2018, following a career with the Old Mutual group spanning 38 years and various, mainly information technology and operations related, positions. Prior to her position as COO, she was the Managing Director of OMEM Customer Services and Technology. Rose currently also serves as a non-executive director of the Gender-Based Violence Fund (GBVF).

Qualifications: BSc; BCom (Honours).

Alpheus Mangale

Alpheus Mangale was appointed as an independent non-executive director of the Issuer with effect from 1 July 2023. Alpheus is a member of the Group Risk and Capital Management Committee (GRCMC), Information Technology Committee (ITC) and Group Remuneration Committee (RemCo). Alpheus is a seasoned senior executive, with over 25 years' experience across financial services, telecoms, enterprise and technology markets in Europe, Middle East, and Africa region. He is currently the group chief executive officer for Seacom Limited.

Alpheus has previously served on various boards and performed several senior leadership roles in the financial services and technology industries.

Qualifications: National Diploma in Computer Systems Engineering (Tshwane University of Technology); Post Graduate Certificate in Management (Henley Business School); Advanced Management Programme (Harvard Business School).

Peter Mageza

Peter joined the Board of Directors of the Issuer as an independent non-executive director on 1 August 2023. He is the chairman of the Information Technology Committee (ITC) and a member of the Group Audit and Compliance Committee (GACC), Remuneration Committee (RemCo) and Directors' Affairs Committee (DAC). Peter has served as an independent non-executive director on a number of large listed and unlisted diversified boards across South Africa and on the African continent, including at Remgro Limited and RCL Foods Limited. He is the former Chief Operations Officer and was an executive director of the Issuer and Absa Bank Limited until June 2009.

Qualifications: Chartered Certified Accountant; Fellow of the Association of Certified Chartered Accountants (ACCA) UK.

Fulvio Tonelli

Fulvio joined the Board of Directors of the Issuer as a non-independent non-executive director on 1 July 2020. He became an independent non-executive director on 1 July 2023. He is the interim Chairman, a member of the Group Credit Risk Committee (GCRC) and the Group Risk and Capital Management Committee (GRCMC) and a member of the Directors' Affairs Committee (DAC) and Group Audit and Compliance Committee (GACC). He is also a non-executive director of Absa Bank Kenya Plc.

Fulvio was, until the end of June 2019, the Chief Operating Officer at PwC Africa and a member of the firm's leadership team. In this role, he assisted in the delivery of the firm's strategic direction and was also responsible for the effective operation of the firm's risk management, finance, information technology and other internal firm services. Fulvio retired from PwC in June 2020, having joined PwC in July 1987. Prior to that, he completed his articles at Deloitte.

Fulvio is an independent non-executive director of Equites Property Fund Limited, Life Healthcare Group Holdings Limited and The Ethics Institute. He is Chairman of the Independent Regulatory Board for Auditors (IRBA).

Qualifications: BCom (Hons), CA(SA).

Sindi Zilwa

Sindi joined the Board as an independent non-executive director on 1 April 2025 and is a member of the Group Risk and Capital Management Committee (GRCMC), Group Audit and Compliance Committee (GACC), Information Technology Committee (ITC) and Social, Sustainability and Ethics Committee (SSEC). Sindi has spent almost 30 years as a director across a variety of sectors and in various governance roles. She was South Africa's Business Woman of the Year in 1998. She co-founded Nkonki in 1993 and was with the firm throughout its evolution, including during the merger with Sizwe Ntsaluba (1996-2002). Subsequently, she led the firm as Chief Executive Officer from 1998 until her retirement in October 2016. She is currently an independent non-executive director of Sibanye-Stillwater Limited, Metrofile Limited and Delta Property Fund. In 1990, Sindi became the second black woman to qualify as a Chartered Accountant. She has been awarded a Certificate: Cybersecurity: Managing Risk in the Information Age from Harvard in January 2024. Sindi's former board memberships include Discovery Holdings, Massmart Holdings, Aspen Pharmacare, Redefine Properties and AngloGold Ashanti. She is a published author of two books, 'The Audit Committee Effectiveness Model' (2013) and 'The Board Committee Effectiveness Model' (2016).

Qualifications: BCom (Hons), CA (SA), Advanced Diploma in Financial Planning, Advanced Tax Certificate, Advanced Diploma in Banking.

Kenny Fihla

CEO with effect from 17 June 2025.

Kenny was appointed as Group Chief Executive Officer and executive director of the Issuer and Absa Bank, effective 17 June 2025. Kenny is a recognised leader with substantial Pan-African banking experience and a proven track record.

He has nearly 20 years of experience in leadership roles in the banking sector. He joined Standard Bank Group in 2006 as head of Investor Services, Corporate and Investment Banking (CIB). In 2008, he was appointed head of Transactional Products and Services, SA, for Standard Bank CIB, whereafter he was appointed deputy chief executive of CIB in November 2016 and chief executive officer of CIB in May 2017, a role he held until August 2024. He was appointed Deputy Chief Executive Officer of Standard Bank Group and Chief Executive Officer Standard Bank South Africa effective 1 September 2024. As Deputy Chief Executive, he was the accountable executive for Standard Bank's subsidiaries outside of South Africa.

Qualifications: MSc in Financial Economics (University of London); MBA (University of the Witwatersrand).

Kenny is a member of the Disclosure Committee, GRCMC, GCRC, Group ITC and SSEC

Deon Raju

Deon was appointed as Group Financial Director on 26 April 2024 and he joined the Board on the same day. Prior to this role, he was Absa's Group Chief Risk Officer from 1 June 2021 and was a member of the Executive Committee and the Group Treasurer 5 years before that, where he was primarily responsible for the liquidity risk, funding, capital, and non-traded market risks of the Group.

Deon has been with Absa for over 20 years and has held a variety of roles within the organisation – including roles within Enterprise Risk, Finance, Investment Banking, Credit Portfolio Management and Global Markets. He is a seasoned banking professional with deep institutional knowledge of the Group, as well extensive and diversified banking experience in business, finance and risk management.

Qualifications: B Com (Hons); CA (SA); CFA.

Deon is a member of the Models Committee (MC), Group Risk and Capital Management Committee (GRCMC), Group Credit Risk Committee (GCRC) and Information Technology Committee (ITC).

Executive Committee

The executive committee includes the Issuer’s executive directors and other members of executive management. The executive committee is responsible for all material matters relating to executing the Issuer’s agreed strategy. The table below sets out the name, year of birth, current position and year of first employment of members of the Issuer’s executive committee.

