

Absa Group Limited

Pillar 3 Disclosure
31 December 2025



Your story matters



Report overview

The Pillar 3 risk management report for the reporting period ended 31 December 2025 provides the prescribed annual view of Absa Group Limited (the Group) regulatory capital and risk exposures. It complies with:

- The Basel Committee on Banking Supervision (BCBS) Pillar 3 disclosure requirements (Pillar 3 Standard).
- Regulation 43 of the Regulations relating to Banks (Regulations), issued in terms of the Banks Act, 1990 (Act No. 94 of 1990), where not superseded by D10-2025 Directive on Pillar 3 disclosure requirements.

Management and the Group Risk and Capital Management Committee (GRCMC) have reviewed the report. The Board is satisfied that the Group's risk and capital management processes operated effectively for the period under review, and the Group is adequately capitalised and funded to support the execution of its strategy.

The information in this report is unaudited.

Contents

1. Summary of risk profile and RWA	6	5. Market risk	90
1.1 Key performance metrics	6	5.1 Governance	91
1.2 Risks arising from the operating environment	7	5.2 Traded market risk	90
1.3 Overview of RWA	13	5.3 Non-traded market risk	94
1.4 Comparison of modelled and standardised RWA	14		
2. Basis of preparation	19	6. Capital and liquidity risk	98
2.1 Scope of consolidation	19	6.1 Overview of capital and liquidity risk management	98
2.2 Pillar 3 risk management report oversight	19	6.2 Capital risk	102
2.3 Preparation, validation and sign-off	19	6.2.1 Review of current reporting period	102
2.4 Scope of application of Basel measurement	19	6.2.2 Priorities	102
2.5 Accounting policies and valuation methodologies	19	6.2.3 General information about capital risk	103
2.6 Linkages between financial statements and regulatory exposures	20	6.3 Liquidity risk	124
		6.3.1 Review of current reporting period	124
		6.3.2 Priorities	125
		6.3.3 General information about liquidity risk	125
3. Risk management overview	27	7. Operational and resilience risk	135
3.1 Risk management approach	27	7.1 Review of current reporting period	135
3.2 Enterprise Risk Management Framework	27	7.2 Priorities	135
3.3 Strategy and risk appetite	28	7.3 General information about operational and resilience risk	135
3.4 Risk process	30	7.4 Qualitative information about operational and resilience risk	139
3.5 Risk architecture	31		
3.6 Principal risks	35		
4. Credit risk	39	8. Model risk	142
4.1 Review of current reporting period	39	8.1 Review of current reporting period	142
4.2 Priorities	39	8.2 Priorities	142
4.3 General information about credit risk	39	8.3 General information about model risk	142
4.4 Credit risk mitigation	46		
4.5 Credit risk under the standardised approach	48	9. Remuneration	145
4.6 Credit risk under the IRB approach	53	9.1 Remuneration policy	146
4.7 Counterparty credit risk	76	9.2 Remuneration awarded during the financial year	148
4.8 Credit valuation adjustment risk (CVA)	82	9.3 Special payments	148
4.9 Securitisation	83	9.4 Deferred remuneration	149
4.10 Equity investment risk	88		
		10. Abbreviations and acronyms	150

BCBS Pillar 3 disclosure requirements of sections and tables

References to disclosure requirements have been designated by [|]

	Page	
KM1	Key metrics (at consolidated Group level)	99
OVA	Group risk management approach	27
OV1	Overview of risk-weighted assets (RWA)	13
CMS1	Comparison of modelled and standardised RWA at risk level	14
CMS2	Comparison of modelled and standardised RWA for credit risk at asset class level	15
LI1	Differences between accounting and regulatory scopes of consolidation and mapping of financial statements with regulatory risk categories	21
LI2	Main sources of differences between regulatory exposure amounts and carrying values in financial statements	23
LIA	Explanations of differences between accounting and regulatory exposure amounts	23
PV1	Prudent valuation adjustments (PVA)	24
ENC	Asset encumbrance	24
CDC	Capital distribution constraints	103
CC1	Composition of regulatory capital (RC)	106
CC2	Reconciliation of RC to balance sheet	112
CCA	Main features of RC instruments and of other total loss-absorbing capacity (TLAC) - eligible instruments	116
CCyB1	Geographical distribution of credit exposures used in the countercyclical buffer	A
LR1	Summary comparison of accounting assets versus leverage ratio exposure measure	121
LR2	Leverage ratio common disclosure template	122
LIQA	Liquidity risk management	125
LIQ1	Liquidity coverage ratio (LCR)	128
LIQ2	Net stable funding ratio (NSFR)	130
CRA	General qualitative information about credit risk	39
CR1	Credit quality of assets	43
CR2	Changes in stock of defaulted loans and debt securities	43
CRB	Additional disclosure related to the credit quality of assets	
	CRB(i) Ageing analysis of accounting past due exposures	42
	CRB(ii) Restructured exposures (impaired versus not impaired)	43
	CRB(iii) Geographical breakdown of impaired exposures	44
	CRB(iv) Industry breakdown of impaired exposures	44
	CRB(v) Residual contractual maturity of exposures	45
CRB-A	Additional disclosure related to prudential treatment of problem assets	42
CRC	Qualitative disclosure requirements related to credit risk mitigation (CRM) techniques	46
CR3	CRM techniques – overview	47
CRD	Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk	48
CR4	Standardised approach – credit risk exposure and CRM effects	49
CR5	Standardised approach – exposures by asset classes and risk weights	49
CRE	Qualitative disclosures related to internal ratings-based (IRB) models	53
CR6	IRB – credit risk exposures by portfolio and probability of default (PD) range	56

A - The Group does not breach the thresholds that attract a CCyB disclosure.

BCBS Pillar 3 disclosure requirements of sections and tables

	Page	
CR7	IRB – effect on RWA of credit derivatives used as CRM techniques	65
CR8	RWA flow statements of credit risk exposures under IRB	65
CR9	IRB – backtesting of PD per portfolio	66
CR10	IRB (specialised lending under the slotting approach)	B
CCRA	Qualitative disclosure related to counterparty credit risk (CCR)	76
CCR1	Analysis of CCR exposure by approach	76
CCR3	Standardised approach of CCR exposures by regulatory portfolio and risk weights	77
CCR4	IRB – CCR exposures by portfolio and PD scale	78
CCR5	Composition of collateral for CCR exposure	80
CCR6	Credit derivatives exposures	81
CCR7	RWA flow statements of CCR exposures under the internal model method (IMM)	B
CCR8	Exposures to central counterparties	81
SECA	Qualitative disclosure requirements related to securitisation exposures	82
SEC1	Securitisation exposures in the banking book	83
SEC2	Securitisation exposures in the trading book	B
SEC3	Securitisation exposures in the banking book and associated RC requirements – bank acting as originator or as sponsor	85
SEC4	Securitisation exposures in the banking book and associated capital requirements – bank acting as investor	86
MRA	General qualitative disclosure requirements related to market risk	91
MR1	Market risk under standardised approach	93
MRB	Qualitative disclosure for banks using the internal models approach (IMA)	B
MR2	Market risk for banks using the IMA	B
MR3	Market risk under the simplified standardised approach	93
IRRBBA	Interest rate risk in the banking book (IRRBB) risk management objectives and policies	94
IRRBB1	Quantitative information on IRRBB	96
CVAA	General qualitative disclosure requirements related to CVA	82
CVA1	The reduced basic approach for CVA (BA-CVA)	B
CVA2	The full basic approach for CVA (BA-CVA)	82
CVAB	Qualitative disclosures for banks using the SA-CVA	B
CVA3	The standardised approach for CVA (SA-CVA)	B
CVA4	RWA flow statements of CVA risk exposures under SA-CVA	B
ORA	General qualitative information on a bank's operational risk framework	135
OR1	Historical losses	139
OR2	Business indicator and subcomponents	140
OR3	Minimum required operational risk capital	140
REMA	Remuneration policy	146
REM1	Remuneration awarded during the financial year	148
REM2	Special payments	148
REM3	Deferred remuneration	149

B Not applicable to the Group.

1. Summary of risk profile and RWA

1.1 Key performance metrics	6
1.2 Risks arising from the operating environment	7
1.3 Overview of RWA	13
1.4 Comparison of modelled and standardised RWA	14

1. Summary of risk profile and RWA

1.1 Key performance metrics

Common equity tier 1 (CET1) ratio¹

12.7%

2024: 12.6%

Economic capital (EC) coverage

1.7%

2024: 1.5%

Leverage ratio¹

7.4%

2024: 7.8%

Liquidity coverage ratio (LCR)²

127.4%

2024: 126.7%

Net stable funding ratio (NSFR)

117.2%

2024: 121.7%

Credit loss ratio (CLR)

0.88%

2024: 1.03%

Stage 3 ratio on gross loans and advances

5.6%

2024: 6.1%

Stage 1 and stage 2 coverage ratio

0.9%

2024: 1.0%

Stage 3 coverage ratio

45.8%

2024: 47.4%

Banking book net interest income (NII) sensitivity for a 2% downward shock in interest rates (Rm) (R2 768m)

2024: (R1 904m)

Operational risk losses

R555m

2024: R417m

Review of current reporting period

- The CET1 capital ratio remains above the top end of the Board target range and well above minimum regulatory requirements.
- The liquidity position remained healthy and liquidity metrics were comfortably within risk appetite and above the minimum regulatory requirement.
- New business performance improved within the Personal and Private Banking (PPB) portfolios resulted in a reduction of the CLR and combined stage 1 and 2 coverage ratio.
- Single name write offs in the Corporate and Investment Banking (CIB) and Business Banking SA (BB) portfolios resulted in a reduction in the stage 3 coverage ratio. Higher legal book debt sales executed in the unsecured lending portfolios during the first half of 2025, has also contributed to the reduced stage 3 coverage metric.
- The Group continued to actively manage interest rate risk within the predetermined risk appetite.
- Operational risk losses for the period were higher than the prior year due to more events experienced.

Priorities

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

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

¹ Includes unappropriated profits.

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

1. Summary of risk profile and RWA

1.2 Risks arising from the operating environment

The Group operates within an increasingly complex and fluid global and domestic environment, characterised by heightened geopolitical fragmentation and tension, shifting policy priorities and persistent macroeconomic uncertainty. These dynamics continue to transmit risk across the financial system through their impact on economic growth, trade flows, capital markets, sovereign risk profiles and investor confidence. Locally, while sentiment has improved, structural constraints and fiscal pressures remain, reinforcing the need for prudent risk management. Against this backdrop, risks arising from the operating environment are inherently interconnected and amplify exposures across the Group’s risk universe.

Global geopolitical volatility and evolving domestic and foreign policy positions have intensified uncertainty, including shifts in approaches to ESG policy and international cooperation. Increased trade disruption, changes to global supply chains and the reduction or reprioritisation of development and aid funding present further risks for the economies in which the Group operates, with potential implications for growth prospects, sovereign balance sheets, currency stability and client resilience. Escalating geopolitical tensions result in uncertainty across markets and impact on trade and asset allocations. These developments heighten country and sovereign risk considerations and may indirectly affect asset quality, capital adequacy and funding conditions. The Group continuously monitors these external drivers and assesses their potential impacts, ensuring that emerging risks are identified early and reflected in forward-looking risk assessments and management actions.

As at 10 March 2026, significant escalation in geopolitical tensions in the Middle East have contributed to heightened global market volatility. The situation remains fluid and the potential impact of these evolving circumstances including the possibility of higher fuel and logistics-related cost pressures, increased inflation uncertainty impacting rates, and periods of foreign exchange and market volatility associated with shifts in global risk sentiment, will be monitored and assessed into the year ahead.

Rapid technological advancement, alongside escalating cyber and fraud threats, continues to reshape the operating environment and risk profile of the financial services sector. At the same time, climate-related risks, evolving stakeholder expectations, regulatory uncertainty and heightened scrutiny of conduct and culture contribute to increased reputational and compliance risk. These factors require a coordinated, enterprise-wide response that recognises the interdependencies between financial and non-financial risks. The Group’s governance structures, risk culture and frameworks support the proactive identification, monitoring and mitigation of these risks, ensuring alignment between strategy, risk appetite and objectives.

Stress testing and scenario analysis remain central to the Group’s approach to assessing operating environment risks, enabling the assessment of plausible adverse outcomes and the evaluation of balance sheet, capital and liquidity resilience under a range of macroeconomic, geopolitical and climate-related scenarios. Insights from these exercises inform risk appetite calibration and capital and liquidity planning, while reinforcing awareness of risk interconnectivity across the organisation. Mitigating actions are tracked and reviewed through established governance forums to ensure their ongoing effectiveness as conditions evolve.

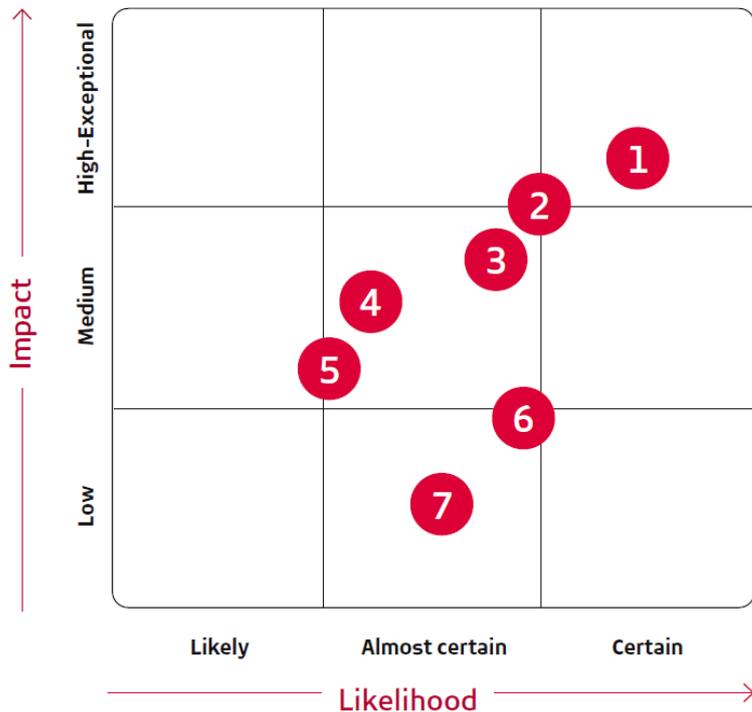
Through disciplined governance, a robust Enterprise Risk Management Framework and a strong risk culture embedded across all lines of defence, the Group remains focused on maintaining safety and soundness in a volatile environment. Continuous environmental scanning, structured escalation and active management of emerging risks support the Group’s ability to adapt to change, protect value and pursue sustainable growth while meeting stakeholder and regulatory expectations.

The Group’s current and emerging risks arising from the operating environment have remained broadly unchanged and are detailed below¹:

¹ Reflects risks that have a material impact identified through a prioritisation exercise, based on their estimated impact and likelihood. The Group continually monitors and assesses other risks for their potential impact across the value chain. The impact of these risks are assessed on an inherent risk basis and do not consider mitigating actions in the heatmap.

1. Summary of risk profile and RWA

Risk exposure heatmap



Current and emerging risks	Risk trend
1 Geopolitical and economic shifts	↑
2 Sovereign risk	⊖
3 Consumer stress	⊖
4 Operational resilience pressure	⊖
5 Business risks	⊖
6 Regulatory landscape	⊖
7 Environmental and sustainability risks	⊖

Changes compared to FY 2024 reporting

- ↑ Elevated risk exposure
- ↓ Reduced risk exposure
- ⊖ Stable risk exposure

Geopolitical and economic shifts

Risk trends
Elevated risk

Description

Escalating geopolitical fragmentation, trade and sanctions volatility, and shifting global alliances and tensions are structurally increasing uncertainty in capital flows, asset allocation trends, payment systems, funding costs and compliance obligations.

Mitigation and opportunities

- Seek strategic diversification including capital allocation strategies, representative offices in trading corridors and non-presence countries, currency exposure, customer offerings and selective industry growth.
- Engage clients to assess exposure to geopolitical shifts with support for customers in localisation trends.
- Monitor specific industries and clients with regards to sanctions risks.
- Perform stress testing and scenario analysis of potential impacts to guide management actions.
- Develop new and continue monitoring existing early warning indicators to manage risk appetite utilisation.
- Sustain portfolio management to scrutinise for various types of concentrations and other buildup of risk.

Sovereign risk

Risk trends
Stable risk

Description

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

Mitigation and opportunities

- Manage sovereign risks and concentrations within the regulatory constructs, including timely re-entry and risk appetite adjustments where necessary.
- Maintain cross border risk management focusing on mitigating FX risk for presence and non-presence countries.
- Manage geographical concentrations and interconnectedness.

1. Summary of risk profile and RWA

Consumer stress

Risk trends



Stable risk

Description

Ongoing economic fragility, combined with persistent cost-of-living inflation, currency fluctuations, and high unemployment, is expected to continue straining consumers and SMEs, delaying a full recovery.

Mitigation and opportunities

- Manage credit risk proactively across all portfolios using the tools available.
 - Active risk and return management in new business written and customers onboarded to support sustainable growth.
 - Timely identification and escalation of distressed accounts.
 - Provide consumer support through debt reviews and forbearance offerings.
 - Maintain collections capabilities and capacity.
- Monitor for and manage concentration build-up in key sectors.

Operational resilience pressure

Risk trends



Stable risk

Description

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

Mitigation and opportunities

- Maintain high stability of the technology estate to minimise incidents impacting customers and operational effectiveness.
- Invest in security platforms, critical processes resilience and third-party risk management tools, and continuously evolve controls.
- Interconnect the cyber, financial crime and fraud operations to enhance economic crime defenses.
- Maintain robust cyber security through successful testing.
- Maintain business continuity capability and crisis management scenario planning and testing.

Business risks

Risk trends



Stable risk

Description

Strategy execution impacted by volatile operating conditions, digital disruption, and evolving customer needs.

Mitigation and opportunities

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

Regulatory landscape

Risk trends



Stable risk

Description

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

Mitigation and opportunities

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

1. Summary of risk profile and RWA

Environmental and sustainability risks

Risk trends

Stable risk



Description

Climate change and ESG pressures could increasingly reshape strategy, customer offerings, capital flows, while impacting on disclosure requirements due to evolving regulatory scrutiny and heightening reputational risks.

Mitigation and opportunities

- Reduce the Group's operational emissions in line with its 2030 environmental action plan and set targets.
- Increase knowledge and build expertise to support customers and the Group to mitigate environmental risks and optimise opportunities.
 - Embed processes to encourage customers to pragmatically adopt business strategies and practices that align with sustainability practices.
 - Embed centralised and automated ESG data platform to improve data traceability, transparency, and auditability across reporting and decision-making processes.
 - Enhance client due diligence process to include climate related physical and transition risk.
 - Strengthen climate resilience through scenario analysis, stress testing and climate risk measurement.
- Continue to engage with civil societies, shareholder activists and development finance institutions.

The below section provides more detail to the table above, including potential impacts on the Group and guidance on whether the impact is expected in the short-term (0 – 2 years), medium-term (3 - 5 years) or long-term (greater than 5 years).

Geopolitical and economic shifts

Geopolitical and economic uncertainty remains elevated in 2026, reflecting a more fragmented global environment characterised by heightened geopolitical tension, political influence on trade, capital flows, and policy decisions. The Group's operations across Africa are exposed to global and regional macroeconomic, market, and geopolitical developments that may adversely affect financial performance, asset quality, funding availability and costs, and growth prospects.

Persistent geopolitical tensions, trade policy uncertainty, sanctions risk, and strained diplomatic and trade relations between South Africa and the United States increase the probability of tariffs, export controls, and non-tariff barriers affecting key trade corridors over the short- to medium-term. These developments may weaken export performance, reduce foreign currency earnings, and increase earnings volatility in trade-exposed sectors. This impacts the Group primarily through deteriorating borrower cash flows, weaker collateral values, and higher probability of consumer default, particularly within export-oriented, manufacturing, logistics, and commodity-linked portfolios.

At a macroeconomic level, heightened policy uncertainty and geopolitical fragmentation may contribute to capital flow volatility, exchange rate depreciation, and higher sovereign risk premia in emerging markets. These dynamics may result in tighter domestic financial conditions, higher interest rates, reduced investment appetite, and elevated sovereign and concentration risk exposures. For the Group, this environment may increase funding and hedging costs, constrain cross-border liquidity mobility, and elevate market, credit, and operational risks over the short- to medium-term.

Prolonged geopolitical instability in the short- to medium-term may also necessitate sustained investment in operational resilience, compliance, and risk management capabilities, increasing operating costs and constraining strategic flexibility.

Sovereign Risk

Sovereign risk remains elevated, albeit with stable but slightly improving trend, across the Group's footprint, reflecting high public debt burdens, fiscal fragility, foreign exchange volatility, and exposure to regional and global shocks. These dynamics may manifest through higher sovereign borrowing costs, reduced fiscal flexibility, constrained public investment, and elevated default and devaluation risk. These factors adversely affect macroeconomic stability and credit quality across lending portfolios.

In South Africa, persistent fiscal pressures, elevated debt levels, infrastructure deterioration, and structurally high unemployment continue to limit growth and increase default and concentration risk. Logistical bottlenecks and ageing water and transport infrastructure weigh on key sectors, while increased public expenditure on crisis management may further elevate sovereign indebtedness, which could lead to weaker lending performance and higher impairment risk.

Across Africa Regions (AR), sovereign debt sustainability concerns, fiscal consolidation, subdued economic activity, and climate-related shocks continue to challenge macroeconomic resilience. Election-related uncertainty and potential social unrest may exacerbate operational disruption and credit risk in certain jurisdictions. This may impact the Group through weaker borrower resilience, elevated default rates, higher impairment charges, and increased exposure to the domestic bank-sovereign nexus.

While regional resilience has benefited from strengthened policy frameworks, improved external balances, and favourable commodity dynamics in some markets, risks remain uneven in the short-term. Improved credit outlooks in Kenya and Ghana partially offset regional pressures, while heightened fiscal stress in Mozambique increases vulnerability. Tight external financing conditions and elevated domestic borrowing costs amplify transmission risk, requiring continued proactive sovereign risk management.