Name	Age	Year of First Executive Committee Employment	Position
Kenny Fihla	58	2025	Group Chief Executive Officer
Charles Russon	59	2014	Chief Executive Africa Regions
Deon Raju	47	2021	Group Financial Director
Christine Wu	47	2024	Interim Co-Chief Executive: Personal and Private Banking
Faisal Mkhize	53	2022	Chief Executive: Business Banking
Geoffrey Lee	55	2022	Interim Co-Chief Executive: Personal and Private Banking
Yasmin Masithela	51	2024	Interim Chief Executive: Corporate and Investment Banking
Punki Modise	55	2021	Group Chief Strategy and Sustainability Officer
Rajal Vaidya	60	2024	Group Chief Risk Officer
Akash Singh	52	2019	Group Chief Compliance Officer
Johnson Idesoh	52	2023	Group Chief Information and Technology Officer
Jeanett Modise	62	2023	Group Chief Human Capital Officer
Prabashni Naidoo (ex officio)	49	2021	Group Chief Internal Auditor Executive
Sydney Mbhele	51	2023	Group Chief Brand, Marketing and Corporate Affairs Officer

Kenny Fihla

Refer to “*Abridged curricula vitae of the Board*”.

Deon Raju

Refer to “*Abridged curricula vitae of the Board*”.

Geoffrey Lee

Geoff was appointed as Chief Executive: Product Solutions Cluster with effect from 1 July 2022, and subsequently Interim Co-Chief Executive of Personal and Private Banking on 1 June 2025. He was previously Managing Executive: Secured Lending. Geoff has 15 years of banking experience having held a number of senior leadership positions across the disciplines of Retail Banking including Managing Executive: Home Loans, Managing Executive: Absa Card and Payments, Head: Product and Pricing Centre of Excellence, CFO: Absa Mortgages; CFO Absa Card division.

Qualifications: B Com; B Acc; CA(SA); AMP (Insead).

Yasmin Masithela

Yasmin was appointed as Interim Chief Executive Absa Corporate and Investment Banking on 15 October 2024 and became a member of the Executive Committee on the same date. Prior to this role, Yasmin served as Managing Executive: Transactional Banking, Absa CIB. She joined the Issuer in 2011 as General Counsel for the Wealth, Investment Management and Insurance business, before becoming the Group Head of Compliance and a member of the Issuer's Executive Committee in 2014.

In 2018, Yasmin became the Chief Executive for Group Strategic Services – a portfolio that drove the Group's corporate strategy including the Digital, Human Resources and Culture agenda. Yasmin is a trained attorney with specialisation in corporate and commercial law and holds a Masters in Tax Law from University of the Witwatersrand. Before joining Absa, Yasmin ventured into private practice as a founding partner at Phukubje Pierce Masithela Attorneys, responsible for various portfolios of the firm, including Mergers and Acquisitions, Corporate law, Structured Financing, Project Finance and Public Private Partnerships Practices. Yasmin has served on various boards.

Qualifications: LLB, HDip (Company Law) and LLM (Tax Law).

Faisal Mkhize

Faisal Mkhize is the Chief Executive of Business Banking and was appointed as a member of the Group Exco from 1 July 2022. He was previously Managing Executive: Absa Vehicle and Asset Finance (AVAF). Faisal has over 25 years of banking experience and a solid track record in Retail and Business Banking. He has served in a number of senior leadership roles in the bank, including Managing Executive of Retail and Business Banking in KwaZulu-Natal, Head of Market Leadership and Change in Absa Business Bank as well as Regional Executive of Private Bank in the Northern Region.

Faisal was also a Managing Director with Barclays Bank Mozambique.

Qualifications: B Admin (Hons); Masters in Development Finance; Advanced Business Ethics.

Punki Modise

Punki was appointed as the Group Chief and Sustainability Officer with effect from 1 July 2022. She has previously held the roles of Interim Chief Executive: RBB and Interim Financial Director. Punki joined the Issuer in 2008 and has held various senior management positions, including that of Chief Financial Officer: Retail and Business Banking since June 2016. Previous roles include Head: Transactional Banking, Chief of Staff: Retail Banking and Chief Financial Officer: Distribution Channels. Prior to joining the Issuer, she held positions at Standard Bank and Fedsure, having completed her articles at PwC.

Punki is a non-executive director of Absa Life Limited, Woolworths Financial Services (Pty) Limited and Ford Financial Services (Pty) Ltd.

Qualifications: B.Com; CA(SA); Masters in Financial Management.

Charles Russon

Charles was appointed Group Executive: Africa Regions with effect from 1 September 2025. He is accountable for leading and overseeing the performance of the Group's operations across Africa and provides advisory support to the business units. On 15 October 2024, Charles was appointed Interim Group Chief Executive Officer. He joined the Board on the same day before stepping down from this role on 15 June 2025. Prior to the appointment as Interim Group Chief Executive Officer, he was Chief Executive of Absa's Corporate and Investment Bank (CIB). Charles's earlier roles within the Group include several leadership positions. He was Acting Group Executive: Absa Regional Operations; Group Chief Operating Officer; Regional Head of Finance; Chief Operating Officer of Corporate and Investment Banking; and Chief Executive: Engineering Services. He joined the Group in 2006 and the Executive Committee in 2014.

Charles is a member of the Group Risk and Capital Management Committee (GRCMC), Group Credit Risk Committee (GCRC), Social, Sustainability and Ethics Committee (SSEC), and Information Technology Committee (ITC). He completed his articles with KPMG and then joined Merrill Lynch in London as financial controller for credit products. Charles worked for Deutsche Bank in London and Frankfurt from 1998 to 2006 as the rates Head of Product Control before he joined Absa Capital in September 2006 as Chief Financial Officer.

Qualifications: CA (SA).

Sydney Mbhele

Sydney was appointed as Group Chief Brand, Marketing and Corporate Affairs Officer with effect from 1 January 2023. He was previously the Chief Executive: Brand at Sanlam Group and a member of the Group Executive Committee. He joined Sanlam in 2019 from Liberty Group, where he was Chief Marketing and Communications Officer. He was Executive Head – Group Marketing at Nedbank Ltd from 2011 to 2017. Prior to this, he held brand and marketing roles at consumer sector companies including SAB Miller, Unilever, Cell C and DIAGEO. Sydney is currently chairman of the Marketing Association of South Africa.

Qualifications: MBA; Postgraduate Diploma in Strategic Marketing Management; B. Social Science.

Jeanett Modise

Jeanett was appointed as Group Chief People Officer with effect from 1 January 2023. She was previously Group Human Resources director at Sanlam Limited, a position she has held since July 2019. Prior to joining the Sanlam Group, Jeanett held senior HR roles at a number of blue-chip companies including SAP, AngloGold Ashanti, Industrial Development Corporation, Mutual & Federal and Hewlett Packard among, others. Jeanett started her career as a professional nurse and Midwife prior to pursuing opportunities in the HR profession.

Qualifications: MBL; Senior Executive Programme, Harvard; Advanced Management Programme; B. Com,(Business Management); General Nursing and Midwifery Diploma.

Prabashni Naidoo

Prabashni was appointed Group Chief Audit Executive effective from 4 January 2021 and is an ex officio member of the Executive Committee. Prabashni is a seasoned Audit practitioner, with extensive experience in the banking industry. Prior to joining the Issuer, Prabashni served as the Group Chief Internal Auditor at Nedbank Group, preceding that, she spent just over 15 years at Standard Bank in various senior risk management and assurance roles. Prabashni's responsibilities include leading the Internal Audit team's implementation of the Issuer's Audit Programme, while providing strategic leadership and counsel to both the Exco and the Board on internal and external audit matters. She also works closely with the Group Compliance and Risk functions in dispensing of her duties as Group Chief Audit Executive.

Qualifications: B.Luris; Advanced Management Programme (AMP) and certifications in Risk Management, Banking and Digital Business.

Akash Singh

Akash Singh was appointed as the Group Chief Compliance Officer with effect from November 2019.

Prior to this role, he was the Chief Compliance Officer of Retail and Business Bank SA. Akash was the Head of Operational Risk: Africa for Barclays Africa Group with oversight across 14 countries. He has also held various Internal Audit roles within the Issuer. Before joining Absa, Akash was with Nedcor Limited in the Finance function. He has extensive knowledge and experience in strategic and technical management of operational risk, as well as regulatory and compliance risk management.

Qualifications: BCom (Hons); CA SA.

Rajal Vaidya

Rajal Vaidya is Group Chief Risk Officer for the Issuer and has over 30 years of international experience, spanning multiple geographies in Asia, the Middle East, and Africa in business and risk roles. Rajal previously occupied the position of Chief Risk Officer for Absa Corporate & Investment Bank where he was accountable for alignment to the Issuer's risk appetite, policies, and risk strategy, whilst enabling balanced growth and delivery on the CIB business strategies. From 2016 to 2019 Rajal was the Chief Risk Officer for Africa Regional Operations (ARO) responsible for Credit Risk Market Risk, Operational Risk and Treasury Risk for 11 countries covering Retail & Business Banking as well as CIB; from 2019 to 2021 Rajal held CRO positions for both Absa CIB and ARO (RBB and CIB), as well as a stint as Acting Chief Risk Officer for the Issuer. Prior to taking on the CRO role in March 2016, Rajal was the Head of Consumer Banking for Barclays Africa (now Absa Regional Operations) covering 12 countries, in which capacity he led the design and execution of the Consumer Bank strategy, with business responsibility for balance sheet and P&L growth, Product development, Credit, Digital Strategy and Channels, and Sales and Distribution. Rajal started his banking career with Citigroup in India, where over a period of 17 years, he held senior positions in business as well as risk.

His last position was Senior Credit Officer Citigroup, and Chief Risk Officer CitiFinancial India.

Christine Wu

Christine Wu was appointed as Chief Executive of Everyday Banking with effect from 26 April 2024 and subsequently Interim Co-Chief Executive of Personal and Private Banking on 1 June 2025. She is a seasoned business leader and chartered accountant with over 20 years' experience, has diverse knowledge and skills in financial services following tenures in executive positions at local and international organisations including PwC, Discovery Bank and McKinsey and Company. Christine joined Absa in January 2019 as an executive member of the former Retail and Business Banking division with oversight of Customer Value Management – a portfolio which included strategy, value proposition development, customer journey design, strategic marketing, digital transformation, and advanced analytics.

Christine is passionate about development and the execution of client-centric, full-value banking solutions by optimising cutting-edge design and innovation to create business value. She has co-authored an in-depth report on accelerating South Africa's economic growth. In 2023, she won the Global Banking & Finance Businesswoman of the Year award for her business contributions.

Qualifications: BCompt (cum laude), BCompt (Hons), CA(SA).

The executive committee is supported by the following committees: Executive Risk Committee, Treasury Committee, Group Investment Committee, Group Credit Committee, Group Change Committee, Tax Committee, Efficiency Executive Committee, Remuneration Review Panel, Executive Appointments and Remuneration Committee, Market Conduct Regulatory Steering Committee, Exit and On-boarding Committee, and Transaction Review Committee.

Conflicts of Interest

As at the date of this Prospectus, there are no conflicts of interest between any duty owed to the Issuer by any member of the Board or Executive Committee and such individual's personal interests and/or other duties. The Board of Directors Policy on Conflict of Interest and the Group's Conflicts of Interest Register are updated annually and are available on the Group's website.

The Board Charter is the constitution that guides the board of directors of the Issuer and its committees in their activities and decisions; as well as in their dealings with each other, with management, with the Group's stakeholders and with the Group as a whole. Directors have a responsibility to avoid situations that place, or are perceived to place, their personal interests in conflict with their duties to the Group. The Board Charter requires directors to declare any actual or potential conflict of interest immediately once they become aware of it. Where actual or potential conflicts are declared, the Group implements a recusal procedure and affected directors are excluded from discussions on any decisions on the subject matter related to the declared conflict. A director or prescribed officer and every employee is prohibited from using their position or access to confidential and price-sensitive information to benefit themselves or any related third party, whether financially or otherwise.

Board Committees

Directors' Affairs Committee

Assists the Board in establishing and maintaining appropriate corporate governance aligned with King IV, the corporate governance provisions of the Banks Act and other relevant regulations for the Group and material subsidiaries. This includes composition and continuity of the Board and its committees; the induction of new Board members; director training and skills development; director independence and directors' conflicts and disclosures of interests; effectiveness evaluation of the Board and its committees, reviewing and proposing governing policies; monitoring the governing structures of subsidiary entities and considering matters of regulatory and reputational risk.

Group Audit and Compliance Committee (including the Disclosure Committee)

Is accountable for the Annual Financial Statements, accounting policies and reports and overseeing the quality and integrity of the Group's integrated reporting. It is the primary forum for engagement with internal and external audit, compliance, and operational risk. The committee monitors the Group's internal control and compliance environment. The committee recommends the appointment of external auditors to the Board and shareholders.

Group Risk and Capital Management Committee

Assists the Board in overseeing the risk, capital and liquidity management of the Group by viewing and monitoring (i) the Group's risk profile against its set risk appetite; (ii) its capital, funding and liquidity positions, including in terms of applicable regulations; and (iii) the implementation of the ERMF and the eight principal risks defined therein. It receives assurance that processes are in place to comply with laws and regulations pertaining to risk, capital, funding and liquidity management in all relevant jurisdictions.