1. Summary of risk profile and RWA

Consumer stress

Household financial conditions remain fragile across several markets, despite easing inflation and partial monetary policy accommodation in some jurisdictions. High unemployment, elevated living costs, and constrained fiscal support contribute to a gradual and uneven recovery in household balance sheets. Geopolitical and trade-related uncertainty further exacerbates consumer vulnerability through price volatility, weaker employment growth in trade-exposed sectors, and subdued confidence.

Reduced disposable income, elevated debt-servicing burdens, rising delinquency and default rates, and weaker demand for credit and transactional banking services from consumers may negatively impact on the Group and improvements in the economy may see lagging improvements for some consumers. Exchange rate volatility linked to capital flow movements and policy uncertainty may raise imported inflation, particularly for food and fuel, slowing real income recovery. This may slow household balance sheet repair, particularly for highly leveraged and lower-income borrowers, and increase impairment risk within retail portfolios.

Trade disruptions, tariffs, or export controls affecting South Africa and AR markets may reduce earnings and employment in export-oriented industries, further feeding into household, SME and corporate credit stress. Fiscal consolidation and sovereign debt pressures in certain AR markets may weaken household finances through reduced public spending, higher taxes, or administered price increases, reducing transactional activity and increasing default risk.

Operational resilience pressure

Operational and resilience risks remain elevated due to economic stress, geopolitical instability, technological change, and increasing reliance on digital infrastructure. Key outcomes from these risks for the Group include business disruption, economic crime, increased remediation and compliance costs, control failures, and reputational damage.

The frequency and sophistication of fraud, financial crime, and cyber threats continue to rise, including AI-enabled fraud, impersonation, deepfakes, and social engineering attacks. Emerging risks associated with autonomous and agentic AI systems increase the potential for control breaches if appropriate controls are not in place. These risks may result in financial loss, customer harm, regulatory sanctions, and erosion of trust, necessitating sustained investment in cybersecurity, fraud prevention, monitoring, and governance frameworks.

Data security risk is increasing due to expanded digitalisation, system complexity, and reliance on third-party service providers. Data breaches, whether internal or supplier-related, may result in regulatory penalties, litigation, remediation costs, and reputational harm. Large-scale technology transformation programmes elevate execution and change-management risk if not effectively controlled. Over the longer term, advances in AI and quantum computing may pose a threat to existing encryption standards, requiring forward-looking investment in cryptographic resilience.

Infrastructure dependencies remain a material operational risk. While power availability in South Africa has improved, ongoing weaknesses in water, logistics, and municipal services continue to disrupt client activity and operations. Climate-related physical risks, including floods, droughts, and severe weather, may disrupt infrastructure availability, business continuity and increase credit and insurance losses.

People risk remains elevated due to competition for scarce skills (particularly in technology, cybersecurity, data, and risk disciplines) and ongoing change. Skills shortages, attrition, and capacity constraints may weaken control environments and delay strategic execution.

Business risks

The competitive environment facing the Group continues to evolve rapidly, driven by digital disruption, technological innovation, and changing customer expectations across African markets. Competitive pressure from fintechs, digital banks, telecommunications-led financial platforms, and global technology firms is intensifying in the short- to medium-term. These competitors often operate with lower cost bases, agile operating models, digital propositions and reduced regulatory demands, which may place pressure on the Group's revenue growth, pricing power, and market share.

Failure to respond effectively to these dynamics may lead to reduced customer acquisition and retention, declining transaction volumes, and margin compression, directly affecting earnings in the short- to medium-term. Increased investment requirements to modernise platforms, enhance digital capabilities, and improve customer experience may elevate cost-to-income ratios in the short- to medium-term, particularly if benefits are delayed or execution is sub-optimal.

Shifts toward real-time payments, open banking, and cross-border digital platforms create both opportunity and execution risk. While these trends may support growth and financial inclusion over the medium-term, delays, system instability, or inadequate risk controls could result in service disruptions, fraud losses, or reputational damage. Over the longer term, failure to adapt to structural changes in how customers access and use financial services could weaken Absa's competitive positioning and constrain sustainable growth.

Regulatory landscape

The regulatory environment across the Group's operating markets remains complex and demanding, with heightened scrutiny in areas including capital adequacy, liquidity, financial crime, conduct, data protection, benchmark reform and environmental, social and governance (ESG) disclosures. Ongoing prudential and resolution regulatory change, enhanced anti-money laundering and counter-terrorist financing requirements, and expanding sustainability-related reporting obligations are expected to increase compliance demands in the short- to medium-term. Benchmark reforms in South Africa include the transition from the Johannesburg Interbank Average Rate (JIBAR) to South African Rand Overnight Index Average (ZARONIA) in the short-term, while the SARB has begun engagements around the removal of the Prime rate which could significantly impact retail customers in the medium-term.



1. Summary of risk profile and RWA

Regulatory change may require material investment in systems, processes, data, and skilled resources, increasing operating costs and management complexity. Regulatory divergence across African jurisdictions amplifies this risk by necessitating jurisdiction-specific solutions, limiting standardisation, and increasing the likelihood of inconsistent implementation. Failure to comply with evolving requirements could result in supervisory findings, fines, remediation costs, restrictions on business activity, or reputational damage.

Rapid regulatory change also introduces strategic risk. New rules or supervisory expectations may affect product design, pricing, capital allocation and risk appetite, potentially constraining growth or reducing returns on certain activities. Over the longer term, sustained regulatory tightening or misalignment between jurisdictions could reduce business model flexibility and require structural adjustments to the Group’s operating model. Proactive engagement with regulators and industry bodies remains critical to mitigating these risks and supporting financial system stability.

Environmental risks

Environmental risks represent a growing source of financial and operational risk for the Group over the short-, medium-, and long-term. As the latest science and policy continue to evolve, a broader range of environmental factors - beyond climate change, including biodiversity, nature and water – are becoming important to monitor and integrate into risk management. Physical climate risks are already evident across many African markets, with increasing frequency and severity of droughts, floods, storms, and climate variability linked to El Niño and La Niña cycles.

Physical climate events may disrupt client operations, reduce agricultural yields, damage assets used as collateral, and impair household incomes, increasing credit default risk and insurance claims in the short- to medium-term and are expected to increase in impact into the long-term. Operationally, climate-related disruptions to power, water, transport, and telecommunications infrastructure may affect the Group’s service delivery and increase business continuity costs.

Transition risks are expected to intensify over the medium- to long-term as climate policies, carbon pricing mechanisms, and sustainability standards evolve unevenly across jurisdictions. Carbon border measures, environmental regulation, and shifting investor and customer expectations may raise costs for carbon-intensive sectors, weakening borrower cash flows and increasing impairment risk. Trade-related climate measures could also affect export competitiveness in certain African economies.

The Group faces increasing pressure from regulators, investors, and stakeholders to demonstrate credible integration of environmental risk into strategy, risk management, and disclosures. Failure to meet these expectations could transmit through reputational damage, reduced access to funding, higher compliance costs, and potential loss of investor confidence. Enhanced ESG disclosure requirements also increase data, governance, and skills demands. Overstated sustainability claims may expose the Group to greenwashing risk and reputational harm. Over the long-term, effectively managing environmental risk will be critical to supporting portfolio resilience, sustainable growth, and stakeholder trust.

1. Summary of risk profile and RWA

1.3 Overview of RWA [ov.1]

The following table provides the RWA per risk type and the associated minimum capital requirements. Additional quantitative and qualitative disclosures for each risk type, namely credit, counterparty credit, equity investment, securitisation, traded market and operational, are included in the sections that follow.

	Group			Bank ¹		
	a	b	c	a	b	c
	31 December 2025	30 September 2025	31 December 2025	31 December 2025	30 September 2025	31 December 2025
	RWA Rm	RWA Rm	MCR ² Rm	RWA Rm	RWA Rm	MCR ² Rm
1 Credit risk (excluding CCR)	885 717	870 092	110 715	568 689	552 643	71 087
2 Of which: standardised approach (SA)	304 858	303 382	38 107	1 422	1 149	178
3 Of which: foundation internal ratings-based (FIRB) approach	124 317	122 238	15 540	124 173	121 815	15 522
4 Of which: supervisory slotting approach	-	-	-	-	-	-
5 Of which: advanced internal ratings based (AIRB) approach	456 542	444 472	57 068	443 094	429 679	55 387
6 CCR	31 175	41 429	3 897	26 572	22 471	3 322
7 Of which: standardised approach for CCR (SA-CCR)	29 363	40 095	3 670	24 760	21 138	3 095
8 Of which: internal model method (IMM)	-	-	-	-	-	-
9 Of which: other CCR ³	1 812	1 333	227	1 812	1 333	227
10 Credit valuation adjustment (CVA)	13 210	11 014	1 651	11 630	10 137	1 454
11 Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period	5 896	4 366	737	4 155	2 353	519
12 Equity investments in funds – look-through approach	1 704	1 728	213	1 488	1 358	186
13 Equity investments in funds – mandate-based approach	2 695	2 280	337	2 695	2 280	337
14 Equity investments in funds – fall-back approach	441	427	55	393	376	49
15 Settlement risk	1 396	1 198	175	1 341	1 138	168
16 Securitisation exposures in banking book	122	118	15	122	118	15
17 Of which: securitisation IRB ratings-based approach (SEC-IRBA)	-	-	-	-	-	-
18 Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-	-	-	-
19 Of which: securitisation SA (SEC-SA)	122	118	15	122	118	15
20 Market risk	61 117	60 741	7 640	32 921	32 263	4 115
21 Of which: SA ⁴	61 117	60 741	7 640	32 921	32 263	4 115
22 Of which: internal model approach (IMA)	-	-	-	-	-	-
23 Capital charge for switch between trading book and banking book	-	-	-	-	-	-
24 Operational risk	177 868	175 652	22 234	112 204	111 609	14 026
Non-customer assets	31 029	29 281	3 879	18 837	17 286	2 355
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	20 257	21 172	2 532	9 305	10 183	1 163
26 Output floor applied (%) ⁵	60%	60%		60%	60%	
27 Floor adjustment (before application of transitional cap)	-	-		-	-	
28 Floor adjustment (after application of transitional cap)	-	-		-	-	
29 Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28+non-customer assets)	1 232 627	1 219 498	154 080	790 352	764 215	98 796

Group RWAs increased by R13.1bn (Bank increased by R26.1bn) from September 2025 to December 2025, reflecting portfolio movements:

- Group credit risk RWA, including CCR, increased by R5.4bn (Bank increased by R20.1bn) due to portfolio growth. Growth in Bank was driven by new loan disbursements to corporate clients, emerging market banks together with retail book growth. This was partially offset by lower RWA for non-performing loans. Across AR markets, primary credit risk RWA for wholesale and retail asset classes was largely unchanged with a reduction in counterparty credit risk RWA due to lower SFT exposures across AR markets.
- Group equity risk RWA increased by R1.9bn (Bank increased by R2.4bn) due to upward valuation adjustments for unlisted equity investments and investments in funds, together with the reclassification of a significant minority investment to an unlisted equity.

¹ Absa Bank Limited includes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings.

² The 2025 minimum total regulatory capital adequacy requirement of 12.5% includes the capital conservation buffer, Pillar 2A and the D-SIB add-on but excludes the bank specific individual capital requirement (Pillar 2B add-on) as required by regulatory guidance.

³ Includes RWAs relating to CCPs.

⁴ Includes RWAs under the simplified standardised approach.

⁵ Per Circular 4 of 2025, the output floor will be phased-in as follows: 60.0% in 2025, 65.0% in 2026, 70.0% in 2027 and 72.5% in 2028.

1. Summary of risk profile and RWA

- Group CVA RWA increased by R2.2bn (Bank increased by R1.5bn) due to an increase in exposure across multiple asset classes in South Africa and AR.
- Group market risk RWA increased by R0.4bn due to a change in risk positioning. The increase in RWA of R0.7bn for Bank was driven by higher net received ZAR risk exposures supported by a declining interest rate environment and dollar weakness.
- Group operational risk RWA increased by R2.2bn due to an increase in the average gross income floor. The increase in RWA of R0.6bn for Bank was due to an increase in the business indicator, which exceeds the gross income floor.

1.4 Comparison of modelled and standardised RWA

1.4.1 Comparison of modelled and standardised RWA at risk level for consolidated Group [CMS1]

Group	31 December 2025			
	a	b	c	d
	RWA			
	RWA for modelled approaches that banks have supervisory approval to use Rm	RWA for portfolios where standardised approaches are used Rm	Total Actual RWA (a + b) (ie RWA which banks report as current requirements) Rm	RWA calculated using full standardised approach (ie used in the base of the output floor) Rm
1 Credit risk (excluding counterparty credit risk)	580 859	304 858	885 717	1 284 626
2 Counterparty credit risk	26 572	4 603	31 175	53 104
3 Credit valuation adjustment		13 210	13 210	13 210
4 Securitisation exposures in the banking book	-	122	122	122
5 Market risk	-	61 117	61 117	61 117
6 Operational risk		177 868	177 868	177 868
7 Residual RWA		63 418	63 418	63 418
8 Total	607 431	625 196	1 232 627	1 653 465

Group	30 September 2025			
	a	b	c	d
	RWA			
	RWA for modelled approaches that banks have supervisory approval to use Rm	RWA for portfolios where standardised approaches are used Rm	Total Actual RWA (a + b) (ie RWA which banks report as current requirements) Rm	RWA calculated using full standardised approach (ie used in the base of the output floor) Rm
1 Credit risk (excluding counterparty credit risk)	566 710	303 382	870 092	1 252 110
2 Counterparty credit risk	22 472	18 957	41 429	66 213
3 Credit valuation adjustment		11 014	11 014	11 014
4 Securitisation exposures in the banking book	-	118	118	118
5 Market risk	-	60 741	60 741	60 741
6 Operational risk		175 652	175 652	175 652
7 Residual RWA		60 452	60 452	60 452
8 Total	589 182	630 316	1 219 498	1 626 300

1. Summary of risk profile and RWA

1.4.2 Comparison of modelled and standardised RWA at risk level for consolidated Bank [cms1]

		a	b	c	d
		31 December 2025			
		RWA			RWA calculated using full standardised approach (ie used in the base of the output floor)
Bank		RWA for modelled approaches that banks have supervisory approval to use Rm	RWA for portfolios where standardised approaches are used Rm	Total Actual RWA (a + b) (ie RWA which banks report as current requirements) Rm	Rm
1	Credit risk (excluding counterparty credit risk)	567 267	1 422	568 689	964 527
2	Counterparty credit risk	26 572	-	26 572	48 501
3	Credit valuation adjustment		11 630	11 630	11 630
4	Securitisation exposures in the banking book	-	122	122	122
5	Market risk	-	32 921	32 921	32 921
6	Operational risk		112 204	112 204	112 204
7	Residual RWA		38 214	38 214	38 214
8	Total	593 839	196 513	790 352	1 208 119

		a	b	c	d
		30 September 2025			
		RWA			RWA calculated using full standardised approach (ie used in the base of the output floor)
Bank		RWA for modelled approaches that banks have supervisory approval to use Rm	RWA for portfolios where standardised approaches are used Rm	Total Actual RWA (a + b) (ie RWA which banks report as current requirements) Rm	Rm
1	Credit risk (excluding counterparty credit risk)	551 494	1 149	552 643	935 239
2	Counterparty credit risk	22 471	-	22 471	47 255
3	Credit valuation adjustment		10 137	10 137	10 137
4	Securitisation exposures in the banking book	-	118	118	118
5	Market risk	-	32 263	32 263	32 263
6	Operational risk		111 609	111 609	111 609
7	Residual RWA		34 974	34 974	34 974
8	Total	573 965	190 250	764 215	1 171 595

The difference between the modelled and standardised (non-modelled) approaches reflects the different methodologies under each framework. The modelled approaches incorporate internal estimates of key risk parameters such as probability of default (PD), LGD, exposure at default (EAD) and maturity, based on historical experience and risk management practices. In contrast, the standardised approach applies regulatory-prescribed parameters and risk weights.

1. Summary of risk profile and RWA

1.4.3 Comparison of modelled and standardised RWA for credit risk at asset class level for consolidated Group [CMS2]

Group	31 December 2025			
	a	b	c	d
	RWA			
	RWA for modelled approaches that banks have supervisory approval to use	RWA for column (a) if re-computed using the standardised approach	Total Actual RWA (ie RWA which banks report as current requirements)	RWA calculated using full standardised approach (i.e. used in the base of the output floor)
	Rm	Rm	Rm	Rm
1 Sovereign	26 563	16 967	130 400	120 804
Of which: categorised as MDB/PSE in SA	12 047	10 971	14 311	13 235
2 Banks and other financial institutions	48 422	81 208	66 530	99 315
3 Equity	-	-	-	-
4 Purchased receivables	-	-	-	-
5 Corporates	227 269	425 549	340 560	538 840
Of which: F-IRB is applied	64 582	148 863	64 582	148 863
Of which: A-IRB is applied	162 686	276 686	162 686	276 686
6 Retail	207 082	310 130	259 292	362 341
Of which: qualifying revolving retail	38 961	47 607	42 215	50 861
Of which: other retail	87 593	112 113	128 608	153 127
Of which: retail residential mortgages	80 528	150 410	88 469	158 353
7 Specialised lending	71 523	145 914	88 935	163 326
Of which: income producing real estate and high volatility commercial real estate	20 850	51 585	29 969	60 704
8 Others	-	-	-	-
9 Total	580 859	979 768	885 717	1 284 626

For Group, credit risk RWA (excluding counterparty credit risk) calculated using the full standardised approach was R398.9bn higher than total credit risk RWA calculated using the current requirements. This difference was driven primarily by higher standardised risk weights applied to performing corporate, financial institution, specialised lending (including income producing real estate and project finance) and retail residential mortgage exposures. This was partially offset by lower credit risk RWA for non-performing corporate and SME corporate exposures under the standardised approach.

1. Summary of risk profile and RWA

1.4.4 Comparison of modelled and standardised RWA for credit risk at asset class level for consolidated Bank [CMS2]

Bank	31 December 2025			
	a	b	c	d
	RWA			
	RWA for modelled approaches that banks have supervisory approval to use	RWA for column (a) if re-computed using the standardised approach	Total Actual RWA (ie RWA which banks report as current requirements)	RWA calculated using full standardised approach (i.e. used in the base of the output floor)
	Rm	Rm	Rm	Rm
1 Sovereign	26 555	16 930	26 555	16 930
Of which: categorised as MDB/PSE in SA	12 047	10 971	12 047	10 971
2 Banks and other financial institutions	47 506	77 462	47 506	77 462
3 Equity	-	-	-	-
4 Purchased receivables	-	-	-	-
5 Corporates	227 219	425 488	227 219	425 488
Of which: F-IRB is applied	64 582	148 863	64 582	148 863
Of which: A-IRB is applied	162 637	276 625	162 637	276 625
6 Retail	194 464	297 311	195 886	298 733
Of which: qualifying revolving retail	26 343	34 787	26 343	34 787
Of which: other retail	87 593	112 113	89 015	113 535
Of which: retail residential mortgages	80 528	150 411	80 528	150 411
7 Specialised lending	71 523	145 914	71 523	145 914
Of which: income producing real estate and high volatility commercial real estate	20 850	51 585	20 850	51 585
8 Others	-	-	-	-
9 Total	567 267	963 105	568 689	964 527

For Bank, credit risk RWA (excluding counterparty credit risk) calculated using the full standardised approach was R395.8bn higher than total credit risk RWA calculated using the current requirements. This difference was driven primarily by higher standardised risk weights applied to performing corporate, financial institution, specialised lending (including income producing real estate and project finance) and retail residential mortgage exposures. This was partially offset by lower credit risk RWA for non-performing corporate and SME corporate exposures under the standardised approach.

2. Basis of preparation

2.1 Scope of consolidation	19
2.2 Pillar 3 risk management report oversight	19
2.3 Preparation, validation and sign-off	19
2.4 Scope of application of Basel measurement	19
2.5 Accounting policies and valuation methodologies	19
2.6 Linkages between financial statements and regulatory exposures	20
2.6.1 Differences between accounting and regulatory scopes of consolidation	21
2.6.2 Main sources of differences between regulatory exposure amounts and carrying values in financial statements	23
2.6.3 Prudent valuation adjustments	24
2.6.4 Asset encumbrance	24

2. Basis of preparation

2.1 Scope of consolidation

The Group's registered head office is in Johannesburg, South Africa and operates in 16 countries. The Group has:

- banks¹ in Botswana, Ghana, Kenya, Mauritius, Mozambique, Seychelles, South Africa, Tanzania (Absa Bank Tanzania and National Bank of Commerce), Uganda and Zambia;
- representative offices in Namibia and Nigeria;
- technology support in the Czech Republic.
- general advisory support in the People's Republic of China; and
- securities entities in the United Kingdom and the United States.

Detail of the legal structure of the Group is available in Note 45 of [the Annual Consolidated and Separate Financial Statements](#).

2.2 Pillar 3 risk management report oversight

The purpose of the Pillar 3 risk management report is to provide a comprehensive view of the Group's RC and risk exposures. It complies with:

- The core principles retained in Regulation 43 (i) of the Regulations relating to Banks (Regulations), issued in terms of the Banks Act, No. 94 of 1990 (Banks Act).
- The Prudential Authority (PA) Directives, including Directive D10-2025 on Pillar 3 disclosure requirements and Directive D1-2024 on Pillar 3 disclosure requirements for interest rate risk in the banking book (IRRBB).

The information in this report is unaudited.

For the reporting period 31 December 2025 (compared with 31 December 2024), the Board is satisfied that the Group's risk and capital management processes operated effectively, that business activities were conducted within the Board-approved risk appetite, and that the Group remains adequately capitalised and funded to support the execution of its strategy.

2.3 Preparation, validation and sign-off

This report was prepared in line with the Board-approved Banks Act Public Disclosure (Pillar 3) Policy. The policy sets out responsibilities in the preparation, validation and sign-off of the report. The Group's risk function centrally reviewed and challenged the disclosures to ensure they are a fair representation of the risk profile. The report was validated and approved through the Group's risk governance channels which include Risk Type Officers (RTOs), the Group Chief Risk Officer (GCRO), Group Treasurer, Group Financial Director, and the Group Risk and Capital Management Committee (GRCCM).

2.4 Scope of application of Basel measurement

The Group applies the following RC demand measurement approaches when determining its Pillar 1 capital requirements:

Risk type	Approach used
Credit risk (South Africa)	
<ul style="list-style-type: none"> • Retail and wholesale credit risk • CCR • CVA • Securities financing • Statutory reserve • Liquid asset portfolio • Equity investment risk in the banking book – listed and unlisted 	<ul style="list-style-type: none"> • AIRB, FIRB • SA-CCR, AIRB and FIRB • SA • Comprehensive approach • SA • AIRB, FIRB • Market-based simple risk weight approach and equity investments in funds applies look-through approach or mandate-based approach or fall-back approach • Pro rata consolidated methodology or the deduction approach
Credit risk (AR)	
<ul style="list-style-type: none"> • All entities and credit risk types 	<ul style="list-style-type: none"> • SA
Market risk (South Africa)	
<ul style="list-style-type: none"> • All market risk types 	<ul style="list-style-type: none"> • SA
Market risk (AR)	
<ul style="list-style-type: none"> • All entities and market risk types 	<ul style="list-style-type: none"> • SSA
Operational and resilience risk	
<ul style="list-style-type: none"> • All entities and operational and resilience risk types 	<ul style="list-style-type: none"> • New standardised approach (NSA)
Other risks	
<ul style="list-style-type: none"> • Non-customer assets 	<ul style="list-style-type: none"> • SA

2.5 Accounting policies and valuation methodologies

The principal accounting policies applied are set out in the Group's most recent audited annual financial statements.

¹ Banks are wholly owned, apart from the following where the Group holds majority stakes: Botswana 67.8%, Kenya 68.5%, Mozambique 98.7%, National Bank of Commerce, Tanzania 55% and Seychelles 99.8%.

2. Basis of preparation

2.6 Linkages between financial statements and regulatory exposures

Where a different treatment is applied for Basel regulatory reporting compared to statutory accounting reporting, the approach is set out below:

Entity	Statutory accounting treatment	Basel III regulatory treatment
Subsidiaries engaged in insurance activities (Absa Financial Services Limited (AFS))	Consolidated	Excluded from the calculation of the capital adequacy ratio
Associates, joint ventures and participation in businesses that are financial in nature	Equity-accounted	Deducted from qualifying capital or proportionately consolidated
Associates, joint ventures and participation in businesses that are not financial in nature	Equity-accounted	Included in equity investment risk capital

Regulatory treatment

Percentage shareholding	Type of entity				International Financial Reporting Standards (IFRS) treatment
	Banking and financial entities	Insurance entities	Commercial entities		
			Standard approach	IRB approach	
<10%	Aggregate of investments are compared to a threshold of 10% of the groups CET1 capital. Amounts above the threshold are deducted from Capital and amounts below are treated as equity investment risk weight – the standard approach (TSA) (100% risk weight) or IRB (300%/400% risk weight).				Treated as financial investment and measured at fair value through profit or loss, or fair value through other comprehensive income.
>10% to <20%	Apply the threshold deduction method: Aggregate of amounts <15% of share capital risk weight at 250%, amounts above the threshold is deducted from CET1.		Treated as equity investment risk (100% risk weight).	Treated as equity investment risk weight of 300% for listed investments and 400% for unlisted investments.	Where the Group has significant influence over that investment, equity accounting is applied unless designated to be measured at fair value through profit or loss (FVTPL).
> 20% to <50%	Other significant shareholder: Proportionally consolidated. No other significant shareholder - Apply the threshold deduction method.	Apply the threshold deduction method to historical cost. Post-acquisition profits excluded.	Individual investments up to 15% of the groups CET1, additional tier 1 capital (AT1) and tier 2 capital (T2) are to be risk weighted at no less than 100%.	Individual investments up to 15% of the groups CET1, AT1 And T2 are to be risk weighted at (300%/400%).	Equity accounting as the group is deemed to have the ability to exercise significant influence or joint control but does not control the entity.
> 50 %	Consolidate	Apply the threshold deduction method to the consolidated net asset value.	Individual investments in excess of 15% of the groups CET1, AT1 and T2 are to be risk weighted at 1250% or the RWA equivalent. Aggregate of investments in excess of 60% of CET1, AT1 and T2 are to be risk weighted at 1250%.	Individual investments in excess of 15% of the groups CET1, AT1 and T2 are to be risk weighted at 1250% or the RWA equivalent.	Consolidate unless there is evidence to indicate that the group does not have control over that investment in which case equity accounting will typically be applied unless designated to be measure at FVTPL in terms of IFRS.

Threshold deduction approach

The threshold deduction approach allows for specified adjustments to receive limited recognition namely significant investments, mortgage servicing rights (MSR) and deferred tax assets (DTA) on temporary differences with recognition capped to 10% of CET1.

2. Basis of preparation

2.6.1 Differences between accounting and regulatory scope of consolidation and mapping of financial statement categories with regulatory risk categories [L11]

The carrying values under the scope of regulatory consolidation below are based on the South African Reserve Bank's (SARB's) regulatory requirements. The financial statement carrying values reflect IFRS requirements.

	a	b	c	d	e	f			g
	31 December 2025								
	Carrying values of items								
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to CCR framework	Subject to securitisation framework	Subject to market risk framework	Equity Investment Risk	Other Assets	Not subject to capital requirements or subject to deduction from capital
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Assets									
Cash, cash balances and balances with central banks	141 415	140 123	2 873	-	-	-	-	137 249	-
Investment securities	268 530	260 360	257 823	-	-	-	2 644	-	-
Trading portfolio assets	287 136	287 136	103 207	73 730	-	253 310	-	-	-
Hedging portfolio assets	709	709	-	709	-	709	-	-	-
Other assets	29 778	29 200	7 958	-	-	-	-	21 242	-
Current tax assets	577	572	572	-	-	-	-	-	-
Non-current assets held for sale	3 753	3 753	-	-	-	-	-	3 753	-
Loans and advances	1 438 559	1 436 776	1 330 823	104 965	1 091	89 042	-	-	-
Insurance contract assets	1 229	-	-	-	-	-	-	-	-
Reinsurance contract assets	525	-	-	-	-	-	-	-	-
Investments linked to investment contracts	27 218	-	-	-	-	-	-	-	-
Investments in associates and joint ventures	2 929	2 929	-	-	-	-	2 458	-	471
Investment property	314	186	-	-	-	-	-	186	-
Property and equipment	16 055	15 881	-	-	-	-	-	15 881	-
Goodwill and intangible assets	14 455	13 591	-	-	-	-	-	-	13 591
Deferred tax assets	6 297	6 125	-	-	-	-	-	-	6 125
Total assets	2 239 479	2 197 341	1 703 256	179 404	1 091	343 061	5 102	178 311	20 187

2. Basis of preparation

a b c d e f g

31 December 2025

	Carrying values of items								
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to CCR framework	Subject to securitisation framework	Subject to market risk framework	Equity investment risk	Other Assets	Not subject to capital requirements or subject to deduction from capital
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Liabilities									
Trading portfolio liabilities	84 533	84 533	-	84 533	-	80 050	-	-	-
Hedging portfolio liabilities	3 196	3 196	-	-	-	3 196	-	-	-
Other liabilities	38 751	37 477	-	-	-	-	-	-	37 477
Provisions	6 818	6 682	-	-	-	-	-	-	6 682
Current tax liabilities	1 946	1 584	-	-	-	-	-	-	1 584
Non-current liabilities held for sale	3 370	3 370	-	-	-	-	-	-	3 370
Deposits and debt funding	1 854 348	1 854 348	-	-	-	106 951	-	-	1 747 397
Liabilities under investment contracts	27 744	-	-	-	-	-	-	-	-
Insurance contract liabilities	4 324	-	-	-	-	-	-	-	-
Reinsurance contract liabilities	249	-	-	-	-	-	-	-	-
Subordinated debt	22 562	22 562	-	-	-	-	-	-	22 562
Deferred tax liabilities	229	216	-	-	-	-	-	-	216
Total liabilities	2 048 070	2 013 968	-	84 533	-	190 197	-	-	1 819 288

Column b: The regulatory scope of consolidation excludes balances related to the Group's insurance entities. The financial statements include these balances.

Columns c to g: The carrying value under regulatory scope of consolidation does not equal the sum of the amounts subject to the different risk framework due to:

- Derivative financial instruments (contained in trading portfolio assets, trading portfolio liabilities and hedging portfolio assets) are subject to RC for both CCR and market risk.
- Reverse repos to non-banks included in loans and advances to customers are subject to RC under the credit and CCR frameworks.
- Reverse repos to banks are included in loans and advances to banks and are subject to RC under the credit and CCR frameworks.

2. Basis of preparation

2.6.2 Main sources of differences between regulatory exposure amounts and carrying values in financial statements [LI2]

		a	b	c	d	e		
		31 December 2025						
		Items subject to						
		Total	Credit risk framework	Securitisation framework	CCR framework	Market risk framework	Equity investment risk	Other assets
		Rm	Rm	Rm	Rm	Rm	Rm	Rm
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	2 197 043	1 703 256	1 091	179 404	343 061	5 573	178 311
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	2 013 968	-	-	84 533	190 197	-	-
3	Total net amount under regulatory scope of consolidation	183 075	1 703 256	1 091	94 871	152 864	5 573	178 311
4	Off-balance sheet amounts	639 061	638 208	-	-		-	853
5	Differences in valuations	(217 995)	(187 377)	-	(30 618)		-	-
6	Differences due to consideration of provisions	(245)	(245)	-	-		-	-
7	Credit conversion factor (CCF)	(472 969)	(472 969)	-	-		-	-
8	Significant investments not subject to RWA	-	-	-	-		-	-
9	Exposure amounts considered for regulatory purposes	130 927	1 680 873	1 091	64 253	152 864	5 573	179 164

The most important drivers of the difference between the carrying value and exposures considered for regulatory purposes are: [LIA]

- Line 4: Pre-CCF off-balance sheet exposures that contribute to the regulatory credit risk framework.
- Line 5: Differences in valuations under the credit risk framework relate to differences in treatment between risk and finance due to eliminations and grossing up of transactions, including netting and valuation effects under the CCR framework as well as valuation effects under the CCR framework.
- Line 6: Differences due to consideration of provisions relate to impairments under the AIRB approach deducted from credit risk framework in table LI1.

The exposure amounts considered for regulatory purposes in table LI2 above correspond to the exposure reported in the following tables:

- Credit risk framework total corresponds to the sum of exposure at default (EAD) post-CRM and CCF in table CR6 on page 56 and exposures post-CCF and CRM in table CR4 on page 49.
- Securitisation framework total corresponds to the sum of securitisation exposures where the Group acted as originator and sponsor in table SEC1 on page 83.
- CCR framework total corresponds to the sum of EAD post-CRM under the different approaches in table CCR1 on page 76.

2. Basis of preparation

2.6.3 Prudent valuation adjustments (PVA) [PV1]

The Group has a robust independent valuation control framework responsible for ensuring positions held at fair value are valued at exit price as evidenced by independent market data and according to IFRS. PVA is the excess of valuation adjustments required to achieve the identified prudent value over and above any adjustments applied under IFRS and recognized in CET1 capital. PVA is calculated using the core approach for CIB SA and Group Treasury within the Bank and the simplified approach is applied to all other balances in the Bank (making up 10% of gross fair value assets and liabilities (FVAL)) and Group subsidiaries. The simplified approach requires banks to set the PVA at 0.1% of the sum of the absolute value FVAL.

The financial instruments which drove the Group's PVA over the period were interest rate derivatives, credit default swaps, foreign exchange, and non-exchange traded bonds.

		a	b	c	d	e	f	g	h
		31 December 2025							
		Equity	Interest rates	FX	Credit	Commodities	Total	Of which: In the trading book	Of which: In the banking book
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Closeout uncertainty of which:	29 408	267 545	-	42 668	-	339 621	247 604	92 017
2	Mid-market value	15 632	168 842	-	3 618	-	188 093	119 501	68 591
3	Closeout cost	13 776	98 703	-	39 050	-	151 529	128 103	23 426
4	Concentration	-	-	-	-	-	-	-	-
5	Early termination	-	-	-	-	-	-	-	-
6	Model risk	-	-	-	-	-	-	-	-
7	Operational risk	-	-	-	-	-	-	-	-
8	Investing and funding cost	-	-	-	-	-	-	-	-
9	Unearned credit spreads	-	-	-	-	-	-	-	-
10	Future administrative costs	-	-	-	-	-	-	-	-
11	Other	-	137 373	-	-	-	137 373	26 327	111 045
12	Total adjustment	29 408	404 918	-	42 668	-	476 994	273 932	203 062

		a	b	c	d	e	f	g	h
		31 December 2024							
		Equity	Interest rates	FX	Credit	Commodities	Total	Of which: In the trading book	Of which: In the banking book
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Closeout uncertainty of which:	10 319	206 361	38	36 691	-	253 409	201 917	51 492
2	Mid-market value	3 081	116 396	38	11	-	119 525	94 633	24 893
3	Closeout cost	7 238	89 965	-	36 680	-	133 884	107 285	26 599
4	Concentration	-	-	-	-	-	-	-	-
5	Early termination	-	-	-	-	-	-	-	-
6	Model risk	-	-	-	-	-	-	-	-
7	Operational risk	-	-	-	-	-	-	-	-
8	Investing and funding cost	-	-	-	-	-	-	-	-
9	Unearned credit spreads	-	-	-	-	-	-	-	-
10	Future administrative costs	-	-	-	-	-	-	-	-
11	Other	-	123 425	-	-	-	123 425	23 455	99 970
12	Total adjustment	10 319	329 786	38	36 691	-	376 834	225 372	151 462

PVA movement was driven by a wider range in market observed swap curve prices relative to the books mid-point, this resulted in a larger mid-market price uncertainty spread.

The amount on line 11 consists of positions where PVA was under the SA, largely in AR.

2. Basis of preparation

2.6.4 Asset encumbrance [ENC]

The table below depicts the carrying amount of encumbered and unencumbered assets:

	a	b	c	d
	31 December 2025			
	Encumbered assets Rm	Central bank facilities Rm	Unencumbered assets Rm	Total Rm
Assets				
Investment securities	21 288	2 093	245 149	268 530
Loans and advances to banks and customers	323	-	1 438 236	1 438 559
Trading portfolio assets	55 582	-	231 554	287 136
Other assets	-	-	245 254	245 254
Total assets	77 193	2 093	2 160 193	2 239 479

	a	b	c	d
	30 June 2025			
	Encumbered assets Rm	Central bank facilities Rm	Unencumbered assets Rm	Total Rm
Assets				
Investment securities	16 293	-	252 299	268 592
Loans and advances to banks and customers	-	-	1 412 147	1 412 147
Trading portfolio assets	48 856	-	202 556	251 412
Other assets	-	-	227 608	227 608
Total assets	65 149	-	2 094 610	2 159 759

Total assets increased, primarily due to loan book growth within the Corporate and Investment Banking (CIB) portfolio, supported by moderate growth across the secured lending portfolios in the Personal and Private Banking (PPB) segment.

The increase in encumbered assets was predominately driven by additional repurchase agreement activity in the CIB portfolio.

3. Risk management overview

3.1 Risk management approach	27
3.2 Enterprise Risk Management Framework	27
3.3 Strategy and risk appetite	28
3.3.1 Strategy, business model and risk appetite	28
3.3.2 Stress testing and scenario planning	30
3.4 Risk process	30
3.5 Risk architecture	31
3.5.1 Risk culture	31
3.5.2 The three lines of defence	32
3.5.3 Governance	33
3.5.4 Combined assurance	34
3.5.5 Frameworks, policies and standards	35
3.5.6 Data	35
3.5.7 Models	36
3.5.8 Technology	36
3.6 Principal risks	35

3. Risk management overview

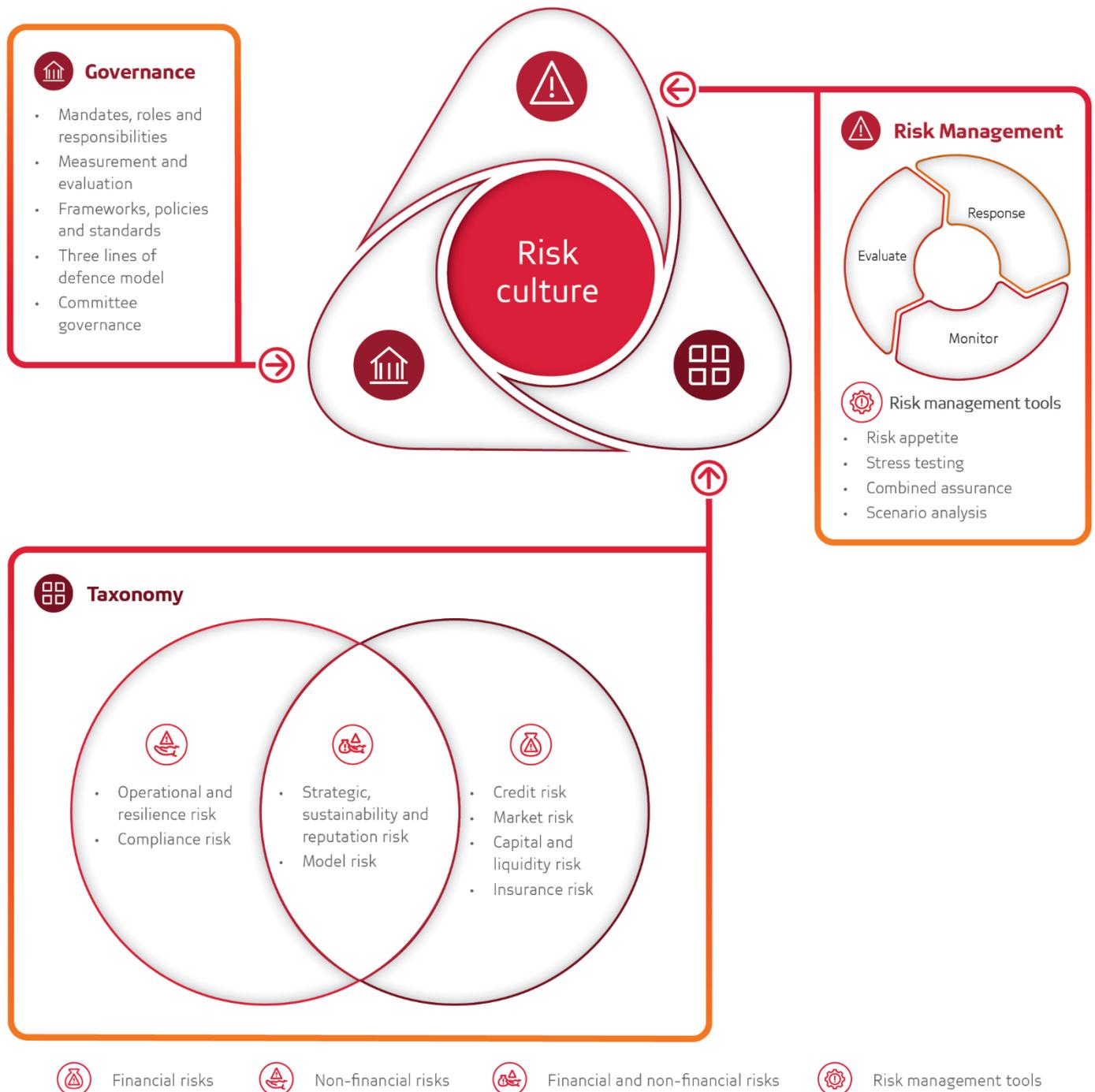
3.1 Risk management approach [ova]

The Group identifies and assesses risks and opportunities arising from its business model and operating environment, including emerging risks. To ensure effective risk management, the Group's consolidated response is monitored as follows:

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

3.2 Enterprise Risk Management Framework (ERMF)

The following graphic is a visual representation of the ERMF:



3. Risk management overview

The role of risk management is to identify, assess, respond to, and monitor risks arising from the execution of the Group’s strategy and business model. The Group’s strategy is supported by an effective ERMF.

The Group’s risk function performs conformance and effectiveness reviews, and challenges the risk profile, crucially retains independence in analysis and decision-making, underpinned by regular reporting to the Executive Committee and the Board. The Group CRO assumes responsibility for the ERMF.

The ERMF:

- Outlines the approach to risk management and provides the basis for setting frameworks, policies, and appropriate risk practices across 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.
- Defines the risk management process, including the activities, tools, techniques, and operating model required to identify, assess, measure, manage, and monitor material risks.
- Ensures appropriate responses are in place to protect the Group and its stakeholders.
- Sets out the principal risks and assigns clear ownership and accountability for these risks.

The principal risks defined in the ERMF reflect their significance to the Group’s business strategy and operating model. These include financial risks (credit, market, capital and liquidity, and insurance), non-financial risks (operational and resilience, and compliance), and risks spanning both financial and non-financial domains (strategic, sustainability, reputation, and model risk).

3.3 Strategy and risk appetite

3.3.1 Strategy, business model and 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 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:

- Specifies the level of risk the Group is willing to take in pursuit of its strategy.
- Considers all principal and material risks individually and, where appropriate, in aggregate.
- Consistently measures, monitors, and communicates the level of risk for different risk types, expressed in qualitative and quantitative terms.
- Describes agreed parameters for the Group’s performance and resilience under varying levels of financial stress and volatility to earnings, capital adequacy, leverage, and liquidity.
- Is considered in key decision-making processes, including business planning, mergers and acquisitions, new product approvals and business change initiatives.

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.