Group Remuneration Committee

Sets and oversees the implementation of the Group's Remuneration Policy principles to deliver fair and responsible remuneration aligned with current and emerging market practice, to meet regulatory and corporate governance requirements and to reward in the context of the performance of the Group. It approves the total remuneration spend, including fixed remuneration, short-term and long-term incentives, any other remuneration arrangements, and the particulars of a defined senior population. It also considers and approves the Group's remuneration disclosure policies and ensures that disclosures are accessible, understandable, accurate, complete and transparent; and that the Group remunerates fairly and responsibly in the context of overall employee remuneration, focusing on remuneration differentials.

Social, Sustainability and Ethics Committee

Monitors key organisational health indicators relating to social and economic development; responsible corporate citizenship; the environment, health and public safety; labour and employment; conduct and ethics; consumer relationships; stakeholder management and transformation; as well as the Group's activities relating to its role in Africa's growth and sustainability and the impact on the Group's employees, customers, and environment. It applies the recommended practices and regulations as outlined in King IV and the Companies Act in executing its mandate.

Information Technology Committee

Provides oversight and governance of the Group's information assets and the technology infrastructure used to generate, process and store that information. The focus is on resilience and stability; architecture; data management; security (cyber and other), AI and digitisation.

Group Credit Risk Committee

Considers and approves all large exposures that exceed 10% of qualifying capital and reserves including single name exposures and key country and sovereign risk limits within the credit risk appetite of the Group as approved by the Board from time to time. It has oversight over credit risk and monitors industry, sector, and single name concentration risks, trends and exposures.

Models Committee

Assists the Board in approving Absa's material risk models on inception, and then annually, as per the Group Model Risk Policy and the PA guidelines. It also approves the Model Risk Framework; approves and monitors model risk appetite; approves appropriate post-model adjustments; sets thresholds and tolerances for models and related post-model adjustments; and oversees the model governance process, the external audit findings and the combined assurance work for all models.

Other Corporate Governance Matters

King IV

The Board believes that sound corporate governance practices are vital for (i) creating and sustaining shareholder value; and (ii) ensuring that behaviour is ethical, legal and transparent, thereby reducing the risk of value erosion and promoting positive outcomes for the benefit of all stakeholders. Accordingly, the Board remains committed to the highest standards of corporate governance and is committed to continuous improvement in the Group's corporate governance principles, policies and practices. The Issuer's charter provides the directors with guidance on promoting these standards of corporate governance and structuring governance to protect and enhance value. The charter sets out the practices for implementing the corporate governance provisions set out in the King IV Report on Corporate Governance for South Africa, 2016 (King IV), the South African Companies Act, the Banks Act, the JSE Listings Requirements, Basel Practices on Governance and other global governance best practices.

The Group is compliant with all the principles outlined in King IV, and each year the Board focusses on maturing and improving the Group's existing governance practices, with specific emphasis on resilience, remuneration,

governance, sustainability, combined assurance and stakeholder relationships. In line with the Group's pursuit of best-practice governance, the Board focusses on the four governance outcomes as envisioned by King IV:

- ethical leadership – the Board assumes ultimate responsibility for the Group's ethical performance and adherence to human rights principles. This responsibility is delegated to executive management while the Board oversees the various tools, processes and systems used to embed an ethical culture in the organisation. The Board sets the tone and leads the Group ethically, effectively and responsibly. In decision-making, individual Board members act with independence but on a consensus basis, with competence, commerciality and challenge, and with the necessary awareness, insight and information. The Board ensures that the Group plays a key role in society as a trusted taker of deposits, contributor to financial markets, lender, major employer, buyer of services, contributor to the local community, taxpayer and skills provider;
- good performance – the Board is accountable to shareholders and other stakeholders for creating and delivering sustainable value through the execution of strategy and oversight of the management of the Group's businesses, while nevertheless maintaining its independence. It provides overall strategic direction within a framework of rewards, incentives and controls. A key role played by the Board is to ensure that management strikes an appropriate balance between promoting long-term sustainable growth and delivering short- and medium-term performance;
- effective control – the Board ensures that management maintains a system of internal controls to deliver accurate results and to comply with applicable laws and regulations. In carrying out these responsibilities, the Board must have regard to what is appropriate for the Group's business and reputation, the materiality of the financial and other risks inherent in the business, and the relative costs and benefits of implementing specific controls. The Board provides guidance to, and oversight of, the management of compliance risk, remuneration, the enterprise-wide risk management, and the related lines of defence that support good governance practices. The Board actively monitors the control environment and adjusts risk appetite and growth objectives;
- trust and legitimacy – the Board accepts accountability for the Group's impact on the environment, for evolving as society changes and for ensuring that the Group complies with applicable/relevant laws and regulations and deliberates on a broad range of activities, including conduct and ethics; customer engagements; culture and employee relations; and broader sustainability, transformation and citizenship efforts. The Group is grounded in the communities within the countries in which it operates. The Board oversees the Group's stakeholder policies and takes a stakeholder inclusive approach, recognising the need for transparent disclosure and open channels of communication.

The Issuer reports on its application of King IV in the annual report and the Environment, Social and Governance Report that it publishes on an annual basis. King IV advocates an outcomes-based approach and within that, an "apply and explain" application regime. The Issuer explained in its report that its approach to governance and the disclosure thereof was and will continue to be linked to the four desired outcomes and the Issuer will explain on an ongoing basis where the Group has not applied relevant practices.

Application of King IV – Key corporate governance practices

The following core governance practices are in place:

- majority independent non-executives;
- lead independent director with clearly delineated duties;
- active, engaged, and diverse board and the inclusion of a diversity policy and related targets for gender and race;
- proactive stakeholder engagement programme;
- annual election of the audit committee;
- annual election of the social and ethics committee;
- annual election of a minimum of one third of directors by majority vote;
- succession planning and rotation;

- biennial board and committee evaluations;
- key constitutional documents in place;
- fully manned and mandated committees;
- key policies approved and monitored for embedment including published conflicts of interest and nominations policies;
- regulatory compliance prioritised;
- minimum shareholding requirements for executives;
- approved malus and clawback provisions;
- detailed environmental, social and governance reporting;
- sufficient time and capacity policy and provisions;
- fit-and-proper policy for directors;
- risk management through an enterprise risk management framework;
- risk appetite set and monitored;
- solvency, liquidity and going concern status regularly tested;
- capital allocation deliberated and executed;
- liquidity and funding tested and stressed;
- extensive disclosures on remuneration practices and annual shareholder advisory vote on the remuneration policy and implementation report;
- combined assurance approach;
- a detailed review of the Group's stakeholder-inclusive practices and policies, with a view to creating a more comprehensive and effective stakeholder management regime; and
- adoption of a Group-wide governance framework to improve the inclusivity of governance.

King IV also recommends that a board set targets for race and gender representation, and the JSE Listings Requirements require the Group to have policies on the promotion of race and gender diversity at board level. The Board is committed to ensuring that the Group meets its governance, social and regulatory obligations regarding diversity while considering the environment and pan-African geographies in which the Group operates. In accordance with the board diversity policy, the Board has set targets for race and women representation at a minimum of 40% for African, Indian or Coloured (AIC) representation and 30% women representation.

The Board also considers matters of tenure, age, diversity, experience and skills.

In terms of skills and expertise, Board members must have the highest levels of integrity, deep understanding of governance, appropriate technical, financial and non-financial knowledge and inter-personal skills. Skills and experience in banking, risk and capital management, technology, commercial and industrial, accounting, legal and human resources, and sustainability are required of the Board as a collective. Since 2019, through training and deep dives, the Group began bolstering Board skills in the areas of environmental and social sustainability, and climate change and continues to strengthen skills and experience specifically in technology, human resources and sustainability.

The disclosure on King IV compliance is provided in the annual report and Sustainability and Climate Report which is published annually on the Issuer's website.

It is important to note that King V will be published later this year, and work will be done to assess whether there are any aspects that the Group is not in compliance with and work will be done to ensure compliance. There are

no significant gaps having regard to the draft version of King V that was published for comment in the second quarter of 2025.

RISK MANAGEMENT

Introduction

The Group actively identifies and assesses risks arising from internal and external environments and takes a proactive approach to identifying emerging risks. The consolidated response to these risks is monitored for effective implementation as set out below. The Group's approach to managing risk is outlined in the Enterprise Risk Management Framework ("ERMF"). The following foundations underpin the ERMF:

- A robust and consistent governance structure at Group, country, business and enterprise core function level.
- Well defined material risk categories known as principal risks.
- A three lines of defence model with clear accountability for overseeing and managing risk.
- A structured three-step process to evaluate, respond to and monitor risks.
- A robust risk operating model which provides clear roles and responsibilities.

Risk Appetite

The Group creates, grows and protects wealth through its banking, insurance and asset management businesses by implementing the Group's business strategy. The strategy focuses on opportunities for growth and returns, considering the matters believed to be material to long-term sustainability. It is the key driver of risk and return and should be achieved within risk appetite.

The Group's risk strategy is developed alongside the Group's business strategy and forms an integral part of the integrated planning process. Within the risk strategy, risk appetite defines the types and amount of risk that the Group, its business units and legal entities are willing to take to meet its strategic objectives.

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

Enterprise Risk Management Framework

The role of risk management is to evaluate, respond to and monitor risks in the execution of the Group's strategy. The Group's strategy is supported by an effective ERMF. The Group's risk function performs conformance reviews; checks and challenges the risk profile; and retains independence in analysis and decision-making, underpinned by regular reporting to the Executive Committee and the Board. The GCRO assumes responsibility for the ERMF.

The ERMF:

- Outlines the approach to the management of risk and provides the basis for setting frameworks and policies and establishing appropriate risk practices throughout the Group.
- Defines the risk management process and sets out the activities, tools, techniques and the operating model to ensure material risks can be identified and managed.
- Ensures appropriate responses are in place to protect the Group and its stakeholders.
- Sets out principal risks and assigns clear ownership and accountability for these risks.

The principal risks as defined in the ERMF are credit, market, capital and liquidity, insurance, strategic, sustainability and reputation, model, operational and resilience and compliance risks. Risks are defined in recognition of their significance to the Group's strategic ambitions.

Credit, traded market, treasury, strategic and insurance risks are collectively known as financial principal risks. Operational and resilience, and model risk are both financial and non-financial risks. The remaining risks are referred to as non-financial principal risks.

This is not an exhaustive list of risks the Group is subject to. For example, the Group is also subject to political and regulatory risks in the jurisdictions where it operates. While these may be consequential and are assessed in the Group's planning and decision-making, they are not considered principal risks. However, these other risks are subject to this framework and oversight by risk management.

Risk Types

Credit Risk

Credit risk is 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.

Review of the period to 30 June 2025:

- Gross loans and advances increased to R1,465 billion (31 December 2024: R1,403 billion, 30 June 2024: R1,359 billion) primarily due to growth in institutional and customer-facing reverse repurchase agreements within the CIB and Treasury portfolios. This was supported by moderate growth across specific portfolios in the PPB and Business Banking segments.
- The credit loss ratio ("CLR") decreased to 1.00% (31 December 2024: 1.03%, 30 June 2024: 1.23%) and was at the upper end of the Group's through-the-cycle 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 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% (31 December 2024: 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% (31 December 2024: 6.1%, 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 the Stage 3 loans ratio on gross loans and advances to 46.9% (31 December 2024: 47.4%, 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 Economic Capital ("EC") increased to R79.6 billion (31 December 2024: R78.5 billion, 30 June 2024: R72.9 billion) due to book growth and changes in the portfolio construct.
- Primary credit risk RWA increased to R885 billion (31 December 2024: R845.9 billion, 30 June 2024: R789.4 billion) 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 R7.9 billion (31 December 2024: R9.9 billion, 30 June 2024: R12.3 billion).

The Group's credit risk management priorities are as follows:

- 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 further in collections capabilities to effectively manage credit risk through-the-cycle.
- 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

Market risk is the risk of the Group's earnings or capital being adversely impacted due to changes in the level or volatility of prices affecting the positions across the Group.

Trading Book Risk

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

Review of the period to 30 June 2025:

- 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 to R93. billion (31 December 2024: R6.6 billion, 30 June 2024: R6.3 billion) due to higher ARO default risk charge 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 to R57.1 billion (31 December 2024: 40.4 billion, 30 June 2024: 38.6 billion) due to an increase in the internal models approach capital driven by higher 60-day average value at risk due to client activity in anticipation of monetary policy outcomes and evolving market dynamics as a result of both global and local developments.
- The Group's CET1 ratio of 12,6% at 31 December 2024 exceeded the regulatory minimum of 8.5% by 4.1%. The RWA was R1,160.9 billion implying the CET1 exceeded the regulatory minimum by approximately R47.6 billion at the end of 2024. The Group's Stage 1 provisions were R6,812 billion and Stage 2 provisions were R5,544 billion. These provisions are in addition to provisions on non-performing assets and the total of R12,356 billion was 1.06% of RWA. The Group's headline earnings for 2024 were R22,059, 1.9% of RWA. The total funds, in excess of the regulatory minimum, available to meet incremental losses at the end of the year was therefore approximately R82 billion before dividend, more than 7% of RWA. This underscores the Group's strong solvency position.

The Group's trading book risk management priorities are as follows:

- 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.