Group quantitative risk appetite metrics for 2025	Description
CET1 capital adequacy ratio (%)	The Group aims to have sufficient capital supply to remain within risk appetite and above minimum regulatory CET1 capital adequacy ratio post-management actions following a severe yet plausible stress.
Leverage ratio (%)	The Group aims to remain within risk appetite and above regulatory minimum leverage ratio post-management actions following a severe yet plausible stress.
EC coverage (multiple)	The Group aims to have sufficient capital supply to remain within risk appetite and maintain an investment-grade credit rating post-management actions following a severe yet plausible stress.
Earnings-at-risk (EaR) (%)	With 90% confidence, the reduction in the Group’s pre-tax earnings will not exceed a predefined level following a severe yet plausible stress.
Liquidity Coverage Ratio (%)	The Group has sufficient high-quality liquid assets (HQLA) to survive a significant stress over a 30-day period.
Net Stable Funding Ratio (%)	The Group maintains a stable funding profile where available stable funding (ASF) is adequate to meet its required stable funding (RSF).

3. Risk management overview

Group qualitative risk appetite statement

The Group's qualitative risk appetite statement provides a high-level perspective on what the Group considers the most important risk themes impacting its aggregate risk profile. It provides guiding principles on the risk that the Group actively seeks, risks that arise from being in business and risks that should be avoided.

Risk theme	Qualitative statement for 2025
Business and strategy	<ul style="list-style-type: none"> Focus risk-taking on activities and business engagements that are core to the business strategy. This includes products, customer segments and geographies as they relate to the Group's deposit-taking, lending, transacting, trading, advisory, insurance and investment businesses. Pursue risk-taking through activities that the Group understands and has the requisite skills and capabilities to manage. Continue to enhance the Group's skills and capabilities in line with emerging opportunities, trends and changing markets. Minimise strategic drift in pursuing business objectives by pro-actively monitoring and responding to material deviations from planned outcomes in a timely manner. This risk appetite statement takes cognisance of the continuous change in the business environment and emerging opportunities. Maintain alignment to strategy while ensuring that the strategy remains supportive of the Group's growth objectives, risk preferences and stakeholder value creation.
People and leadership	<ul style="list-style-type: none"> Recruit, train, develop and retain an appropriate level of skilled and capable human capital in line with an effective operating model design for resourcing, supporting systems, diversity, inclusion and performance. Align remuneration to support the delivery of strategic objectives and the efficient usage of financial resources in accordance with approved risk appetite. The Group has no tolerance for any form of discrimination that is prohibited by law. Leadership to set an example for a high performing and values-based culture in alignment with the Group purpose and Absa's code of ethics. The Group has no tolerance for fraud or any form of dishonesty by its employees and considers such as unacceptable behaviour.
Operational and resilience	<ul style="list-style-type: none"> The Group aims to manage operational risks within tolerances to protect against material loss and/or damage to the Group and its customers and other stakeholders The Group will invest in technology innovation to remain competitive and in pursuit of its digital strategic objectives.
Capital adequacy	<ul style="list-style-type: none"> Maintain capital adequacy at levels that enable the Group to continue doing business under severe yet plausible stress conditions within Board approved risk appetite. Maintain capital levels above minimum regulatory requirements under a very severe stress event. Allocate capital optimally to generate appropriate returns and ensure that the Group does not unduly hold capital in excess of the approved risk appetite.
Funding and liquidity	<ul style="list-style-type: none"> Maintain a healthy liquidity position by holding appropriate buffers of high-quality liquid assets above minimum regulatory requirements. Maintain the tenor composition of assets and liabilities at levels that ensure the sustainability of the Group's funding structure under business as usual and stressed conditions.
Concentrations	<ul style="list-style-type: none"> By implementing a robust framework and tools to assist in concentration risk management, we are dedicated to actively managing the concentrations that arise from structural constraints across the markets in which the Group operates. Conduct risk-taking activities in a manner that diversifies the portfolio across industries, sectors, products, counterparties, maturity, funding base, countries, types of collateral and credit protection providers. Ensure structural concentrations are managed within the approved risk appetite.
Earnings volatility	<ul style="list-style-type: none"> Minimize the impact of unexpected events by actively constructing a diversified portfolio. Maintain a credit portfolio construct that aims to reduce the volatility in earnings resulting from volatility in impairments. Manage risk-taking activities within Board approved volatility bearing capacity of the bank.
Conduct, legal and reputation	<ul style="list-style-type: none"> Uphold the highest standards of customer protection, market integrity, stability, ensure regulatory compliance, constructive relationships with regulators and effective competition. The Group aims to manage reputation risks in a manner that maintains the trust and confidence of our stakeholders, protect our brand and image, and ensure the long-term success and sustainability of our business. Comply, at all times, with regulatory requirements and other laws to which the Group and its subsidiaries are bound.
Sustainability	<ul style="list-style-type: none"> Implement responsible operational and lending practices to effectively manage and report the impact of the Group's direct and indirect impact on the environment, society and geographies we operate in to deliver long-term value for all stakeholders in line with public commitments (UN PRBs) and contractual agreements with funders. Assess the suitability of the Group's products and customer value propositions against changing environmental and social factors to enable the promotion of sustainable and inclusive economic growth, employment, and decent work for all. Work towards the ambition to reach net zero by 2050 through monitoring and managing our scope 1, 2 and 3 emissions and implementing strategies to reduce our footprint. Actively shaping our lending portfolios to support the transition with sectoral targets and limits. Supporting a just transition to a low-carbon economy by investing in sustainable financing and renewable energy and helping our clients reduce their carbon emissions as they transition.

3. Risk management overview

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

3.3.2 Stress testing and scenario planning

Stress testing and scenario planning provides a forward-looking view of financial and non-financial risks under a range of scenarios and sensitivities to estimate the potential impact on the Group, including its subsidiaries, business units or portfolios. Stress testing is an integral part of the Group's risk management and quantification and should alert management to unexpected outcomes arising from either decision made by management or a wide range of external downside/upside factors. Stress testing forms a pillar of the ERMF in that it contributes to risk identification, risk management and risk mitigation on an enterprise-wide basis. The GRCMC maintains ultimate responsibility for the Group's stress testing programme.

The Enterprise Stress Testing Framework defines the objectives of stress testing and supports the key business processes below:

- The identification and quantification of emerging and evolving risks.
- Evaluation of plausible impacts from macroeconomic shifts and other market movements.
- The mitigation of risks through, for example, management actions, the review and challenge of limits, restraining of exposures and/or hedging of underlying risks.
- Risk and portfolio management.
- Risk appetite setting and measurement.
- Evaluation of weaknesses and opportunities in the setting of strategy.
- Integrated financial planning.
- Regulatory stress test requirements.
- Internal capital adequacy assessment process (ICAAP), including capital planning and the setting of capital buffers.
- Internal liquidity adequacy assessment process (ILAAP), including liquidity planning and setting of liquidity buffers.
- The development and review of recovery plans.
- Communication with internal and external stakeholders (inter alia rating agencies and regulators) on the sensitivity of the Group to external events and macroeconomic downturn.

The Group performs comprehensive stress testing to ensure that it remains well capitalised relative to its business activities, the Board's strategic plans, risk appetite, risk profile and the external environment in which it operates.

The Group performs the following types of stress tests:

Type of exercise	Purpose	Scenario type	Approach	Frequency
Narrative stress tests	Evaluates the impact of changing market variables on business decisions (e.g. financial, capital and funding implications).	Based on a range of plausible macroeconomic scenarios ranging from mild to severe yet plausible stresses. It can include an assessment of idiosyncratic and non-financial risk impacts on performance and resilience.	Largely bottom-up approaches, with specific risks being tested through top-down approaches.	Annual
Supervisory stress test	Evaluates the impact of regulator-determined scenarios on key regulatory measures (e.g. capital, liquidity and operational targets).	Based on macroeconomic scenarios provided by regulatory authorities.	The approach taken varies based on regulatory scenarios. However, it is largely a top-down approach focusing mainly on an asset class, legal entity, or Group-wide stress assessment.	As directed by the regulator.
Reverse stress test	Assists the Group in understanding key risks and scenarios that may put the Group's ability to remain adequately capitalised at risk, as well as understanding the effectiveness and credibility of proposed recovery actions.	Reverse stress testing aims to identify a plausible narrative and implications to reach a (normally severe) predefined outcome e.g. invocation of a recovery plan.	Largely top-down approaches used.	Annual
Sensitivity stress test	Typically evaluates sensitivity of a specific risk type, combination of risk types, business unit, portfolio or legal entity to a single shock or multiple shocks.	Typically, a sensitivity stress does not include a narrative or underlying event but rather identified risk factors using different degrees of severity.	Largely top-down approaches used.	Ad hoc
Climate risk stress test and scenario analysis	A forward-looking exercise designed to measure an organisations exposure to climate risks, using scenario analysis to assess the potential impact of climate change on the organisations business model.	Prescribed scenarios published by leading industry standards e.g., Network for Greening the Financial System (NGFS) and the SARB.	A mix of a top-down and bottom-up approaches considering impacts of both physical and transition risk.	Annual

The Group performed the following stress tests during the period:

- The annual reverse stress test was performed to test the vulnerability of the Group's business models to a severe macroeconomic deterioration and internal idiosyncratic factors. The results were used to support the recovery planning review process and indicated that the Group would be able recover in a severe stress.
- The annual enterprise-wide stress test primarily focused on identifying and measuring a severe yet plausible downside scenario relating to worsening geopolitical tensions, failure to implement structural reforms and increased consumer stress on the performance and resilience of the Group's operations.

3. Risk management overview

3.4 Risk process

The risk management process follows a three-step approach, namely evaluate, respond and monitor (the E-R-M process). This enables management to identify and assess risks, determine the appropriate risk response, and then monitor the effectiveness of the risk response and any changes to the risk profile. The analysis is used to promote an efficient and effective approach to risk management.

This three-step risk management process:

- Can be applied to every objective at all levels across the Group, ensuring consistent identification and management of risks arising from the business operations.
- Is embedded in business decision-making processes and supports effective governance oversight.
- Guides the Group's response to changes in the internal and external environment.
- Involves all colleagues and all three lines of defence.

The three-step E-R-M process is employed as follows:

Risk management process	
Evaluate	<p>Risk identification:</p> <ul style="list-style-type: none"> • The E-R-M process begins with a thorough risk identification phase, this encompasses understanding risks related to objectives, utilising methods like emerging risk analysis, horizon scanning, scenario analysis, deep dives, lessons learnt and external data from sources such as operational risk data exchange association (ORX). • Communication and consultation with stakeholders aim to promote awareness and gather feedback for decision-making. • The process defines scope and criteria, customises risk management, considers internal and external factors, and uses various tools like interviews, surveys, workshops, and expert judgement for effective assessment and treatment. <p>Risk assessment:</p> <ul style="list-style-type: none"> • Risk assessments should include top-down and bottom-up assessments as appropriate and should include consistent monitoring of critical processes and controls. • Risks should be consistently assessed, classified and prioritised to facilitate the effective response to both inherent and residual ratings of risks and realised risks. • Analysis includes identifying root causes, underlying sources, and cause and effect relationships. • Relationships, compounding effects, correlations, concentrations and aggregations are investigated. • This phase also involves change-driven and event-centric risk assessments tailored to specific processes. • Finally, risks are ranked, and an overall portfolio view is taken to determine priority.
Respond	<ul style="list-style-type: none"> • In the respond phase of the E-R-M process, Absa actively manages both potential and realised risks through an iterative approach. This involves formulating and selecting risk treatment options that include avoiding, accepting, transferring or mitigating the risk as appropriate, and assessing their effectiveness. • The process includes planning for residual risk, embedding controls into business processes, considering secondary or latent controls for material risks and deploying additional controls for significant risks, and automating where possible, • In response to incidents or errors, a structured issue management approach involves recognition, recording, response, recovery, remediation, and assigning accountability. Actions to limit or prevent these risks follow a structured approach, including identification, recording, execution, monitoring, completion, validation, and transparent communication with stakeholders.
Monitor	<ul style="list-style-type: none"> • In the monitoring phase, the focus is on establishing robust processes to assure and improve design, implementation, and the outcomes of risk management. • Key components include setting up information recording and reporting processes, utilising key performance indicators (KPIs) for focused attention on objectives, and analysing risk profiles and trends with key risk indicators (KRIs). Monitoring ensures that risk profiles align with measures and KRIs, staying within set limits and adapting as circumstances evolve. • Control effectiveness is checked through key control indicators (KCIs), and a combined assurance model is applied for overall assurance in the risk and control environment and includes control assessment, control testing, control reviews, conformance reviews, and thematic reviews and deep dives.

3.5 Risk architecture

3.5.1 Risk culture

Effective risk management goes beyond controls and procedures alone and emphasises the importance of a strong risk culture which is integrated into the Group's overall culture. Risk culture encompasses shared values, beliefs and knowledge, and guides all employees to operate within Absa's risk appetite and align with the Group's strategy in a sustainable way.

The structural components as described in the ERMF are a companion to the behavioural elements of risk culture – together they support the high standards expected of risk management at Absa. The Group is committed to setting the appropriate guardrails to encourage and guide a strong risk culture. In so doing, the Group has a defined set of focus areas, in line with established good practice, as follows:

- Commitment and attitude of senior leadership to risk management and ethical behaviour.
- Robust governance structure in place to manage and monitor risks.
- Fit and proper risk capability that is adequately capacitated.
- Clarity of ownership, roles and responsibilities for risk management.
- Effective risk and compliance training programmes that increase risk awareness and understanding.
- Functional and transparent risk reporting and communication across all levels of the Group.
- Risk considerations that are integrated into strategic and operational decision-making processes, considering defined risk appetite.
- The role of performance and reward management in reinforcing risk culture and ethics, aligned with risk practices that encourage responsible risk-taking.

3. Risk management overview

3.5.2 The three lines of defence

The Group applies a three lines of defence model in support of combined assurance to manage risk across all businesses and functions. The ERMF sets clear roles and responsibilities for each line of defence.

All employees are responsible for managing risk and operating within the Group's risk appetite. Responsibilities are defined by each employee's role in the three lines of defence and are supported by clear governance, escalation, and reporting processes.

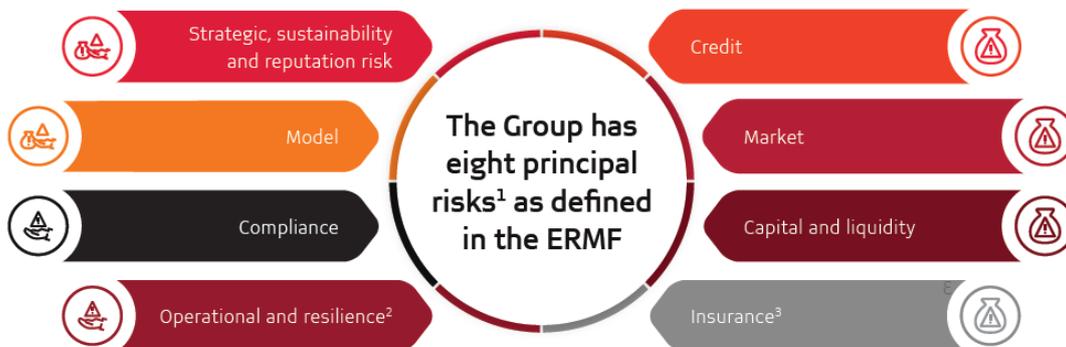
Three lines of defence		
1st line of defence (1LOD)	2nd line of defence (2 LOD)	3rd line of defence (3 LOD)
Business and group functions	Risk and compliance functions	Internal audit and other external assurance providers
<p>Risk ownership and management</p> <ul style="list-style-type: none"> Business units and functions own and manage risk, operate within risk appetite, implement controls, and test their processes to confirm controls are designed and working effectively. 	<p>Risk oversight</p> <ul style="list-style-type: none"> Risk and Compliance guide and oversee risk and compliance activities, perform reviews and control testing, and provide assurance that risks are managed effectively, including directing corrective actions where needed. 	<p>Independent assurance</p> <ul style="list-style-type: none"> Internal Audit provides independent assurance by reviewing policy adherence, testing controls, and assessing the effectiveness of risk management across the first and second lines. External assurance providers, including External Audit and rating agencies, provide independent assurance over key controls, financial reporting, disclosures, and regulatory compliance.
All three lines of defence support a coordinated, effective and efficient control environment.		

3. Risk management overview

3.5.3 Governance

The Group Board is supported by several committees at Board, executive, business and function levels. The diagram below depicts the risk-related committees. AR risk governance structures are compatible with the Group and comply with in-country regulations.

Risk governance structure



Board risk committees

Board committees provide overall group governance oversight and support to all various business areas (including AR)



Executive committees

Executive and Risk Committee provide Group execution oversight and support to all various business areas (including ARO) on behalf of the Group Board and its various subcommittees⁶



- AR has implemented and embedded Group aligned committees across all its countries.
- Each country (or legal entity) has a board and executive committee structure responsible for its routine governance and risk management, with oversight support from AR and Group.



Financial risks



Non-financial risks



Financial and non-financial risks

¹ Each sub-risk is overseen by a Board Committee.

² People risk is overseen by the Social, Sustainability and Ethics Committee and considered as part of the deliberations of the Remuneration Committee.

³ Absa Financial Services Ltd (AFS) is the controlling company of the regulated insurance group. Subsidiaries of AFS are standalone legal entities. AFS and its subsidiaries have their own respective boards and are supported by relevant committee structures and governance requirements. These include the AFS Audit, Risk and Compliance Committee, the AFS Group Actuarial Committee and the AFS Social and Ethics Committee. The Insurance Principal Risk Management Framework is approved annually by the AFS Board, in addition to the Group Risk and Capital Management Committee.

⁴ Group Risk and Capital Management Committee is responsible for portfolio oversight of all risks.

⁵ Elements of reputation risk are considered by this committee.

⁶ This is not an exhausted list of the Group's Exco level committees. Business unit risk committees govern their business' risks end-to-end.

3. Risk management overview

The main risk-related responsibilities of the Board-appointed committees are as follows:

Committees	Key risk focus areas	Principal risk covered
Group Risk and Capital Management Committee (GRCMC)	Risk, risk appetite, all elements of the ERMF, capital, funding and liquidity management.	Full responsibility: <ul style="list-style-type: none"> Market risk Capital and liquidity risk Insurance risk¹ Strategic, sustainability and reputation risk (strategy risk) Operational and resilience risk Monitors: <ul style="list-style-type: none"> Credit risk Model risk Compliance risk Strategic, sustainability and reputation risk (sustainability and reputation risk)
Models Committee (MC)	Approval of material models and model governance oversight.	<ul style="list-style-type: none"> Model risk
Group Audit and Compliance Committee (GACC) (includes Disclosure Committee)	Internal controls, compliance, internal and external audit, accounting and external reporting. Authorise the release of financial results, dividends and profit commentaries.	<ul style="list-style-type: none"> Operational and resilience risk (control environment and financial reporting risk) Compliance risk (financial crime risk)
Group Credit Risk Committee (GCRC)	Approval of large single-name exposures and material country risk limits, credit portfolio oversight, consideration and management of emerging risks and material concentrations.	<ul style="list-style-type: none"> Credit risk
Information Technology Committee (ITC)	IT systems, data, architecture and innovation, resilience and return on investment.	<ul style="list-style-type: none"> Operational and resilience risk (information and cyber risk, technology risk)
Social, Sustainability and Ethics Committee (SSEC)	Conduct, customer, sustainability, stakeholder management, brand, corporate citizenship, ethics, labour, diversity and inclusion, and general human resources and talent management matters.	<ul style="list-style-type: none"> Compliance risk (conduct risk) Strategic, sustainability and reputation risk (sustainability risk) Operational and resilience risk (people risk)
Group Remuneration Committee (RemCo)	Remuneration and incentive arrangements (in particular the short-term and long-term incentives), policy and disclosures, senior management and executive pay, fair and responsible pay.	<ul style="list-style-type: none"> Operational and resilience risk (people risk) Elements of reputation risk
Directors Affairs Committee (DAC)	Corporate governance including composition of Board, induction and director training, succession planning, effectiveness evaluation of the Board, and considering matters of regulatory and reputation risk.	<ul style="list-style-type: none"> Strategic, sustainability and reputation risk (reputation risk)

3.5.4 Combined assurance

The Group adheres to the combined assurance model, as outlined in Principle 15 of the King IV Report on Corporate Governance™ for South Africa, 2016². Combined assurance is a coordinated activity that aligns and integrates assurance work across the Group's three lines of defence. It includes external assurance providers, maintaining segregation of duties, and the effective and efficient management and support the assessment of the Group's control environment. This ensures optimal coverage over the material risks that the Group is exposed to. Combined assurance is integrated to daily business decisions and activities.

Each business is expected to:

- Drive the coordination of assurance activities across the three lines of defence by implementing effective governance and oversight processes.
- Demonstrate adequate risk and control coverage over critical processes, material control issue remediation and strategic change initiatives as requested by senior management, Board and regulatory requests.
- Demonstrate appropriate remedial responses to the identification of unacceptable residual risk exposure and control issues.

Combined assurance coverage, plans and reports are monitored at business and functional levels, and the ERC reports these to the GACC.

¹ Absa Financial Services Ltd (AFS) is the controlling company of the regulated insurance group. Subsidiaries of AFS are standalone legal entities. AFS and its subsidiaries have their own respective boards and are supported by relevant committee structures and governance requirements. These include the AFS Audit, Risk and Compliance Committee, the AFS Group Actuarial Committee and the AFS Social and Ethics Committee. The Insurance Principal Risk Management Framework is approved annually by the AFS Board, in addition to the Group Risk and Capital Management Committee.