Banking Book Risk

Banking book risk is 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.

Review of the period to 30 June 2025:

- The Group continued to manage interest rate risk within established risk parameters.
- The Group’s net interest income sensitivity increased to -R2.3 billion (31 December 2024: -R1.9 billion, 30 June 2024: -R1.9 billion). 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 to R10.0 billion (31 December 2024: R8.9 billion, 30 June 2024: R8.5 billion) 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.

The Group’s banking book risk management priorities are as follows:

- 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 South Africa.
- Prepare the Group for the adoption of the new benchmark rate reforms in South Africa.
- Continuously tracking Basel III finalisation metrics to ensure the accuracy and reliability of the Group’s regulatory reporting.

Capital and Liquidity Risk

Capital and liquidity risk is 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

Capital risk is 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.

Review of the period to 30 June 2025:

- The Group's capital position was 12.5% as at 30 June 2025 (31 December 2024: 12.6%, 30 June 2024: 12.7%), 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 to R1,221.7 billion (31 December 2024: R1,161.7 billion, 30 June 2024: R1,075.0 billion) 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 R1.4 billion additional tier 1 capital in June 2025.
- The Group's tier 2 capital position was impacted by the redemption of R2.7 billion 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% (31 December 2024: 15.00%, 30 June 2024: 14.75%), driven by ongoing reassessments of macroeconomic and financial market conditions.

The Group's capital risk management priorities are as follows:

- 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 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.

Liquidity Risk

Liquidity risk is 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.

Review of the period to 30 June 2025:

- 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.

- o 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.
 - o The money market surplus following the Gold and Foreign Exchange Contingency Reserve Account (“**GFE CRA**”) liquidity injection into the market in 2024, contributed towards Absa Bank’s healthy liquidity position.
 - o The Group’s foreign currency liquidity position remained robust and flexible, with adequate diversified USD funding available to support the USD asset base and planned asset growth.
 - o 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:
 - o The Group’s sources of liquidity amounted to 26.2% (31 December 2024: 28.4%, 30 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 R287.3 billion (31 December 2024: R271.8 billion, 30 June 2024: R265.9 billion).
 - o 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.
 - o 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 GFE CRA, 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.
 - o 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.
- Long-term balance sheet structure:
 - o The Group continued to strengthen and diversify its funding sources to maintain a sustainable funding structure.
 - o The demand from investors for the Group’s bond issuances remained robust during 2025, as evidenced by high subscription levels. Absa successfully raised R2 billion in senior debt and R3 billion additional tier 1 (AT1) capital in the local South African market, which included the Group’s inaugural South African rand overnight index average (ZARONIA) linked senior debt bond. This marked an important milestone in the adoption of ZARONIA and underscores the Group’s 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.
 - o 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, the Group intends to issue Flac instruments to replace maturing senior debt.
- Diversification:
 - o The Group had a well-diversified deposit base and concentration risk was managed within internal and regulatory guidelines.
 - o The Group managed funding sources to maintain a wide diversity of depositors, products, tenors and currencies.

The Group’s liquidity risk management priorities are as follows:

- 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 South Africa.
- Report in terms of the current and future Depositor Insurance Scheme requirements, which came into effect on 1 April 2024, with the Corporation for Depositor Insurance established to give depositors reasonable access to their covered deposits when their bank has been placed in resolution.

Insurance Risk

Insurance risk is 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.

Review of the period to 30 June 2025:

- Profit before tax earnings decreased to R949 million (31 December 2024: R2,058 million, 30 June 2024: R995 million), mainly driven by the ARO corporate transactions.
- The sale of Absa Life Botswana, Absa Life Zambia and Global Alliance Mozambique was completed in the second half 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 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.

The Group's insurance risk management priorities are as follows:

- 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.

Strategic, Sustainability and Reputation Risk

Strategic, sustainability and reputation risk is 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

Strategic risk is 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.

Review of the period to 30 June 2025:

- 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.

The Group's strategic risk management priorities are as follows:

- 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 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.

Sustainability Risk

Sustainability risk is the risk of 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 the Group operates in.

Review of the period to 30 June 2025:

- 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 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.

The Group's sustainability risk management priorities are as follows:

- 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

Reputational Risk

Reputational risk is 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 the period to 30 June 2025:

- 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.
- 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.

The Group's reputational risk management priorities are as follows:

- Continued Group Chief Executive Officer 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

Model risk is the risk of the potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and report.

Review of the period to 30 June 2025:

- 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.

The Group's model risk management priorities are as follows:

- 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.

Operational and Resilience Risk

Operational and resilience risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Review of the period to 30 June 2025:

- 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 R218.1 billion (31 December 2024: R208.4 billion, 30 June 2024: R179.4 billion) 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 R13.1 billion (31 December 2024: R12.6 billion, 30 June 2024: R11.6 billion) due to changes in the risk profile, as well as growth in revenue and changes in the foreign exchange rates of the ARO countries.

The Group's operational and resilience risk management priorities are as follows:

- 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.

Compliance Risk

Compliance risk is 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

Conduct risk is 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 the period to 30 June 2025:

- 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.

The Group's conduct risk management priorities are as follows:

- 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.

Financial Crime Risk

Financial crime risk is 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 the period to 30 June 2025:

- Embedded the Global Screening Service 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 reputational and data privacy, Wolfsberg Group, London Stock Exchange Group for sanctions and payments, and global screening service ISO 20022 (international standard for financial messaging between financial institutions).

The Group's financial crime risk management priorities are as follows:

- Deploy the global screening service 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.

EXCHANGE CONTROLS

The information below is not intended as legal advice and it does not purport to describe all of the considerations that may be relevant to a prospective purchaser of the Notes. Prospective purchasers of the Notes that are not South African residents or emigrants from the Common Monetary Area (as defined below) to South Africa are urged to seek further professional advice in regard to the purchase of Notes.

Exchange controls restrict the export of capital from South Africa, Namibia and the Kingdoms of Swaziland and Lesotho (collectively the “**Common Monetary Area**”). These exchange controls are administered by the FSD of the SARB and regulate transactions involving South African residents. The purpose of exchange controls is to mitigate the decline of foreign capital reserves in South Africa. The Issuer expects South African exchange controls will continue to operate in the foreseeable future. The Government of South Africa has, however, committed itself to relaxing exchange controls gradually and significant relaxation has occurred in recent years. It is the stated objective of the South African authorities to achieve equality of treatment between South African residents and non-South African residents in relation to inflows and outflows of capital. This gradual approach towards the abolition of exchange controls adopted by the Government of South Africa is designed to allow the economy to adjust more smoothly to the removal of controls that have been in place for a considerable period of time. Exchange control requirements are in place under the Exchange Control Regulations, 1961 (the “**Exchange Control Regulations**”), which are promulgated under the Currency and Exchange Act (9 of 1933).