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3. Risk management overview

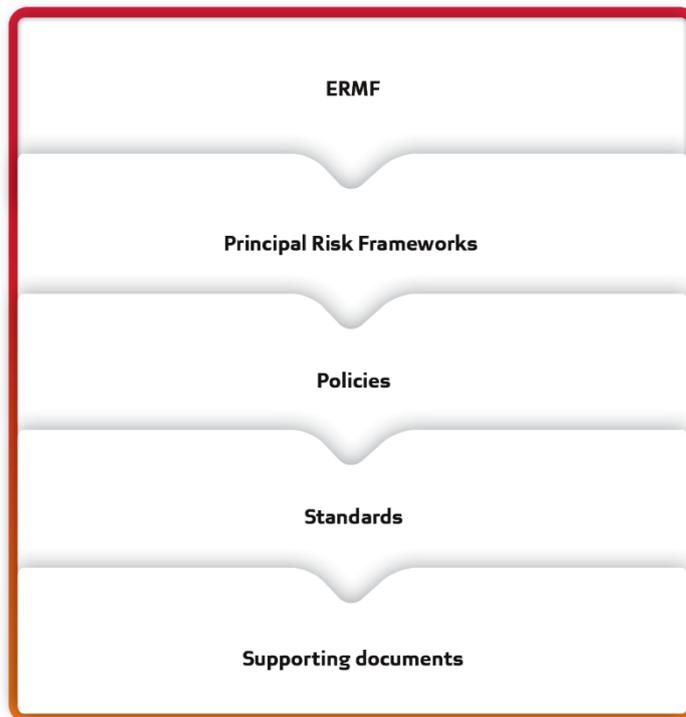
3.5.5 Frameworks, policies and standards

The Group's policy hierarchy delivers a consistent approach across the Group:

- Defining and implementing Group-wide frameworks, policies and standards.
- Limiting variation from Group minimum requirements and policy to circumstances where specific jurisdictional legal or regulatory requirements apply.
- Mandating alignment of governance documentation to the requirements and definitions of the hierarchy.
- The Group's subsidiaries adopt the frameworks, policies and standards as appropriate for their operations and in alignment with local regulations.

This drives consistency and efficiency, and enables enhanced aggregation, risk oversight across the businesses, and improved line of sight to all levels of management.

The hierarchy has five tiers, with each level cascading from the level above. The degree of granularity and specific requirements increases as the levels descend.



- **ERMF and Risk Frameworks:** The ERMF and risk frameworks include risk appetite and stress testing set the Group-wide approach to managing principal risks by defining risk appetite, governance, stress testing expectations, and the risk management strategy, and by identifying principal risks, sub-risks, and the risk and policy taxonomy.
- **Policies:** Policies define sub-risk types, associated risks, control objectives, and key principles, and set out what must be done to manage risk and meet legal and regulatory requirements across the Group.
- **Standards:** Standards define detailed risk and control requirements and explain how policy requirements are implemented, including risk measurement, controls, monitoring, and reporting at entity, business unit, or function level.

Ownership and approval

All frameworks and policies are owned by Group and standards are owned by the business unit or function responsible for performing the described activity.

- Frameworks are approved by the Board or mandated Board sub-committee. Frameworks are reviewed annually.
- Policies are approved by the Executive Risk Committee or in exceptional circumstances approved by the Board subcommittee, including where there is a regulatory or other specific requirement. Policies are reviewed at least once in a three-year cycle, or in response to impacting event or legislations.
- Standards are approved by business and reviewed when there are material changes to the related policy or in response to impacting event or legislation.

3.5.6 Data

3.5.6.1 Risk data

Internal and external data is utilised in meeting regulatory requirements and the management of risk. The Group enters into selected data and analytics partnerships with third parties to enhance and heighten its understanding of customers and the risks faced. Internal data is owned and managed by the respective business units with regular assessment of data quality via their respective risk governance structures. All key datasets are subject to the requirements of the Group's data management risk policy and standards.

3. Risk management overview

3.5.6.2 Risk reporting

The objective of risk reporting is to provide timeous, accurate, comprehensive and useful information to the Board and senior management to facilitate informed decision-making. Board and senior management risk committees determine their requirements in terms of content and frequency of reporting under both normal and stressed conditions. Risk reporting processes flow from the business unit and relevant risk committees to the ERC and thereafter to Board committees. The content and level of aggregation are adjusted to suit the needs of each committee. Risk reports typically contain the following key information:

- Monitoring and management of the risk profile and key risk metrics per risk type against risk appetite and forecasts, including trend analysis.
- Monitoring of emerging risks and changes in the environment with an assessment of the potential impact on the Group.
- Results of stress testing exercises to assess the adequacy of financial resources and the Group's sensitivity to stresses.
- An assessment of the risk governance profile, including an assessment of the degree to which risk frameworks and policies are implemented throughout the Bank and assurance activities.

In 2013, the BCBS published regulations (BCBS 239) pertaining to the principles for risk data aggregation and risk reporting (RDARR). The Group's risk data aggregation capabilities and risk reporting practices are aligned with the principles of BCBS 239.

3.5.7 Models

Model risk is a principal risk to be managed under the ERMF, with specific guidelines set out in the Model Risk Management Framework, model risk appetite statement, Group Model Risk Policy (GMRP) and relevant standards covering model ownership, development, approval, implementation, monitoring and validation.

3.5.8 Technology

Effective enterprise risk management practices rely heavily on technology. To maximize value for business, the Group remains committed to improving the current technology solutions and seeking out cutting-edge tools and technology solutions. The Group's technology landscape encompasses critical functions such as:

- Data collection and analysis.
- Risk analysis and modelling.
- Maintaining a robust minimum control requirements inventory.
- Models for calculating risk and criticality of technology assets.
- Risk assessment, control, and monitoring.

As the technology landscape continues to evolve, the Group recognizes that this has a significant impact on how risks are tracked and managed within the organization. The risk technology capabilities are focused on leveraging the organizations technology landscape which includes big data analytics, cloud computing, enterprise risk management applications, automated control assessments, and parallel processing platforms with the aim of enhancing an integrated view of the entire landscape. By doing so, value can be unlocked and new insights gained that enable the Group to proactively manage its risk landscape.

3.6 Principal risks

The ERMF includes risks taken by the Group that are foreseeable and material enough to merit establishing specific Group-wide control frameworks. These are grouped into eight principal risks¹ that account for most of the total risk faced by the Group.

The Board annually reviews and approves the ERMF on recommendation by the GRCCM. The Group Chief Executive grants authority and responsibility to the GCRO to ensure the principal risks are managed under appropriate risk control frameworks and within the Board-approved risk appetite and risk budget.

Individual events may entail more than one principal risk. For example, internal fraud by a trader may expose the Group to operational and market risks and many aspects of reputational and conduct risks.

Credit, market, capital and liquidity, and insurance are collectively known as financial principal risks. Strategy and sustainability (including reputational) and model risk are known as principal risk types which straddle both financial and non-financial risk. 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.

The GCRO is accountable for ensuring frameworks, policies and associated standards are developed and implemented for each of the principal risks and that they are subject to limits, monitored, reported on and escalated as required. The Chief Compliance Officer is accountable for compliance and reputation risks.

¹ For more information on the eight principal risks, refer to the credit, market, capital and liquidity, operational and resilience and model risks sections. For details on insurance, compliance and strategic, sustainability and reputation risks, refer to the risk management section of [the Financial Results Booklet](#).

3. Risk management overview



4. Credit risk

4.1 Review of current reporting period	39
4.2 Priorities	39
4.3 General information about credit risk	39
4.3.1 Risk identification and risk management	40
4.3.2 Governance	40
4.3.3 Reporting	41
4.3.4 Credit quality of assets	41
4.3.5 Measuring and the management of credit concentrations	46
4.4 Credit risk mitigation	46
4.4.1 Valuation of collateral	47
4.4.2 Types of guarantor and credit derivative counterparties	47
4.5 Credit risk under the SA	48
4.6 Credit risk under the IRB approach	53
4.7 Counterparty credit risk	76
4.8 Credit valuation adjustment risk	82
4.8.1 General information about CVA	82
4.8.2 The Groups approach to CVA	82
4.9 Securitisation	83
4.10 Equity investment risk	88

4. 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. [CRA]

4.1 Review of current reporting period

Key risk metrics	31 December 2025	31 December 2024 ¹
CLR (%)	0.88	1.03
Stage 3 ratio on gross loans and advances (%)	5.6	6.1
Stage 3 coverage ratio (%)	45.8	47.4
Stage 1 and stage 2 coverage ratio (%)	0.9	1.0
Total coverage ratio (%)	3.7	4.1
Performing book weighted average probability of default (PD) (%) ²	2.0	2.2
Weighted average loss given default (LGD) (%) ²	30.0	27.7
Credit risk economic capital (EC) (Rbn) ³	69.6	78.5
Total credit RWA (Rbn)	941.0	887.8
Primary credit risk RWA (Rbn) ⁴	885.9	846.7
Counterparty credit risk (CCR) RWA (Rbn)	31.2	21.4
Credit valuation adjustment (CVA) RWA (Rbn)	13.2	10.4
Equity risk RWA (Rbn)	10.7	9.3

- Gross loans and advances increased to R1 489bn (31 December 2024: R1 403bn) primarily due to loan book growth within the Corporate and Investment Banking (CIB) portfolio. This was supported by moderate growth across the secured lending portfolios in the Personal and Private Banking (PPB) segment.
- The CLR decreased to 0.88% (31 December 2024: 1.03%) and was within the Group's through-the-cycle (TTC) target range of 75bps to 100bps. This was primarily driven by improved new business performance across the PPB portfolios following the implementation of risk mitigation strategies, coupled with a strategic focus on acquiring lower-risk and more affluent customers in the unsecured lending portfolio. Enhanced collections initiatives, revised credit policies and an exit from higher-risk segments in the vehicle and asset finance portfolio also contributed to the increased lower risk customer bookings and improved delinquency structure. Late cycle pressures, primarily from 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 favourably influenced the portfolio construct of the performing book across the PPB segments. This was the primary driver in the Group's improved combined stage 1 and 2 coverage ratio, which reduced by 10 basis points to 0.9%.
- 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. 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 coverage were written off in the CIB and Business Banking SA portfolios and resulted in a reduction of stage 3 coverages. Higher legal book debt sales executed in the unsecured lending portfolios during the first half of 2025 also contributed to the reduced stage 3 coverage.
- Credit risk EC decreased primarily driven by risk measurement precision initiatives.
- Primary credit risk RWA increased due to balance sheet growth in South Africa, changes in portfolio mix, single name defaults and higher retail RWA for non-performing loans. The implementation of the Basel III finalisation resulted in a limited net increase in primary credit risk RWA, with higher RWA in South Africa due to the application of Foundation Internal Ratings Based Approach (FIRB) LGD parameters for some asset classes, largely offset by a net reduction in RWA across AR markets.
- The application of the FIRB approach resulted in an increase to the weighted average LGD due to the changes to prescribed parameter floors in the Basel III finalisation regulations.
- CCR RWA increased due to mark-to-market movements on foreign exchange and interest rate derivatives together with changes in portfolio mix.
- CVA RWA increased due to higher EAD due to dollar weakness and increased client trading activity. The change in CVA methodology was not a material driver of the movement, as the BA CVA approach remains largely aligned with the current model, with only a marginal capital benefit from the recognition of eligible CVA hedges.
- Equity risk RWA increased due to upward valuation adjustments for unlisted equity investments and investments in funds, together with the reclassification of a significant minority investment to an unlisted equity.

4.2 Priorities

- Manage the aggregate credit risk profile and performance against the Group's strategy and risk appetite.
- Monitor changes in the global macroeconomic, political and regulatory environments to identify and manage risks at an early stage.
- Model and consider the potential impact of these and other events in a comprehensive stress testing framework.

¹ The December 2024 figures were revised to align with the final regulatory submissions.

² The percentages include only portfolios subject to the internal ratings-based (IRB) approaches.

³ Credit risk EC includes equity risk, CCR, credit valuation adjustment (CVA) and securitisation.

⁴ Primary credit risk RWA includes credit risk (excluding CCR) and securitisation exposures in the banking book.

4. Credit risk

- Position and manage the credit portfolio to mitigate the impact of heightened macroeconomic, and sovereign risks in the markets in which the Group operates.
- Manage concentration risk at origination to mitigate risk in line with the Group’s concentration risk framework.
- Manage legacy distressed names to maximise recovery rates.
- Selectively invest in collections capabilities to effectively manage credit risk as it evolves.
- Continue to refine and enhance processes and portfolio management activities following the implementation of the Basel III finalisation.
- Address the credit risk financial implications of the BCBS’s principles for the effective management and supervision of climate-related financial risks.

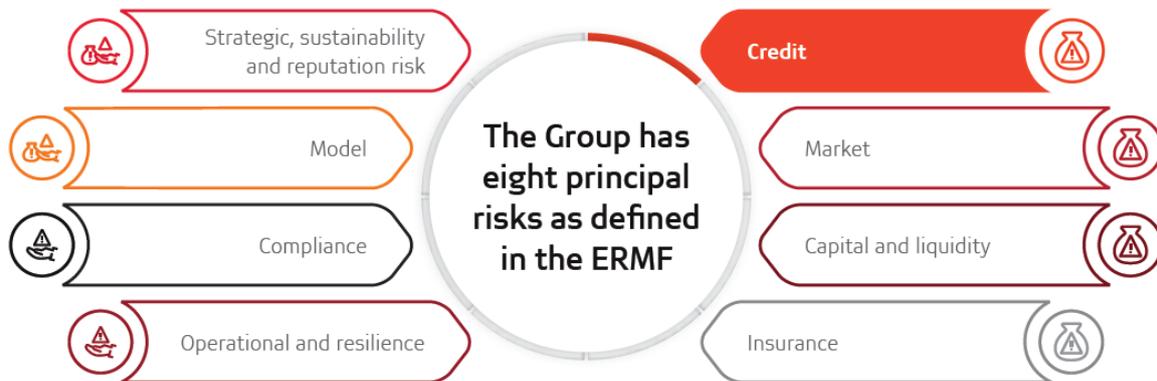
4.3 General information about credit risk

4.3.1 Risk identification and risk management

Credit risk is managed as a principal risk in accordance with the ERMF, the Credit Risk Management Framework (CRMF) and its associated policies and standards. The risk management process is structured into three elements being evaluate, respond and monitor. This enables management to identify and assess risks in accordance with the risk profile, determine the appropriate risk response and monitor its effectiveness. This process is used to promote an efficient and effective approach to risk management.

4.3.2 Governance

The credit risk management and control function consists of committees at Board, executive management and business unit levels. The key committees involved in the governance of credit risk are depicted below:



Board risk committees



Executive committees



Management committees

- Group Credit Risk Management Committee
- Group Credit Impairment Committee

Business unit-level committees

- Cluster Credit Committees
- Portfolio Product Quality Review Committees



Financial risks



Non-financial risks



Financial and non-financial risks

4. Credit risk

- Credit oversight:** The GCRC is the primary Board committee responsible for credit risk oversight. An overview of the Group's credit portfolio is required to be presented by the Group Chief Credit Officer at every portfolio committee sitting and must include an evaluation of the overall health of the credit portfolio, emerging risks (including regional political and sovereign risks in presence countries), and material concentrations within the credit portfolios. The business unit credit risk committees provide strategic risk management leadership and oversee the business unit credit risk profile to ensure it remains within approved appetite and considers action for outcomes arising from business unit conformance reviews and controls testing results, outstanding audit items, regulatory issues, and risk events relating to credit risk.
- Sanctioning:** The GCRC is also the ultimate credit sanctioning authority in the Group, responsible for the approval of single-name exposures that exceed 10% of the Group's Tier 1 qualifying capital and reserves (large exposures), irrespective of risk grade or material country risk limits. In addition, the GCRC is required to sanction any exposure to a related party exceeding 1% of Absa's qualifying Common Equity Tier 1 capital and reserves. The Absa Group Credit Committee (AGCC) is a Group Executive sub-committee mandated to assess credit applications in respect of aggregate total financing limits up to 10% of the Group's qualifying capital and reserves irrespective of risk grade.
- Risk oversight:** The ERC is accountable for the oversight of the enterprise-wide risk profile of the Bank. It considers and agrees risk appetite, stress testing scenarios, limits and triggers, and makes appropriate recommendations to the Board and Board sub-committees for review and/or approval. It is also responsible for the review and reporting of risk appetite utilisation against forecasts, the Absa strategy and the risk appetite limits as approved by the Board.

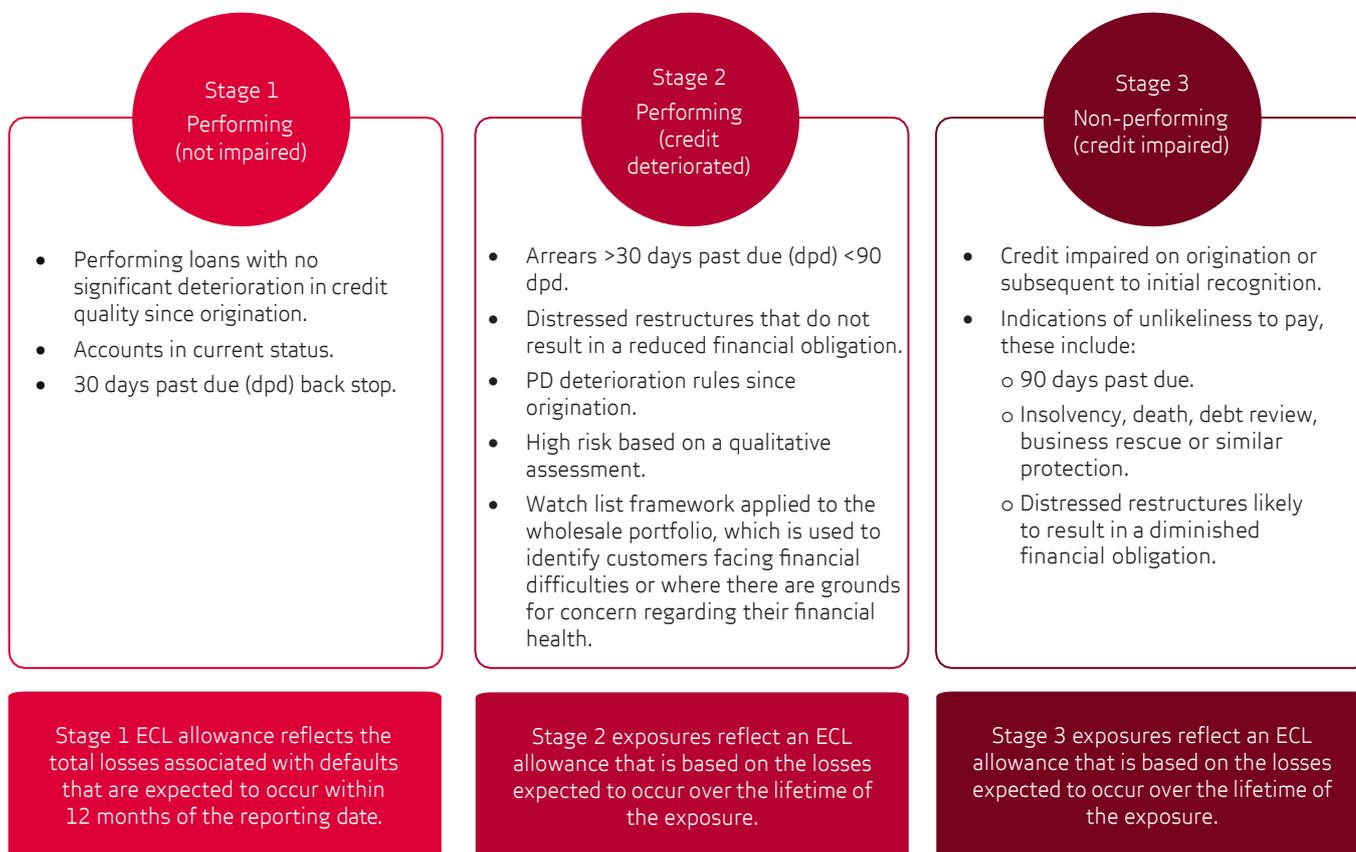
4.3.3 Reporting

The Group Chief Credit Officer is responsible for the following reporting:

- An overview of the Group's credit portfolio is to be tabled at senior management and Board sub-committees (Group ERC and GCRC), which includes an evaluation of the overall health of the credit portfolio, emerging risks, and material concentrations within the credit portfolios.
- Reports provide key insights into developing industry, sector and product trends and incorporate agreed management actions to modify behaviour and strategy in accordance with specific findings.
- Monitoring and reporting must be performed at a Group and business unit level and should include the following:
 - Current state of the credit portfolio as measured through the relevant metrics, and changes to the credit risk position with reference to an outlook based on a relevant forecast horizon.
 - Risk appetite utilisation above the limit and/or trigger level on a current or forecasted basis for all key risk metrics.
 - Management actions in response to any emerging issues, developments, and breaches of risk appetite triggers and limits.

4.3.4 Credit quality of assets

Various regulatory and accounting terms are used to refer to assets that are not performing as expected at the time of origination. The diagram below depicts these terms.



4. Credit risk

The age analysis of credit exposures [CRB(i) and CRB-A]

The following tables provide the age analysis of the Group's loans and advances, debt securities and off-balance sheet items. The Group's regulatory definition of default is currently more stringent than the requirements outlined in Directive 7 of 2015. The Group's definition will be updated to align with the recently published Directive 11 of 2025, which will take effect on 1 January 2027. Assets are classified as defaulted when the Group considers that the obligor is unlikely to pay its credit obligations without recourse by the Group to actions such as realising security. Elements that indicate unlikelihood to pay include:

- The Group consents to a distressed restructuring/forbearance of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness of principal, interest or fees. Forbearance is a concession granted to a counterparty for reasons of financial difficulty that would not otherwise be considered by the Group. The definition of forbearance is not limited to measures that give rise to an economic loss (that is, a reduction in the counterparty's financial obligation).
- The customer is under debt review, business rescue or similar protection.
- Advice is received of customer insolvency.
- The obligor is 90 days or more past due on any credit obligation to the Group.

In addition, within the retail portfolios:

- All accounts of forbearance are treated as being in default from a regulatory reporting perspective, regardless of whether the restructure led to a diminished financial obligation or not.
- The Group requires an exposure to reflect at least 12 consecutive months of performance to be considered to have been cured from default. This probation period applies to all exposures, including those that have been classified as credit impaired for reasons other than forbearance with a diminished financial obligation and debt review (e.g. owing to the fact that they become more than 90 days due).
- Customers under debt review do not cure and remain in default from a regulatory perspective.

The Group has an established framework and related processes to govern its approach to credit risk management and any resultant impairment of financial assets. Refer to [the Annual Consolidated and Separate Financial Statements](#) for the reporting period ended 31 December 2025 for further detail.

In the following tables, defaulted exposures are aligned to the regulatory definition of default, non-defaulted exposures are performing exposures and allowances/impairments are total expected credit loss allowances.

Credit quality of assets [CR1]

		a	b	c	d	e	f	g
		31 December 2025						
		Gross carrying values of		Allowances / impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
		Defaulted exposures	Non- defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
		Rm	Rm	Rm	Rm	Rm	Rm	Rm
1	Loans: Of which:	107 129	1 379 042	52 301	7 519	3 190	41 591	1 433 870
a	Sovereign (including central government and central bank)	542	135 416	1 387	933	286	168	134 571
b	Banks	-	67 890	180	-	60	120	67 710
c	Corporate	7 152	360 344	4 346	459	458	3 429	363 150
d	SME Corporate	11 766	160 000	5 795	2 699	421	2 676	165 971
e	Specialised Lending Real Estate (SL)	4 717	125 568	1 504	448	88	968	128 781
e(i)	SL: Project finance	283	65 696	355	17	14	324	65 624
e(ii)	SL: Object and commodity finance	82	68 206	75	46	29	-	68 213
f	Of which: Purchased receivables - corporate	-	-	-	-	-	-	-
g	Of which: Retail residential mortgage advances	46 797	293 413	11 698	532	64	11 102	328 512
h	Of which: Retail qualifying revolving (QRRE)	6 257	59 181	7 177	315	252	6 610	58 261
i	Of which: Retail SME	1 214	11 883	968	78	35	855	12 129
j	Retail other	28 684	165 347	19 246	2 055	1 526	15 663	174 785
j(i)	Of which: unsecured lending	9 589	20 496	7 702	-	1	7 702	22 383
k	Of which: Purchased receivables - retail	-	-	-	-	-	-	-
2	Debt securities	-	174 626	47	-	-	47	174 579
3	Off-balance sheet exposures	396	146 825	-	-	-	-	147 221
4	Total	107 525	1 700 493	52 348	7 519	3 190	41 638	1 755 670

4. Credit risk

	a		b		c	d
	Gross carrying values of		31 December 2024			Net values
	Defaulted exposures	Non-defaulted exposures	Allowances/impairments		(a+b-c)	
	Rm	Rm	Rm		Rm	
1 Loans	108 466	1 292 192	52 981		1 347 677	
2 Debt securities	5 703	257 996	432		263 267	
3 Off-balance sheet exposures	760	225 621	822		225 559	
4 Total	114 929	1 775 809	54 235		1 836 503	

Gross loans and advances increased primarily due to loan book growth within the Corporate and Investment Banking (CIB) portfolio. This was supported by moderate growth across the secured lending portfolios in the Personal and Private Banking (PPB) segment.

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, and resulted in reduced defaulted exposures. Higher legal book debt sales executed in the unsecured lending portfolios during the first half of 2025 also contributed to the reduction.

The table below depicts the main drivers of the change in defaulted exposures. [CR2]

	a	
	31 December 2025	30 June 2025
	Defaulted exposures	Defaulted exposures
	Rm	Rm
1 Defaulted loans and debt securities at end of the previous reporting period	119 255	114 929
2 Loans and debt securities that have defaulted since the last reporting period	16 718	24 423
3 Returned to non-defaulted status	5 276	5 793
4 Amounts written off	16 369	10 020
5 Other changes	(6 803)	(4 284)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	107 525	119 255

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, and resulted in reduced defaulted exposures. Higher legal book debt sales executed in the unsecured lending portfolios during the first half of 2025 also contributed to the reduction.

Restructured exposures (impaired versus not impaired) [CRB(ii)]

A loan restructure (modification) is a permanent change to one or more of the loan terms. Enforcing or adopting terms that were present in the original terms of the facility is not a modification. The treatment of a renegotiation or modification of the contractual cash flows of a financial asset depend on whether the modification is done for commercial reasons or because of financial difficulty of the borrower.

Contractual modifications on commercial terms are treated as a new transaction resulting in derecognition of the original financial asset and the recognition of a 'new' financial asset. Any difference between the carrying amount of the derecognised asset and the fair value of the new asset is recognised in profit or loss.

When the Group modifies the contractual conditions due to financial difficulties of the borrower, the asset is not derecognised unless the terms of the contract are substantively changed (such as the inclusion of an equity participation or a substantial change in counterparty). If the asset is not substantially modified, the gross carrying amount of the financial asset is recalculated to be the present value of the modified cash flows discounted at the original effective interest rate and any gain or loss is recognised in profit or loss as part of the total impairment loss.

The table below reflects restructures and distressed restructures that are concluded as part of the normal course of business within the retail portfolios:

	31 December 2025			31 December 2024		
	Gross carrying values of			Gross carrying values of		
	Total	Impaired	Not impaired	Total	Impaired	Not impaired
	Rm	Rm	Rm	Rm	Rm	Rm
Total restructured exposures	31 549	11 461	20 088	29 219	11 143	18 076

The growth in restructures was driven by forbearance measures to assist retail customers with their debt obligations, particularly in response to ongoing pressure in late-stage delinquencies within the VAF and Home Loans portfolios.

4. Credit risk

Exposures by geography [CRB(iii)]

	31 December 2025			
	Total exposure	NPLs ¹	Specific impairments	Write-offs
	Rm	Rm	Rm	Rm
South Africa	1 701 227	96 592	31 916	15 381
Other African countries	438 994	13 102	7 557	988
Europe	71 505	-	-	-
North America	54 750	-	-	-
Asia	20 878	-	-	-
South America	342	-	-	-
Other	11 309	-	-	-
Total	2 299 005	109 694	39 473	16 369

	31 December 2024 ²			
	Total exposure	NPLs ¹	Specific impairments	Write-offs
	Rm	Rm	Rm	Rm
South Africa	1 533 730	99 039	33 729	14 955
Other African countries	341 024	18 838	7 737	1 627
Europe	87 922	-	-	-
North America	78 791	-	-	-
Asia	20 896	-	-	-
South America	250	-	-	-
Other	7 878	-	-	-
Total	2 070 491	117 877	41 466	16 582

Exposures by industry [CRB(iv)]

	31 December 2025		
	Total exposure	NPLs ¹	Specific impairments
	Rm	Rm	Rm
Agriculture, hunting, forestry and fishing	86 951	4 161	785
Business services	81 262	1 511	1 014
Community, social and personal services	156 981	241	94
Construction	26 921	1 041	500
Electricity, gas and water supply	126 835	215	93
Financial intermediation and insurance	439 772	3 825	1 814
Manufacturing	171 005	3 437	1 281
Mining and quarrying	87 229	520	59
Other	19 488	455	320
Private households	686 143	81 560	28 798
Real estate	156 044	6 972	1 403
Transport, storage and communication	80 740	2 012	940
Wholesale and retail trade, repair of specified items, hotels and restaurants	179 634	3 744	2 372
Total	2 299 005	109 694	39 473

¹ Aligned to stage 3 exposures per the Annual Financial Statements. Credit exposures are classified within stage 3 when they are regarded as being credit impaired.

² The December 2024 figures were revised to align with the final regulatory submissions.

4. Credit risk

	31 December 2024 ¹		
	Total exposure Rm	NPLs ² Rm	Specific impairments Rm
Agriculture, hunting, forestry and fishing	87 772	4 487	820
Business services	129 982	4 714	2 413
Community, social and personal services	146 770	205	84
Construction	20 061	1 040	427
Electricity, gas and water supply	99 936	200	91
Financial intermediation and insurance	375 103	11 523	4 333
Manufacturing	108 788	3 778	1 927
Mining and quarrying	63 361	529	297
Other	21 070	1 051	296
Private households	652 948	78 581	26 312
Real estate	153 766	5 964	1 892
Transport, storage and communication	75 239	2 014	922
Wholesale and retail trade, repair of specified items, hotels and restaurants	135 695	3 791	1 652
Total	2 070 491	117 877	41 466

Exposures by Basel asset class and maturity [CRB(v)]

	31 December 2025				
	Total exposure Rm	Current to 6 months Rm	6 months to 1 year Rm	1 year to 5 years Rm	More than 5 years Rm
Banks	120 291	73 598	16 686	27 891	2 116
Commercial real estate	20 228	16 196	9	1 038	2 985
Corporate	688 835	277 713	52 800	341 904	16 418
Local governments and municipalities	6 276	1 877	-	2 991	1 408
Public sector entities	36 829	17 328	856	16 189	2 456
Retail – other	195 515	20 973	2 460	95 907	76 175
Retail mortgages (Including any home equity line of credit)	394 860	34 038	1 293	19 718	339 811
Retail revolving credit	112 666	81 044	514	30 962	146
Securities firms	4 193	3 346	278	569	-
SME corporate	241 156	129 070	22 670	77 849	11 567
SME retail	19 273	11 445	704	5 650	1 474
Sovereign (including central government and central bank)	276 066	83 984	26 924	92 844	72 314
Specialised lending - Income producing real estate	70 653	15 717	5 079	45 129	4 728
Specialised lending commodities finance	4 336	3 755	134	440	7
Specialised lending object finance	313	38	7	268	-
Specialised lending - project finance	107 515	8 915	3 205	36 608	58 787
Total	2 299 005	779 037	133 619	795 957	590 392

¹ This update revises the December 2024 results to align with regulatory submissions for credit risk submitted to the Prudential Authority

² Aligned to stage 3 exposures per the Annual Financial Statements. Credit exposures are classified within stage 3 when they are regarded as being credit impaired.

4. Credit risk

	31 December 2024				
	Total exposure	Current to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years
	Rm	Rm	Rm	Rm	Rm
Banks	102 202	68 680	7 286	23 857	2 379
Corporate	569 887	139 973	45 273	338 249	46 392
Local governments and municipalities	6 862	1 814	10	2 904	2 134
Public sector entities (PSEs)	20 020	1 593	2 214	8 165	8 048
Retail – other	190 679	17 808	5 331	123 026	44 514
Retail mortgages (including any home equity line of credit)	392 568	28 037	1 925	30 058	332 548
Retail revolving credit	113 502	80 678	88	28 317	4 419
Securities firms	5 071	3 609	309	1 153	-
SME corporate	217 133	98 650	18 653	65 183	34 647
SME retail	19 341	11 618	443	4 560	2 720
Sovereign (including central government and central bank)	271 940	70 328	33 558	83 708	84 346
Specialised lending – income producing real estate	67 701	15 825	8 269	37 734	5 873
Specialised lending – project finance (PF)	93 585	4 328	9 244	33 047	46 966
Total	2 070 491	542 941	132 603	779 961	614 986

4.3.5 Measuring and the management of credit concentrations

Credit risk is accountable for the management of concentrations, or pools of exposures, whose collective performance could negatively affect the Group even if each individual transaction in a pool is soundly underwritten. When exposures in a pool are sensitive to certain economic or business correlations, that sensitivity, if triggered, may cause the sum of the transactions to perform as if it were a single, large exposure.

Credit concentrations can be grouped into two categories:

- Conventional credit concentrations would include concentrations of credits to single borrowers or counterparties, a group of connected counterparties, and sectors or industries, such as commercial real estate, and oil and gas.
- Concentrations based on common or correlated risk factors reflect subtler or more situation-specific factors, and often can only be uncovered through analysis, e.g., close linkages among emerging markets under stress conditions and previously undetected correlations between market and credit risks, as well as between those risks and liquidity risks, can produce widespread losses.

Risk appetite, including the setting and measurement of credit concentration risk limits, represents a critical component of the CRMF and is managed to maintain a diversified credit portfolio with respect to key concentration dimensions within the Risk Appetite Framework.

Business units are required to incorporate EaR, EC and exposure as key credit risk metric as a portfolio concentration management tool. This ensures that not only are concentrations that are large in value monitored, but also that concentrations that potentially become larger under stress conditions are proactively identified and managed.

Business units should establish frameworks to measure concentration risk, not only to single-name exposures, but establish aggregate limits for credit exposures to counterparties in the same economic sector or geographic region, whose financial performance is dependent on the same activity or commodity, indirect credit exposures arising from a bank's credit risk management activities, or any other relevant concentration risk dimension deemed appropriate by the business unit. The framework should include the following, but not limited to:

- Definitions of the credit concentration dimensions that are measured and managed.
- Techniques used to identify concentrations based on common risk factors or correlations among factors.
- Limit setting process.
- Monitoring and reporting of concentration risk against limits.
- Procedures for reporting on and authorising risk concentration policy and internal limit breaches.
- Description of the process relating to formulating scenarios and conducting stress testing on risk concentration exposures.

Country risk is managed by means of country risk limits (which includes the consideration of concentrations to Sovereigns).

4.4 Credit risk mitigation (CRM) [CRCI]

CRM techniques are used to mitigate credit risk that the bank is exposed to and is applied internally for sanctioning purposes and externally for RWA and EC purposes.

Risk mitigants are classified as either funded or unfunded collateral. Funded collateral includes financial collateral (i.e. cash/deposits), physical collateral (i.e. fixed property) and other such receivables. Unfunded collateral includes guarantees, set-off (where legally enforceable), risk participations and other.

Collateral is a secondary consideration for the protection of the Group's lending activities as and when applicable to the specific type of lending under consideration. The main underwriting consideration remains an assessment of the primary exit from the exposure based on a cash flow analysis.

Generally, one or more forms of CRM are used in the credit approval process. The use and approach to CRM varies by product type, portfolio, customer and business strategy. Minimum requirements are prescribed in policies and standards, and cover, inter alia, valuations, haircuts and any required volatility adjustments, conditions or restrictions, legal certainty, correlations, concentrations and other.

4. Credit risk

4.4.1 Valuation of collateral

The Group uses several approaches for the valuation of collateral that is not in a defaulted state, including physical inspection, an automated valuation model (AVM), desktop valuations, statistical indexing and price volatility modelling. Valuations are regularly refreshed, with the frequency of valuation reviews based on the specific collateral type.

Once an asset becomes non-performing, the following is triggered:

- In the wholesale portfolio, collateral valuations are updated and impairment risk assessed. These valuations and capital at risk are regularly reviewed to ensure impairments remain adequate.
- In the retail portfolio, mortgage asset valuations are updated using an AVM, and an indexing methodology is used for instalment sale assets. High-value property assets are valued through a physical valuation. Valuations are updated at least six-monthly.

The banking book collateral management process focuses on the efficient handling and processing of a large number of cases in the retail portfolio and the lower end of the corporate sector, therefore heavily relying on the Group's collateral and document management systems. For larger wholesale exposures and capital market transactions, collateral is jointly managed between the credit and legal functions as transactions and associated legal agreements are often bespoke in nature. All security structures and legal covenants are reviewed at least annually to ensure they comply with the credit risk requirement.

4.4.2 Types of guarantor and credit derivative counterparties

In the commercial, corporate and financial sector, reliance is often placed on a third-party guarantor, which may be a parent company to the borrower, a major shareholder or a bank. Similarly, credit derivative transactions are sometimes used to hedge specific parts of any single-name risk in the wholesale portfolio. For these transactions, the most common counterparties or issuers are banks, non-bank financial institutions, large corporates and governments. The creditworthiness of the guarantor or derivative counterparty/issuer is assessed as part of the credit approval process and the value of such a guarantee or derivative contract is recorded against the guarantor/issuer's credit limits.

Overview of CRM techniques employed by the Group [CR3]

The following table depicts the extent to which the Group uses collateral and financial guarantees to secure exposures and reduce capital requirements:

	a	b	c	d	e
	31 December 2025				
	Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
	Rm	Rm	Rm	Rm	Rm
1 Loans: of which	699 303	734 567	546 980	79 731	3 992
a Sovereign (including central government and central bank)	120 136	3 364	2 346	407	611
b Public sector entities	8 083	2 988	495	2 493	-
c Banks	66 307	1 417	189	595	-
d Corporate	206 177	156 960	81 172	68 652	3 381
e SME corporate	74 745	91 227	65 970	2 520	-
f Specialised lending: Real estate (SL)	65 263	63 518	48 297	5 064	-
f(i) SL: Project finance	50 091	15 533	11 302	1 827	2 404
f(ii) SL: Object and commodity finance	2 675	99	-	-	-
g Purchased receivables - corporate	-	-	-	-	-
h Retail residential mortgage advances	25 059	303 453	270 709	-	-
i Retail qualifying revolving (QRRE)	58 260	-	-	-	-
j Retail SME	6 569	5 560	4 881	-	-
k Retail other	68 704	106 080	72 921	-	-
k(i) Of which: Unsecured lending	22 382	-	-	-	-
k(ii) Purchased receivables - retail	-	-	-	-	-
2 Debt securities	165 019	9 560	3 674	2 431	-
3 Of which defaulted	15 904	54 115	49 351	348	-
4 Total	864 322	744 127	550 654	82 162	3 992

4. Credit risk

	a	b	c	d	e
	31 December 2024				
	Exposures unsecured: carrying amount Rm	Exposures secured by collateral Rm	Exposures secured by collateral of which secured amount Rm	Exposures secured by financial guarantees Rm	Exposures secured by financial guarantee, of which secured amount Rm
1 Loans	734 101	613 576	613 576	54 957	49 462
2 Debt securities	263 267	-	-	-	-
3 Total	997 368	613 576	613 576	54 957	49 462
4 Of which defaulted	61 883	52 286	52 286	-	-

4.5 Credit risk under the SA [CRD]

The Group uses the SA for its AR banking book portfolios (both wholesale and retail). Due to the relative scarcity of data, the AR portfolios are not currently on the IRB migration plan.

Standard and Poor's and Moody's ratings are used by the Group as input into standardised capital formulas for corporate and sovereign asset classes. Rating agencies have limited coverage in AR. Where more than one rating is available, the more conservative rating is applied. Issuer ratings are generally used. Obligor ratings that are not rated externally are classified as unrated for RC purposes. The Group uses a standard mapping table published by the Prudential Authority to map ratings from each agency to risk buckets.

The following table provides an analysis, per Basel asset class, of the exposure and impact of CRM under the SA. In the AR portfolio, there are limited amounts of eligible collateral available for use in regulatory calculations:

4. Credit risk

SA – credit risk exposure and CRM effects [CR4]

	a	b	c	d	e	f
	31 December 2025					
	Exposures before CCF and CRM		Exposures post-CCF and post CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	Rm	Rm	Rm	Rm	Rm	%
1 Sovereign (including central government and central bank)	119 793	3 859	117 871	1 979	103 485	86
2 Multilateral development banks	83	-	83	-	41	49
3 Banks	21 787	9 895	21 179	9 538	18 066	59
4 Corporates (excluding corporate real estate as per line 8): of which	98 474	66 349	94 124	31 301	116 839	93
a SME corporate	36 749	23 008	35 048	11 732	38 510	82
b Specialised lending (excluding IPRRE, IPCRE and HVCRE)	6 353	2 104	6 233	858	7 088	100
5 Subordinated debt, equity and other capital	146	20	144	17	241	150
6 Retail: of which	68 987	3 419	69 117	636	51 130	73
a Retail residential mortgage advances	17 861	-	17 861	-	7 562	42
b Retail qualifying revolving (QRRE)	2 671	3 063	2 426	489	3 224	111
c SME retail	1 182	104	1 175	46	1 563	128
d Retail - other	47 273	252	47 653	101	38 781	81
7 Real estate: Corporate: of which	7 454	313	7 354	125	8 072	108
a Commercial real estate	801	56	703	22	642	89
b Income producing real estate	6 653	257	6 652	103	7 430	110
8 Defaulted exposures	10 103	1 062	5 326	453	6 983	121
9 Other assets	-	-	-	-	-	-
10 Total	326 827	84 917	315 198	44 049	304 857	85

	a	b	c	d	e	f
	31 December 2024					
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	Rm	Rm	Rm	Rm	Rm	%
1 Corporate	62 294	42 431	87 198	17 100	95 563	92
2 SME corporate	45 091	20 540	55 266	10 308	65 544	100
3 PSEs	4 352	2 143	5 628	672	2 558	41
4 Local governments and municipalities	-	-	-	-	-	-
5 Sovereign (including central government and central bank)	100 811	2 597	101 387	1 082	88 205	86
6 Banks	27 895	5 657	31 091	2 516	13 026	39
7 Securities firms	-	-	-	-	-	-
8 Residential mortgages (including any home equity line of credit)	19 454	-	19 454	-	7 889	41
9 Retail – revolving credit	2 942	2 577	5 363	156	2 235	40
10 Retail – other	48 935	6	48 720	7	35 112	72
11 SME retail	1 131	74	1 189	16	1 024	85
12 Total	312 905	76 025	355 296	31 857	311 156	80

4. Credit risk

SA – exposures by asset classes and risk weights [CR5]

31 December 2025

	0%	10%	15%	20%	25%	30%	35%	40%	45%	50%	65%	75%	80%	85%	100%	130%	150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
1 Sovereign (including central government and central bank)	31 430			1 155						11 788					18 081		53 141			-	115 595
2 Public sector entities				-						4 255					-		-			-	4 255
3 Multilateral development banks	-			-		-				83					-		-			-	83
4 Banks				13 239		806		555		4 564		730			8 037		2 727			58	30 716
a Of which: Securities firms and other financial institutions				-		-		-		-		-			-		-			-	-
5 Covered bonds		-	-	-	-		-			-					-					-	-
6 Corporates (excluding corporate real estate as per line 9)				-						-	-	14	-	46 654	78 724		-	33		-	125 425
a Of which: SME				-						-	-	-	-	46 654	93		-	33		-	46 780
b Of which: Securities firms and other financial institutions				-						-	-	-		-	-		-			-	-
c Of which: Specialised lending (excluding IPRRE, IPCRE and HVCRE)				-						-		14	-		7 077		-			-	7 091
7 Subordinated debt, equity and other capital															-		161	-	-	-	161
8 Retail (excluding retail residential mortgage advances as per line 9) of which									-			51 890			-					-	51 890
a Retail qualifying revolving (QRRE)									-			2 915			-					-	2 915
b SME Retail									-			1 221			-					-	1 221
c Retail - other									-			47 754			-					-	47 754

4. Credit risk

31 December 2025

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9	Real estate: Of which	-	1 834	990	2 878	-	2 647	-	8 162	-	-	1 352	9	536	-	180	-	6 753	-	-	25 341
a	General RRE retail residential mortgage advances	-	1 834	990	2 878	-	2 647	-	8 162	-	-	1 351	-	-	-	-	-	-	-	-	17 862
b	No loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	IPRRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	General CRE	-	-	-	-	-	-	-	-	-	-	9	536	-	180	-	-	-	-	-	725
g	No loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Of which: loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
j	Of which: IPCRE	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	6 753	-	-	6 754
k	Of which: HVCRE including land acquisition, development and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Defaulted exposures	-	-	-	-	-	-	-	1 033	-	-	-	-	-	-	1 233	-	-	3 513	-	5 779

4. Credit risk

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures

		31 December 2025			
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF ¹	Exposures (post CCF and post-CRM)
		Rm	Rm	%	Rm
	Risk weight				
1	Less than 40%	51 362	1 281	55	52 390
2	40–70%	34 149	6 600	65	38 104
3	75%	51 769	3 705	22	52 230
4	85%	37 138	22 887	45	45 506
5	90–100%	88 307	47 661	48	105 847
6	105–130%	6 652	257	40	6 754
7	150%	57 021	3 384	80	58 511
8	250%	-	-	-	-
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	Total exposures	326 398	85 775	49	359 342

		31 December 2024										
		a	b	c	d	e	f	g	h	i	j	k
		Risk weight										Total credit exposures amount (post CCF and post-CRM)
		>0% - 0%	>10% - 10%	>20% - 20%	>35% - 35%	>50% - 50%	>75% - 75%	>100% - 100%	>150% - 150%	Others		
	Asset classes											
1	Corporate	-	-	-	-	332	-	66 359	37 606	-	-	104 297
2	SME corporate	-	-	-	-	289	-	40 651	24 634	-	-	65 574
3	PSEs	-	-	-	-	6 103	-	53	143	-	-	6 299
4	Local governments and municipalities	-	-	-	-	-	-	-	-	-	-	-
5	Sovereign (including central government and central bank)	31 121	-	-	-	6 328	-	21 835	43 185	-	-	102 469
6	Banks	-	-	20 433	-	4 432	-	4 587	4 156	-	-	33 608
7	Securities firms	-	-	-	-	-	-	-	-	-	-	-
8	Residential mortgages (including any home equity line of credit)	-	-	-	6 791	327	10 632	1 704	-	-	-	19 454
9	Retail – revolving credit	-	-	-	-	18	5 234	181	87	-	-	5 520
10	Retail – other	-	-	-	-	451	47 858	400	19	-	-	48 728
11	SME retail	-	-	-	-	26	1 083	82	13	-	-	1 204
12	Total	31 121	-	20 433	6 791	18 306	64 807	135 852	109 843	-	-	387 153

¹ Weighting is based on off-balance sheet exposure (pre-CCF).