No South African residents or an offshore subsidiary of a South African resident may subscribe for or purchase any of the Notes or beneficially own or hold any of the Notes unless specific approval has been obtained from the FSD by such persons or such subscription, purchase or beneficial holding or ownership is otherwise permitted under the South African Exchange Control Regulations or the rulings promulgated thereunder (including, without limitation, the rulings issued by the FSD providing for foreign investment allowances applicable to persons who are residents of South Africa under the applicable exchange control laws of South Africa).

As at the date of this Prospectus, the prior written approval of the FSD is required for the issuance of the Notes by the Issuer. The Issuer has obtained the required approvals of the FSD.

USE OF PROCEEDS

The net proceeds of the issue of the Notes are expected to be US\$149,625,000 and will be used by the Issuer for its general corporate purposes and to optimise the Issuer's regulatory capital base.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in that country or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of South Africa of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Additionally, investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

South Africa

Withholding Tax

Under current taxation law in South Africa, all payments made under the Notes to South African tax-resident Noteholders will be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges in South Africa. A withholding tax on South African sourced interest (see the section headed “*Income Tax*” below) paid to or for the benefit of a “foreign person” (being any person that is not a South African tax-resident) applies at a rate of 15% of the amount of interest in terms of section 50A-50H of the Income Tax Act, 1962 of South Africa (the “**Income Tax Act**”). The withholding tax could be reduced by the application of relevant double taxation treaties. The withholding tax legislation exempts, *inter alia*, from the withholding tax on interest any amount of interest paid to a foreign person in respect of any debt listed on a “recognised exchange” as defined in paragraph 1 of the Eighth Schedule to the Income Tax Act. The main market of the London Stock Exchange would qualify as such an exchange, and therefore, subject to any legislative changes, the interest paid on the Notes listed on the London Stock Exchange will not be subject to interest withholding tax under the Income Tax Act. A foreign person will also be exempt from the withholding tax on interest if:

- (a) that foreign person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the interest is paid; or
- (b) the debt claim in respect of which that interest is paid is effectively connected with a permanent establishment of that foreign person in South Africa, if that foreign person is registered as a taxpayer in South Africa.

Foreign persons are subject to normal South African income tax on interest sourced in South Africa unless exempted under Section 10(1)(h) of the Income Tax Act (see the section headed “*Income Tax*” below).

Securities Transfer Tax (“STT”)

No STT is payable on the issue or transfer of the Notes under the Securities Transfer Tax Act, 2007 of South Africa, because they do not constitute securities (as defined) for the purposes of that Act.

Value-Added Tax (“VAT”)

No VAT is payable on the issue or transfer of the Notes. The Notes constitute “debt securities” as defined in section 2(2)(iii) of the Value-Added Tax Act, 1991 of South Africa (the “**VAT Act**”). The issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security is a financial service, which is exempt from VAT in terms of section 12(a) of the VAT Act.

Income Tax

Under current taxation law effective in South Africa a “resident” (as defined in section 1 of the Income Tax Act) is subject to income tax on worldwide income. Accordingly, all Noteholders who are “residents” of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any interest earned pursuant to the Notes.

Non-residents of South Africa are subject to income tax on all income derived from a source, or deemed to be from a source, within South Africa (subject to domestic exemptions or relief in terms of an applicable double taxation treaty).

Interest income is from a South African source if that amount:

- (a) is incurred by a South African tax resident, unless the interest is attributable to a permanent establishment which is situated outside of South Africa; or
- (b) is derived from the utilisation or application in South Africa by any person of any funds or credit obtained in terms of any form of “interest-bearing arrangement”.

The Issuer is a South African tax resident and the Notes will constitute an “interest-bearing arrangement”. Accordingly, the interest paid to the Noteholders will be from a South African source and subject to South African income tax unless such interest is exempt from income tax under section 10(1)(h) of the Income Tax Act (see below).

Under section 10(1)(h) of the Income Tax Act interest received by or accruing to a Noteholder who, or which, is not a resident of South Africa during any year of assessment is exempt from income tax, unless:

- (a) that person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the interest is received or accrued by or to that person; or
- (b) the debt from which the interest arises is effectively connected to a permanent establishment of that person in South Africa.

Interest as defined in section 24J of the Income Tax Act (including the premium or discount) may qualify for the exemption under section 10(1)(h) of the Income Tax Act. If a Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, exemption from, or reduction of any South African income tax liability may be available under an applicable double taxation treaty.

Purchasers are advised to consult their own professional advisers as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable double taxation treaty.

Under section 24J of the Income Tax Act, broadly speaking, any discount or premium to the nominal amount of a Note is treated as part of the interest income on the Note. Section 24J of the Income Tax Act deems interest income to accrue to a Noteholder on a day-to-day basis until that Noteholder disposes of the Note. The day-to-day basis accrual is determined by calculating the yield to maturity and applying this rate to the capital involved for the relevant tax period.

To the extent that the disposal of the Note gives rise to an “adjusted gain on transfer or redemption of an instrument” or an “adjusted loss on transfer or redemption of an instrument” (as envisaged in section 24J of the Income Tax Act), the normal principles of capital and revenue are to be applied in determining whether such adjusted gain or adjusted loss should be subject to income tax or capital gains tax in terms of the Income Tax Act.

Section 24JB of the Income Tax Act contains specific provisions relating to the fair value taxation of financial instruments for “covered persons” (as defined in section 24JB of the Income Tax Act). Noteholders should seek advice as to whether this provision may apply to them.

Section 8F of the Income Tax Act applies to “hybrid debt instruments”, and section 8FA of the Income Tax Act applies to “hybrid interest”. Sections 8F and 8FA provides that interest incurred on a hybrid debt instrument and hybrid interest are, for purposes of the Income Tax Act, deemed to be a dividend in specie. If either of these provisions apply, the tax treatment of the interest paid under the Notes will differ from what is set out above and such payments may be subject to dividends tax as a result of the deemed classification as dividends in specie. These provisions apply from 1 April 2014 in respect of amounts incurred on or after this date.

Both sections 8F and 8FA contain an exemption for Tier 2 capital instruments issued by a controlling company of a bank (as contemplated in the regulations issued in terms of section 90 of the Banks Act). The Issuer is a “controlling company” (as defined in section 1 of the Banks Act) and therefore to the extent that the Notes issued qualify as Tier 2 capital instruments (as contemplated in the regulations issued in terms of section 90 of the Banks Act), sections 8F and 8FA will not apply.

Purchasers of Notes are advised to consult their own professional advisers to ascertain whether the abovementioned provisions may apply to them.

Capital Gains Tax

Capital gains and losses of residents of South Africa on the disposal of Notes are subject to capital gains tax, unless the Notes are purchased for re-sale in the short term as part of a scheme of profit making, in which case the proceeds will be subject to income tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes, under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. If the Notes are disposed of or redeemed prior to or on maturity, an “adjusted gain on transfer or redemption of an instrument”, or an “adjusted loss on transfer or redemption of an instrument”, as contemplated in section 24J of the Act, must be calculated. Any such adjusted gain or adjusted loss is deemed to have been incurred or to have accrued in the year of assessment in which the transfer or redemption occurred. The calculation of the adjusted gain or adjusted loss will take into account, inter alia, all interest which has already been deemed to accrue to the Noteholder over the term that the Note has been held by the Noteholder. Under section 24J(4A) of the Income Tax Act, where an adjusted loss on transfer or redemption of an instrument realised by a holder of a Note includes any amount representing interest that has previously been included in the income of the holder, that amount will qualify as a deduction from the income of the holder during the year of assessment in which the transfer or redemption takes place and will not give rise to a capital loss.

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a resident of South Africa unless the Notes disposed of are attributable to a permanent establishment of that person in South Africa.

To the extent that a Noteholder constitutes a “covered person” (as defined in section 24JB of the Income Tax Act) and section 24JB applies to the Notes, the Noteholder will be taxed in accordance with the provisions of section 24JB of the Act and the capital gains tax provisions would not apply.

Purchasers are advised to consult their own professional advisers as to whether a disposal of Notes will result in capital gains tax consequences.

Definition of Interest

The references to “interest” above mean “interest” as understood in South African tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation.

The proposed Financial Transactions Tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has ceased to participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including South Africa) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining “foreign passthru payment”. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Joint Bookrunners have pursuant to a subscription agreement dated 4 December 2025 (the “**Subscription Agreement**”) agreed, subject to the satisfaction of certain conditions, to subscribe for the Notes at 100 per cent. of their principal amount less certain commissions on the principal amount of the Notes. Pursuant to the Subscription Agreement, the Issuer shall reimburse the Joint Bookrunners for certain of their expenses in connection with the issue of the Notes and the Issuer has agreed to indemnify the Joint Bookrunners against certain liabilities, damages, costs, losses or expenses incurred in connection with the issue of the Notes.

The Joint Bookrunners are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of the Notes. In this situation, the issuance of the Notes may not be completed.

United Kingdom

Each Joint Bookrunner has represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act, 2000 (as amended, the “**FSMA**”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to UK Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

United States of America

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Joint Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the Issue Date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or
- (b) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (11) of Article 4(1) of EU MiFID II.

South Africa

Each Joint Bookrunner has severally represented, warranted and agreed that it has not offered and sold, and will not offer or sell any Notes in each case except in accordance with the Exchange Control Regulations, the Companies Act, the Banks Act, FAIS and any other applicable laws and regulations of South Africa in force from time to time.

In particular, each Joint Bookrunner has severally represented, warranted and agreed that it will not make an “*offer to the public*” of Notes as defined in the Companies Act.

This Prospectus does not, nor does it intend to, constitute a Prospectus or a “registered prospectus” (as that term is defined in section 95(1)(k) of the Companies Act) prepared and registered under the Companies Act.

Information made available in this Prospectus should not be considered as “advice” as defined in the Financial Advisory and Intermediary Services Act, 2002.

Hong Kong

Each Joint Bookrunner has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32)) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Joint Bookrunner has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

GENERAL

Each Joint Bookrunner has undertaken that it will (to the best of its knowledge and belief) comply in all material respects with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells

or delivers Notes or has in its possession or distributes this Prospectus or any related offering material. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

Neither the Issuer nor the Joint Bookrunners represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 12 November 2024.

Listing of the Notes

2. It is expected that the official listing of the Notes will be granted on or about 9 December 2025. Applications have been made to the FCA for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's main market. The Issuer estimates that the total expenses related to the admission to trading will be £9,080.

Legal and Arbitration Proceedings

3. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.

Significant/Material Change

4. Since 31 December 2024, there has been no material adverse change in the prospects of the Issuer or the Issuer and its Subsidiaries. Since 30 June 2025, there has been no significant change in the financial position or financial performance of the Issuer or the Issuer and its Subsidiaries.

Auditors

5. The Annual Financial Statements were jointly audited without qualification by PwC of 4 Lisbon Lane, Waterfall City, Jukskei View, Johannesburg, South Africa and KPMG of 85 Empire Rd, Parktown, Johannesburg, 2193, South Africa.
6. Both KPMG and PwC are registered with the Independent Regulatory Board for Auditors.

Documents on Display

7. The following documents will be available for inspection on the Issuer's website at <https://www.absa.africa/> for the life of this Prospectus:
 - (a) the constitutive documents of the Issuer;
 - (b) the audited annual consolidated and separate financial statements of the Issuer for the years ended 31 December 2024 and 31 December 2023; and
 - (c) the unaudited interim condensed consolidated and separate financial statements as at and for the six months ended 30 June 2025.

Copies of the following documents may be inspected during normal business hours at the registered office of the Issuer and the Principal Paying Agent (each as set out on the last page of this Prospectus) for the life of this Prospectus:

- (a) the Agency Agreement and the Trust Deed; and
- (b) a copy of this Prospectus.

Yield

8. 6.625% on a semi-annual basis. The yield is calculated at the Issue Date as the yield to the Call Date on the basis of the Issue Price. It is not an indication of future yield.

Codes

9. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS3225241457, the Common Code is 322524145, the FISN Code is ABSA GROUP LIM1/EUR NT 20351110 SU and the CFI code is DBFXFR.

Legal Entity Identifier

10. The Legal Entity Identifier (LEI) code of the Issuer is 2138006IPPRD4N6XLT30.

Joint Bookrunners transacting with the Issuer

11. The Joint Bookrunners and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to members of the Group and their respective affiliates in the ordinary course of business. The Joint Bookrunners have received, or may in the future receive, customary fees and commissions for these transactions. The Joint Bookrunners and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, other members of the Group and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities the Joint Bookrunners and/or their affiliates may make or hold a broad array of investments and actively trade securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such persons would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

For and on behalf of

ABSA GROUP LIMITED

By: 

Name: R.J. van der Heever

Capacity: Treasury Executive

Date: 4 December 2025

By: 

Name: R. Favis

Capacity: Snr long term execution dealer

Date: 4 December 2025

REGISTERED OFFICE OF THE ISSUER

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United Kingdom

REGISTRAR AND TRANSFER AGENT

**The Bank of New York Mellon SA/NV, Dublin
Branch**

The Shipping Office
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