4. Credit risk

4.6 Credit risk under the IRB approach (CRE)

The following table provides the EAD composition for each of the credit approaches.

Approach		31 December 2025		31 December 2024	
		EAD Rbn	EAD % of portfolio %	EAD Rbn	EAD % of portfolio %
IRB approach	AIRB	1 238	66	1 439	79
	FIRB	265	14		
Standardised approach	SA	359	19	387	21

The principal objective of credit modelling is to produce the most accurate possible quantitative assessment of the Group's credit risk at a counterparty and portfolio level. Integral to this is the calculation of internal credit parameters used for credit risk management purposes and in the calculation of RC, EC and impairment requirements. The key credit parameters used in this process are EAD, PD, LGD, maturity (M) and asset correlation.

The table below provides an overview of the AIRB models used for regulatory capital calculation per portfolio.

Number of models	Model type	Model description
Corporate and Investment Bank		
12	PD	<p>Large corporate portfolio:</p> <ul style="list-style-type: none"> Models have a quantitative and qualitative component, are internally developed using industry accepted statistical methodologies for low default environments and making use of internal and external data covering full economic cycles. Where external data is used, appropriate testing is performed to ensure it remains representative of the internal portfolio. Three externally developed models are used, with calibrations to internal portfolio behaviour. <p>Sovereign and bank portfolios:</p> <ul style="list-style-type: none"> Models are internally developed using statistical and expert judgement techniques and benchmarked against external rating agency ratings to determine final ratings. Models are calibrated using external default data and credit spread market data. <p>Specialised lending portfolios:</p> <ul style="list-style-type: none"> Hybrid models using either a combination of statistical cash flow simulation models and qualitative scorecards or scorecards developed on internal data and calibrated to a combination of internal data and external benchmarks as appropriate. <p>All above portfolios:</p> <ul style="list-style-type: none"> All DG ratings and associated PDs are reviewed by the credit risk portfolio representative and, if necessary, final adjustments are made to reflect information not captured by the models. Rating models make use of borrower-specific financial statement information as well as collateral information where applicable.
5	LGD	<ul style="list-style-type: none"> LGD models are developed internally using industry accepted statistical methodologies for low default environments and data covering long-run and downturn conditions. The models are generally hybrid models developed on internal and external loss and recovery data with oversight and input from the credit experts, where appropriate. Models make use of transactional and collateral information with prudent adjustments to mitigate heightened uncertainty due to low volumes of data, where appropriate.
2	EAD	<ul style="list-style-type: none"> EAD estimation is based on regulatory guidelines with credit conversion factors used as appropriate. Standard industry EAD methodologies are used, with internal and external data used to estimate long-run and downturn estimates.
Business Banking		
13	PD	<p>Commercial and agriculture portfolios:</p> <ul style="list-style-type: none"> Models are internally developed using industry accepted statistical methodologies for data rich environments and making use of internal data covering full economic cycles. All DG ratings and associated PDs are reviewed by the credit risk portfolio representative and, if necessary, final adjustments are made to reflect information not captured by the models. Rating models make use of borrower-specific repayment and financial statement information. <p>Local government and municipalities:</p> <ul style="list-style-type: none"> Hybrid model consisting of a quantitative and qualitative component, calibrated to a combination of internal data and external benchmarks. Where external data is used, appropriate testing is performed to ensure it remains representative of the internal portfolio. Model uses borrower-specific financial statement information and government grants/subsidies where applicable. All DG ratings and associated PDs are reviewed by the credit risk portfolio representative and, if necessary, final adjustments are made to reflect information not captured by the models. <p>Non-commercial exposures:</p>

4. Credit risk

Number of models	Model type	Model description
		<ul style="list-style-type: none"> Models are internally developed using industry accepted behavioural scorecard methodologies for data rich environments and making use of internal data covering full economic cycles. This automated scoring process incorporates product type, customer behaviour and delinquency status. Each behavioural score translates to a PD that is calibrated to an appropriate long run level for the segment.
5	LGD	<ul style="list-style-type: none"> LGD models are developed internally using industry accepted statistical methodologies for data rich environments and data covering long-run and downturn conditions. The models are workout models with recoveries calculated using internal loss and recovery data and impacted by collateral type. Models also incorporate time in default and post-default payment behaviour.
2	EAD	<ul style="list-style-type: none"> EAD estimation is based on regulatory guidelines with credit conversion factors used as appropriate. Standard industry EAD methodologies are used, split between revolving, non-revolving, amortizing and contingent type facilities. Internal portfolio experience is used to estimate long-run and downturn estimates.
Retail		
7	PD	<ul style="list-style-type: none"> Portfolios/products are segmented into homogeneous pools and sub-pools through an automated behavioural scoring process. The behavioural scorecards use industry accepted behavioural scorecard methodologies for data rich environments that incorporate product type, loan characteristics, customer behaviour, bureau information and delinquency status. PDs are estimated for each sub-pool based on internal product level history associated with the respective pools, covering full economic cycles.
7	LGD	<ul style="list-style-type: none"> LGD models are developed internally using industry accepted statistical methodologies for data rich environments and data covering long-run and downturn conditions. LGD estimates are based on sub-segmentation with reference to collateral or product type, time in default and post-default payment behaviour. Final estimates are based on associated analyses and modelling of historical internal loss and recovery data.
7	EAD	<ul style="list-style-type: none"> EAD estimation is based on regulatory guidelines with credit conversion factors used as appropriate. Standard industry EAD methodologies are used, split between revolving, non-revolving, amortizing and contingent type facilities. Internal portfolio experience is used to estimate long-run and downturn estimates.

Key risk parameters used in credit risk measurement

EAD	PD	LGD	M	Correlation
Exposure at default	Probability of default	Loss-given default	Maturity	Correlation
An estimate of the level of credit exposure, should the obligor default occur during the next (rolling) 12-month period.	Represents the likelihood that an individual obligor/facility will default during the next (rolling) 12-month period.	Represents an estimate of the percentage of EAD that will not be recovered, should the obligor/facility default occur during the next (rolling) 12-month period.	Remaining time until the effective maturity date of the loan or other credit facility.	Measures to what extent the risks in the various industry sector and regions in the loan portfolio are related to common factors.

These parameters can be calculated to represent different views of the credit cycle, which are used in different applications:

<p>Through-the-cycle (TTC): reflecting the predicted default frequency in an average 12-month period across the credit cycle.</p> <p>Point-in-time (PIT): reflecting the predicted default frequency contingent on the macroeconomic environment.</p>	<p>Downturn (DT): reflecting behaviour observed under stressed economic conditions.</p> <p>Long run (LR): reflecting business-as-usual measures or behaviour under benign/average conditions.</p>
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Internal and vendor-supplied credit models are used to estimate the key credit parameters of EAD, PD, LGD and asset correlation. The Group uses different modelling methodologies, ranging from pure statistical models and cash flow models to expert-based models, taking into account quantitative and qualitative risk drivers.

To provide a common measure of default risk across the Group, an internal default grade scale is used. This scale is mapped to a scale of default probabilities for regulatory reporting purposes and to external agency ratings for benchmarking purposes.

The application of the key risk parameters in credit risk measurement and decision-making is set out in the following tables:

4. Credit risk

Application of key risk parameters in credit risk measurement

EAD	PD	LGD	M	Correlation
Exposure at default	Probability of default	Loss given default	Maturity	Correlation
<p>EL: The EL calculation is determined making use of EAD, TTC PD and depending on being a DT EL or LR EL will make use of either the DT LGD or LR LGD respectively.</p> <p>Impairment parameters: The impairment calculation makes use of EAD considering all contractual terms over the lifetime of the instrument, PD reflecting the current and future economic cycles to the extent relevant to the remaining life of the loan calculated at a PIT and a current or forward looking LGD reflecting impact of economic scenarios.</p> <p>RC parameters: The RC calculation makes use of EAD, TTC PD, DT LGD, contractual maturity and regulatory prescribed asset correlations.</p> <p>EC parameters: The EC calculation makes use of EAD, TTC PD, LR LGD, contractual maturity as well as bespoke asset correlations, including PD-LGD correlation.</p>				

Application of key risk parameters in credit risk decision-making

Credit approval	PD models are used in the approval process in both retail and wholesale portfolios. In high-volume retail portfolios, application and behaviour scorecards are frequently used as decision-making tools. In wholesale and certain retail home loan portfolios, PD models are used to direct applications to an appropriate credit sanctioning level.
Risk reward and pricing	PD, EAD and LGD metrics are used to assess the profitability of deals and portfolios and to allow for risk-adjusted pricing and strategy decisions.
Risk appetite setting and monitoring	RC and EC (including measures of earnings volatility) are used in the Group's risk appetite framework. Measures of stressed losses and capital utilisation are used in the setting of concentration risk limits.
Risk profile reporting	Credit risk reports to Board and senior management use model outputs to describe the Group's credit risk profile.

4. Credit risk

The following tables provide a detailed breakdown, per Basel asset class, of the drivers of the Group's capital requirements under the AIRB approach:

Credit risk exposures by portfolio and PD range [CR6]

	a	b	c	d	e	f	g	h	i	j	k	l
	31 December 2025											
PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD ¹	Number of obligors	Average LGD	Average maturity	RWA	RWA density ²	EL	Provisions
	Rm	Rm	%	Rm	%	#	%	%	Rm	%	Rm	Rm
FIRB approach												
Banks												
0.00 to <0.15	29 192	11 731	40	26 720	0.07	136	44.99	1.32	5 293	20	8	13
0.15 to <0.25	933	1 102	14	1 047	0.18	11	45.00	1.03	319	30	1	-
0.25 to <0.50	1 633	9 023	22	2 462	0.39	23	45.00	0.99	1 018	41	4	4
0.50 to <0.75	37	29	28	45	0.60	1	45.00	1.00	26	58	-	-
0.75 to <2.50	2 995	6 277	25	3 738	1.56	142	47.49	0.99	3 973	106	28	7
2.50 to <10.00	11 196	10 729	21	13 152	6.45	70	44.99	0.79	15 720	120	286	46
10.00 to <100.00	1 849	1 801	14	2 101	15.36	17	45.00	0.84	4 906	234	145	37
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	47 835	40 692	31	49 265	2.56	400	45.18	1.11	31 255	63	472	107
Corporate												
0.00 to <0.15	70 189	58 767	21	69 173	0.10	94	41.82	1.77	15 195	22	33	118
0.15 to <0.25	22 619	27 885	61	35 590	0.18	94	37.95	1.74	10 252	29	24	61
0.25 to <0.50	23 813	74 347	25	41 588	0.32	164	38.84	1.46	16 218	39	51	121
0.50 to <0.75	2 104	10 852	23	4 616	0.58	70	38.32	1.83	2 627	57	10	28
0.75 to <2.50	15 718	28 894	20	21 401	1.40	193	38.09	1.59	16 309	76	114	52
2.50 to <10.00	9 213	10 589	23	11 617	3.75	166	36.26	2.05	12 204	105	157	95
10.00 to <100.00	129	15	84	141	25.69	9	29.77	3.06	178	126	11	1
100.00 (Default)	1 991	68	29	2 075	100.00	12	38.24	1.90	5 109	246	518	517
Sub-total	145 776	211 417	30	186 201	1.68	802	39.50	1.70	78 092	42	918	993
Local government and municipalities												
0.00 to <0.15	73	22	48	84	0.13	7	45.00	2.21	26	32	-	-
0.15 to <0.25	629	137	15	650	0.17	18	45.00	4.85	398	61	1	-
0.25 to <0.50	524	168	25	566	0.38	44	45.00	3.88	429	76	1	1
0.50 to <0.75	470	83	10	479	0.58	7	45.00	2.91	378	79	1	-
0.75 to <2.50	901	435	62	968	1.33	19	44.74	3.85	1 146	118	6	1
2.50 to <10.00	1 800	477	26	1 853	7.85	30	45.00	2.05	3 153	170	65	22
10.00 to <100.00	75	482	10	123	10.00	2	45.00	1.00	217	176	6	-
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	4 472	1 804	30	4 723	3.74	127	44.95	3.09	5 747	122	80	24
Public sector entities												
0.00 to <0.15	4 550	4 142	21	5 422	0.02	8	45.00	3.90	665	12	-	6
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
0.25 to <0.50	2 970	9 479	14	4 199	0.42	8	45.00	2.23	2 556	61	8	17
0.50 to <0.75	651	206	10	651	0.56	3	45.00	2.29	460	71	2	-
0.75 to <2.50	648	2 154	11	501	1.02	33	30.87	1.41	281	56	2	5
2.50 to <10.00	2 149	3 697	11	2 493	2.92	18	45.00	2.03	2 330	93	21	4
10.00 to <100.00	-	-	10	-	24.67	4	45.00	1.00	-	205	-	-
100.00 (Default)	1	17	50	9	100.00	2	13.37	1.00	8	89	107	107
Sub-total	10 969	19 695	16	13 275	0.82	76	44.45	2.85	6 300	47	140	139

¹ Total asset class average weighted PD percentage includes defaulted EADs.

² Post management actions (PMAs) are not included.

4. Credit risk

	a	b	c	d	e	f	g	h	i	j	k	l
	31 December 2025											
PD scale	Original on-balance sheet gross exposure Rm	Off-balance sheet exposures pre CCF Rm	Average CCF %	EAD post CRM and post-CCF Rm	Average PD ¹ %	Number of obligors #	Average LGD %	Average maturity %	RWA Rm	RWA density ² %	EL Rm	Provisions Rm
Securities firms												
0.00 to <0.15	4 183	-	-	1 379	0.07	6	45.00	1.52	243	18	-	2
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	-
0.50 to <0.75	-	10	40	4	0.58	1	20.00	1.00	1	25	-	-
0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	4 183	10	-	1 383	0.07	7	44.93	1.52	244	18	-	2
SME corporate												
0.00 to <0.15	4 159	3 283	14	4 629	0.06	8	42.12	1.96	917	20	1	8
0.15 to <0.25	3 443	1 357	50	3 812	0.18	9	45.00	1.04	1 096	29	3	1
0.25 to <0.50	35	143	38	54	0.34	10	45.00	1.01	30	55	-	-
0.50 to <0.75	10	157	11	28	0.58	5	33.88	2.49	17	60	-	-
0.75 to <2.50	783	3 498	12	1 207	1.31	55	33.55	2.05	960	80	5	7
2.50 to <10.00	52	311	12	88	3.58	41	43.41	1.51	119	135	1	1
10.00 to <100.00	109	2	16	105	12.53	5	44.64	4.17	274	261	6	-
100.00 (Default)	-	-	50	-	100.00	1	20.00	5.00	-	250	-	-
Sub-total	8 591	8 751	28	9 923	0.42	134	42.22	1.63	3 413	34	16	17
Total (FIRB approach)	221 826	282 369	29	264 770	1.78	1 546	41.03	1.67	125 051	47	1 626	1 282

¹ Total asset class average weighted PD percentage includes defaulted EADs.

² PMAs are not included.

4. Credit risk

	a	b	c	d	e	f	g	h	i	j	k	l
	31 December 2025											
PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD ¹	Number of obligors	Average LGD	Average maturity	RWA	RWA density ²	EL	Provisions
	Rm	Rm	%	Rm	%	#	%	%	Rm	%	Rm	Rm
AIRB approach												
Commercial real estate												
0.00 to <0.15	29	2	68	31	0.10	21	18.10	4.73	5	16	-	-
0.15 to <0.25	37	-	104	38	0.19	5	23.74	4.10	10	26	-	-
0.25 to <0.50	565	259	44	679	0.45	368	17.38	4.30	136	20	1	-
0.50 to <0.75	469	235	51	565	0.63	472	16.21	3.92	122	21	1	1
0.75 to <2.50	8 151	1 500	52	8 773	1.43	2 549	18.05	4.49	3 546	40	22	18
2.50 to <10.00	5 162	916	50	5 525	3.33	3 480	18.68	4.68	2 808	51	34	16
10.00 to <100.00	442	62	44	462	26.73	249	17.50	4.48	334	72	21	9
100.00 (Default)	1 019	7	7	1 020	100.00	409	27.02	3.95	1 478	145	235	235
Sub-total	15 874	2 981	48	17 093	8.53	7 553	18.70	4.49	8 439	49	314	279
Corporate												
0.00 to <0.15	11 620	3 813	42	15 006	0.11	73	29.34	1.42	2 093	14	4	58
0.15 to <0.25	26 332	8 997	86	31 138	0.20	59	19.33	1.98	5 185	17	12	100
0.25 to <0.50	45 985	22 425	44	55 932	0.35	307	20.86	1.86	13 254	24	41	83
0.50 to <0.75	15 019	10 339	50	20 192	0.61	210	24.96	2.15	7 842	39	31	26
0.75 to <2.50	49 786	21 521	48	48 520	1.49	920	27.58	2.05	28 975	60	199	69
2.50 to <10.00	11 254	3 176	35	12 377	3.62	502	25.79	2.29	9 335	75	114	51
10.00 to <100.00	366	126	82	469	34.21	49	26.78	2.81	634	135	40	8
100.00 (Default)	2 838	525	47	3 083	100.00	69	53.81	1.80	3 127	101	1 813	1 813
Sub-total	163 200	70 922	52	186 717	2.57	2 189	24.36	1.95	70 445	38	2 254	2 208
Specialised lending income producing real estate												
0.00 to <0.15	132	36	26	141	0.13	9	20.19	1.87	16	11	-	-
0.15 to <0.25	234	80	51	274	0.20	30	24.75	4.95	79	29	-	-
0.25 to <0.50	12 435	2 715	34	13 320	0.40	108	19.47	2.79	3 418	26	10	6
0.50 to <0.75	17 584	2 062	27	18 133	0.56	103	20.81	2.32	5 086	28	21	11
0.75 to <2.50	17 317	3 336	15	17 810	1.24	340	21.18	2.61	7 113	40	47	11
2.50 to <10.00	2 630	442	33	2 775	4.14	576	21.07	3.98	1 600	58	25	8
10.00 to <100.00	120	-	10	120	19.67	11	18.87	4.98	96	80	4	2
100.00 (Default)	3 130	155	10	3 146	100.00	64	24.56	1.91	3 442	109	607	606
Sub-total	53 582	8 826	24	55 719	6.57	1 241	20.85	2.60	20 850	37	714	644
Specialised lending project finance												
0.00 to <0.15	942	107	50	996	0.07	4	30.77	3.58	209	21	-	-
0.15 to <0.25	101	4 205	10	522	0.20	1	35.00	2.71	186	36	-	-
0.25 to <0.50	31 902	22 027	39	40 455	0.33	59	31.57	3.58	18 565	46	43	102
0.50 to <0.75	20 923	11 658	28	24 147	0.57	23	32.22	3.87	15 254	63	44	27
0.75 to <2.50	6 952	2 514	21	7 488	1.19	8	33.76	3.26	5 875	78	30	5
2.50 to <10.00	1 589	402	18	1 661	3.62	5	28.81	3.96	1 530	92	18	3
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
100.00 (Default)	255	-	-	255	100.00	1	70.00	2.34	-	-	188	188
Sub-total	62 664	40 913	33	75 524	0.90	101	32.08	3.64	41 619	55	323	325

¹ Total asset class average weighted PD percentage includes defaulted EADs.

² PMAs are not included.

4. Credit risk

	a	b	c	d	e	f	g	h	i	j	k	l
	31 December 2025											
PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD ¹	Number of obligors	Average LGD	Average maturity	RWA	RWA density ²	EL	Provisions
	Rm	Rm	%	Rm	%	#	%	%	Rm	%	Rm	Rm
Other retail exposures: Retail unsecured lending <R30 000												
0.00 to <0.15	38	-	10	38	0.10	3 798	46.40	-	5	12	-	1
0.15 to <0.25	36	-	10	37	0.19	3 820	45.43	-	6	18	-	1
0.25 to <0.50	33	-	10	34	0.47	2 632	49.13	-	12	34	-	1
0.50 to <0.75	12	-	10	12	0.67	932	50.90	-	5	43	-	-
0.75 to <2.50	201	-	10	202	1.48	15 219	51.49	-	120	59	2	5
2.50 to <10.00	412	-	10	433	5.82	31 047	56.07	-	365	84	14	20
10.00 to <100.00	345	-	10	347	21.50	25 226	58.08	-	416	120	43	32
100.00 (Default)	873	-	86	873	100.00	65 243	73.00	-	447	51	595	595
Sub-total	1 950	-	44	1 976	49.39	147 917	62.90	-	1 376	70	654	655
Other retail exposures: Retail unsecured lending >R30 000												
0.00 to <0.15	202	73	10	282	0.09	1 993	55.38	-	37	13	-	4
0.15 to <0.25	151	21	77	167	0.19	1 572	56.92	-	37	22	-	3
0.25 to <0.50	478	19	99	497	0.45	4 026	58.20	-	195	39	1	10
0.50 to <0.75	276	7	10	283	0.69	1 860	62.82	-	152	54	1	6
0.75 to <2.50	3 828	5	10	3 838	1.55	30 501	60.96	-	2 733	71	36	118
2.50 to <10.00	8 044	3	10	8 053	5.64	66 311	61.61	-	7 423	92	281	440
10.00 to <100.00	4 544	-	10	4 545	18.51	42 436	62.17	-	5 667	125	519	405
100.00 (Default)	8 715	-	5	8 716	100.00	73 462	71.77	-	4 606	53	6 061	6 061
Sub-total	26 238	128	11	26 381	38.19	222 161	64.82	-	20 850	79	6 899	7 047
Other retail exposures: Secured lending excluding VAF												
0.00 to <0.15	45	305	75	274	0.09	258	29.64	-	18	7	-	-
0.15 to <0.25	168	122	74	258	0.20	172	30.28	-	32	12	-	-
0.25 to <0.50	707	209	79	871	0.34	456	30.34	-	150	17	1	-
0.50 to <0.75	533	302	10	2 818	0.62	2 552	21.78	-	496	18	4	4
0.75 to <2.50	1 097	89	10	1 190	1.21	1 270	30.35	-	387	33	4	2
2.50 to <10.00	423	9	10	452	4.20	1 048	30.25	-	197	44	6	2
10.00 to <100.00	70	5	10	103	23.34	55	30.48	-	71	68	7	1
100.00 (Default)	639	46	29	652	100.00	425	54.35	-	1 741	267	226	226
Sub-total	3 682	1 087	26	6 618	11.04	6 236	29.03	-	3 092	47	248	235

¹ Total asset class average weighted PD percentage includes defaulted EADs.

² PMAs are not included.

4. Credit risk

	a	b	c	d	e	f	g	h	i	j	k	l
	31 December 2025											
PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD ¹	Number of obligors	Average LGD	Average maturity	RWA	RWA density ²	EL	Provisions
	Rm	Rm	%	Rm	%	#	%	%	Rm	%	Rm	Rm
Other retail exposures: VAF												
0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
0.15 to <0.25	1 685	-	-	1 685	0.21	7 262	27.89	-	196	12	1	1
0.25 to <0.50	6 078	-	-	6 078	0.36	24 149	30.08	-	1 080	18	7	8
0.50 to <0.75	6 410	-	-	6 410	0.62	26 101	29.86	-	1 541	24	12	14
0.75 to <2.50	30 630	-	-	30 630	1.45	119 023	30.73	-	10 787	35	137	140
2.50 to <10.00	31 181	-	-	31 754	5.30	119 170	32.53	-	15 329	48	549	794
10.00 to <100.00	20 448	-	-	20 448	19.89	79 319	33.12	-	14 234	70	1 339	1 144
100.00 (Default)	16 146	-	-	16 146	100.00	71 421	37.88	-	5 042	31	5 624	5 624
Sub-total	112 578	-	-	113 151	19.80	446 445	32.56	-	48 209	43	7 669	7 725
Retail: Qualifying revolving												
0.00 to <0.15	1 919	10 334	65	8 629	0.11	364 738	60.37	-	341	4	6	36
0.15 to <0.25	3 192	4 889	57	5 978	0.19	209 589	62.04	-	384	6	7	48
0.25 to <0.50	6 819	7 107	60	11 059	0.36	376 369	60.53	-	1 134	10	24	129
0.50 to <0.75	4 474	2 848	63	6 266	0.61	267 704	59.96	-	978	16	23	106
0.75 to <2.50	12 664	5 200	80	16 800	1.41	641 424	58.67	-	4 801	29	138	468
2.50 to <10.00	24 098	13 279	58	31 830	3.72	981 033	59.43	-	18 391	58	701	1 421
10.00 to <100.00	3 344	321	10	3 817	22.80	153 297	56.61	-	5 197	136	488	841
100.00 (Default)	6 104	148	10	6 119	100.00	147 617	73.88	-	6 116	100	3 562	3 562
Sub-total	62 614	44 126	58	90 498	9.40	3 141 771	60.58	-	37 342	41	4 949	6 611
Retail: Residential mortgage exposures												
0.00 to <0.15	21 625	23 879	44	32 177	0.08	50 659	13.20	-	843	3	3	18
0.15 to <0.25	17 640	6 162	45	20 409	0.19	25 997	12.64	-	1 008	5	5	11
0.25 to <0.50	39 022	8 068	49	42 993	0.37	49 700	13.09	-	3 496	8	21	31
0.50 to <0.75	30 694	3 765	54	32 731	0.61	36 522	13.39	-	3 918	12	27	30
0.75 to <2.50	104 761	6 529	64	108 914	1.42	107 208	14.48	-	24 636	23	227	193
2.50 to <10.00	48 355	6 108	96	54 203	4.29	57 970	15.17	-	24 247	45	353	525
10.00 to <100.00	13 455	56	10	13 533	28.60	17 030	15.41	-	10 526	78	611	342
100.00 (Default)	46 011	84	5	46 015	100.00	47 979	23.82	-	11 854	26	9 952	9 952
Sub-total	321 563	54 651	53	350 975	15.44	393 065	15.35	-	80 528	23	11 199	11 102
Retail: SME												
0.00 to <0.15	73	922	90	900	0.12	7 281	65.38	-	169	19	1	1
0.15 to <0.25	46	401	89	402	0.19	1 824	62.97	-	101	25	-	-
0.25 to <0.50	204	855	87	946	0.37	4 640	60.43	-	337	36	2	3
0.50 to <0.75	336	513	89	795	0.63	3 328	58.26	-	376	47	3	7
0.75 to <2.50	3 569	1 598	82	4 879	1.71	12 739	45.69	-	2 699	55	39	85
2.50 to <10.00	4 977	1 617	100	6 594	4.36	70 712	46.19	-	4 397	67	128	199
10.00 to <100.00	1 497	141	73	1 600	25.70	3 779	45.57	-	1 590	99	188	140
100.00 (Default)	1 113	17	24	1 118	100.00	3 721	57.22	-	4 329	387	419	419
Sub-total	11 815	6 064	85	17 234	11.08	108 024	49.44	-	13 998	81	780	854

¹ Total asset class average weighted PD percentage includes defaulted EADs.

² PMAs are not included.

4. Credit risk

	a	b	c	d	e	f	g	h	i	j	k	l
	31 December 2025											
PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD ¹	Number of obligors	Average LGD	Average maturity	RWA	RWA density ²	EL	Provisions
	Rm	Rm	%	Rm	%	#	%	%	Rm	%	Rm	Rm
SME corporate												
0.00 to <0.15	888	72	75	942	0.11	395	32.35	1.77	144	15	-	4
0.15 to <0.25	506	327	69	732	0.21	71	24.42	2.92	155	21	-	1
0.25 to <0.50	7 684	3 401	33	8 795	0.38	410	26.29	2.82	2 792	32	9	7
0.50 to <0.75	7 253	3 526	42	8 733	0.65	624	22.72	2.93	3 025	35	13	6
0.75 to <2.50	47 586	18 283	52	57 122	1.53	5 593	25.62	2.91	28 179	49	221	129
2.50 to <10.00	46 225	9 879	57	51 816	3.90	10 483	24.44	3.22	31 610	61	489	374
10.00 to <100.00	4 940	431	65	5 222	27.09	964	24.46	3.15	5 109	98	370	89
100.00 (Default)	8 189	435	19	8 272	100.00	920	37.72	2.66	19 515	236	2 049	2 049
Sub-total	123 271	36 354	51	141 634	8.95	19 460	25.75	3.01	90 529	64	3 151	2 659
Sovereign (including central government and central bank)												
0.00 to <0.15	149 095	873	33	149 379	0.01	50	31.10	3.55	11 313	8	5	2
0.15 to <0.25	-	-	50	-	0.23	2	10.00	1.00	-	7	-	-
0.25 to <0.50	2 887	1 396	11	2 963	0.40	11	29.90	3.42	1 434	48	4	7
0.50 to <0.75	-	226	17	38	0.50	6	37.39	1.00	16	43	-	1
0.75 to <2.50	749	1 604	66	1 802	1.47	41	36.96	3.28	1 595	89	9	3
2.50 to <10.00	382	771	21	130	4.14	9	39.71	2.28	158	121	2	-
10.00 to <100.00	-	-	10	-	16.25	1	57.80	1.00	-	270	-	-
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	153 113	4 870	33	154 312	0.04	120	31.15	3.55	14 516	9	20	13
Total (AIRB approach)	1 112 144	270 922	42	1 237 832	9.87	4 496 283	27.74	2.53	451 793	36	39 174	40 357
Total (FIRB and AIRB)	1 333 970	553 291	40	1 502 602	8.44	4 497 829	30.08	2.38	576 844	38	40 800	41 639

¹ Total asset class average weighted PD percentage includes defaulted EADs.

² PMAs are not included.

4. Credit risk

	a	b	c	d	e	f	g	h	i	j	k	l
	30 June 2025											
PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD ¹	Number of obligors	Average LGD	Average maturity	RWA	RWA density ²	EL	Provisions
	Rm	Rm	%	Rm	%	#	%	%	Rm	%	Rm	Rm
Corporate												
0.00 to <0.15	82 528	32 534	41	82 655	0.09	160	36	1.74	16 790	20	27	34
0.15 to <0.25	52 712	30 212	50	67 054	0.19	93	23	1.84	12 901	19	28	89
0.25 to <0.50	65 183	52 327	59	91 613	0.35	260	24	1.68	25 976	28	77	68
0.50 to <0.75	19 986	12 674	53	26 014	0.60	174	23	1.96	9 413	36	35	30
0.75 to <2.50	58 681	39 273	37	68 247	1.49	1 048	27	1.89	42 196	62	278	282
2.50 to <10.00	18 701	10 123	43	22 803	3.95	484	28	2.22	20 655	91	260	205
10.00 to <100.00	1 209	51	54	1 241	27.78	69	18	2.71	1 227	99	50	6
100.00 (Default)	6 338	666	69	6 693	100.00	69	43	2.15	7 481	112	2 740	2 739
Sub-total	305 338	177 860	48	366 320	2.63	2 357	28	1.83	136 639	37	3 495	3 453
Specialised lending												
0.00 to <0.15	93	50	62	125	0.14	18	22	3.85	27	21	-	-
0.15 to <0.25	9 787	18 443	7	11 111	0.23	96	26	3.66	3 831	34	6	5
0.25 to <0.50	42 010	16 448	23	45 656	0.38	129	25	2.89	17 255	38	42	48
0.50 to <0.75	29 656	14 146	22	32 276	0.59	81	28	3.35	18 743	58	54	37
0.75 to <2.50	24 651	7 562	9	25 190	1.31	352	24	2.90	14 899	59	80	37
2.50 to <10.00	5 919	930	29	6 187	3.74	554	24	4.16	5 517	89	58	28
10.00 to <100.00	148	1	57	148	32.33	20	17	4.11	148	100	8	-
100.00 (Default)	3 937	167	6	3 945	100.00	63	26	2.15	2 994	76	904	904
Sub-total	116 201	57 747	18	124 638	3.96	1 313	25	3.12	63 414	51	1 152	1 059
SME Corporate												
0.00 to <0.15	2 956	64	63	3 075	0.11	404	23	1.18	297	10	1	5
0.15 to <0.25	726	2 216	75	2 433	0.20	31	26	1.52	539	22	1	2
0.25 to <0.50	3 462	1 276	34	3 940	0.40	323	22	3.00	1 315	33	4	3
0.50 to <0.75	4 446	3 520	56	5 905	0.60	442	17	2.85	1 509	26	6	4
0.75 to <2.50	59 068	17 274	50	67 820	1.61	4 319	21	3.17	31 114	46	228	155
2.50 to <10.00	35 465	8 391	60	40 726	3.87	7 863	22	3.40	24 236	60	340	788
10.00 to <100.00	5 472	567	71	5 897	30.21	916	25	3.11	6 471	110	445	128
100.00 (Default)	8 607	158	16	8 633	100.00	794	39	3.14	22 398	259	2 194	2 193
Sub-total	120 202	33 466	52	138 429	9.49	15 092	23	3.14	87 879	63	3 219	3 278
Public sector entities												
0.00 to <0.15	3 621	3	100	3 624	0.01	5	30	5.00	378	10	-	-
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
0.25 to <0.50	3 426	1 475	56	4 252	0.43	7	29	2.59	1 948	46	5	6
0.50 to <0.75	-	1	100	1	0.50	1	30	1.00	-	37	-	-
0.75 to <2.50	2 008	877	16	2 081	1.67	28	26	2.19	1 335	64	9	8
2.50 to <10.00	1	12	100	12	3.17	13	31	1.00	10	80	-	-
10.00 to <100.00	-	-	100	-	24.95	4	8	1.00	-	26	-	-
100.00 (Default)	531	17	100	540	100.00	2	31	2.32	144	27	180	179
Sub-total	9 587	2 385	65	10 510	5.65	60	29	3.33	3 815	36	194	193

¹ Total asset class average weighted PD percentage includes defaulted EADs

² PMAs are not included.

4. Credit risk

	a	b	c	d	e	f	g	h	i	j	k	l
	30 June 2025											
PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD ¹	Number of obligors	Average LGD	Average maturity	RWA	RWA density ²	EL	Provisions
	Rm	Rm	%	Rm	%	#	%	%	Rm	%	Rm	Rm
Local government and municipalities												
0.00 to <0.15	287	102	13	308	0.11	10	32	4.33	107	35	-	-
0.15 to <0.25	702	68	27	742	0.20	29	35	4.53	381	51	1	-
0.25 to <0.50	915	347	10	961	0.42	35	29	3.28	495	52	1	1
0.50 to <0.75	-	1	70	1	0.60	6	46	2.24	1	78	-	-
0.75 to <2.50	917	545	4	934	1.30	23	22	4.23	587	63	3	2
2.50 to <10.00	491	225	4	501	4.96	25	22	4.63	455	91	5	4
10.00 to <100.00	809	163	-	812	10.00	2	23	1.55	792	98	18	16
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	4 121	1 451	10	4 259	2.91	130	27	3.61	2 818	66	28	23
Sovereign (including central government and central bank)												
0.00 to <0.15	143 235	4 894	21	144 445	0.01	21	31	3.32	10 378	7	4	-
0.15 to <0.25	128	-	-	132	0.24	2	43	5.00	99	75	-	-
0.25 to <0.50	6 519	22	85	6 534	0.40	10	30	2.38	2 819	43	8	11
0.50 to <0.75	-	27	83	18	0.50	6	29	1.00	7	36	-	-
0.75 to <2.50	148	2 026	3	266	1.61	32	38	2.73	265	100	2	2
2.50 to <10.00	1 102	893	-	133	4.70	9	47	1.56	198	149	3	2
10.00 to <100.00	-	-	100	-	15.85	1	58	1.00	-	284	-	-
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	151 132	7 862	24	151 528	0.03	81	31	3.27	13 766	9	17	15
Banks												
0.00 to <0.15	25 381	6 808	72	23 128	0.05	92	30	1.20	2 397	10	3	1
0.15 to <0.25	3 275	517	100	3 642	0.23	10	26	0.96	689	19	2	-
0.25 to <0.50	691	1 092	45	864	0.37	12	25	1.11	289	33	1	-
0.50 to <0.75	-	4	100	2	0.50	2	24	1.00	1	38	-	-
0.75 to <2.50	1 582	3 727	67	3 294	1.62	128	31	0.83	2 138	65	16	3
2.50 to <10.00	9 650	8 995	60	12 828	6.63	43	24	0.71	9 217	72	206	48
10.00 to <100.00	435	2 571	79	2 294	14.82	12	26	0.29	2 528	110	89	11
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	41 014	23 714	70	46 052	2.75	299	28	0.97	17 259	37	317	63
Securities firms												
0.00 to <0.15	6 480	60	83	3 616	0.06	11	42	1.84	603	17	1	-
0.15 to <0.25	-	-	-	-	0.15	1	45	1.00	-	35	-	-
0.25 to <0.50	300	-	-	-	0.40	1	44	1.00	-	100	-	-
0.50 to <0.75	-	15	83	10	0.60	3	19	1.00	3	31	-	-
0.75 to <2.50	30	-	-	30	1.00	4	45	1.00	30	99	-	-
2.50 to <10.00	404	1	91	4	5.32	3	45	1.00	7	171	-	-
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	7 214	76	83	3 660	0.07	23	42	1.83	643	18	1	-

¹ Total asset class average weighted PD percentage includes defaulted EADs.

² PMAs not included.

4. Credit risk

	a	b	c	d	e	f	g	h	i	j	k	l
	30 June 2025											
PD scale	Original on-balance sheet gross exposures Rm	Off-balance sheet pre CCF Rm	Average CCF %	EAD post CRM and post-CCF Rm	Average PD ¹ %	Number of obligors #	Average LGD %	Average maturity %	RWA Rm	RWA density ² %	EL Rm	Provisions Rm
Retail mortgages (including any home equity line of credit)												
0.00 to <0.15	22 228	25 612	41	33 766	0.08	64 725	13	-	950	3	4	7
0.15 to <0.25	19 691	6 570	43	22 860	0.20	32 245	14	-	1 318	6	6	9
0.25 to <0.50	41 971	7 217	45	46 086	0.37	59 157	14	-	4 191	9	23	27
0.50 to <0.75	32 684	3 544	50	35 077	0.62	40 106	14	-	4 812	14	31	31
0.75 to <2.50	95 911	4 395	56	100 184	1.40	109 392	15	-	24 454	24	211	171
2.50 to <10.00	45 829	6 291	7	52 905	4.26	57 791	16	-	25 754	49	352	511
10.00 to <100.00	14 446	32	62	14 712	31.03	18 831	16	-	12 276	83	735	455
100.00 (Default)	45 295	80	-	45 295	100.00	52 757	25	-	16 741	37	9 777	9 778
Sub-total	318 055	53 741	37	350 885	15.38	435 004	16	-	90 496	26	11 139	10 989
Retail revolving credit												
0.00 to <0.15	1 936	10 258	51	8 874	0.09	416 993	59	-	299	3	5	39
0.15 to <0.25	3 103	4 922	51	6 193	0.20	200 568	61	-	422	7	7	49
0.25 to <0.50	6 387	6 267	52	10 493	0.36	376 708	60	-	1 140	11	23	121
0.50 to <0.75	4 350	2 739	54	6 517	0.61	304 747	58	-	1 046	16	23	107
0.75 to <2.50	12 431	4 834	56	16 680	1.41	678 208	57	-	4 957	30	135	449
2.50 to <10.00	23 057	13 798	55	31 660	3.87	911 658	58	-	19 374	61	703	1 406
10.00 to <100.00	3 499	331	58	4 049	23.07	179 992	56	-	5 760	142	518	929
100.00 (Default)	10 284	182	2	10 318	100.00	270 436	75	-	8 596	83	6 872	6 872
Sub-total	65 047	43 331	49	94 784	13.52	3 339 310	60	-	41 594	44	8 286	9 972
SME retail												
0.00 to <0.15	274	940	92	1 139	0.10	7 604	57	-	172	15	1	1
0.15 to <0.25	30	403	92	401	0.18	1 896	64	-	102	25	-	-
0.25 to <0.50	586	975	86	1 392	0.39	5 839	47	-	414	30	2	2
0.50 to <0.75	626	521	81	1 046	0.62	3 599	42	-	375	36	3	2
0.75 to <2.50	4 793	1 747	78	6 150	1.60	17 002	39	-	3 081	50	41	25
2.50 to <10.00	4 938	1 582	69	6 648	4.22	80 487	47	-	4 723	71	127	37
10.00 to <100.00	1 743	115	74	1 830	26.44	4 778	41	-	1 723	94	199	28
100.00 (Default)	1 473	19	16	1 474	100.00	4 309	51	-	4 649	315	530	530
Sub-total	14 463	6 302	72	20 080	11.71	125 514	45	-	15 239	76	903	625
Retail – other												
0.00 to <0.15	338	404	70	682	0.09	6 322	35	-	58	8	-	4
0.15 to <0.25	2 975	390	28	3 193	0.21	21 613	34	-	480	15	2	10
0.25 to <0.50	8 578	161	59	8 680	0.38	36 001	31	-	1 744	20	10	23
0.50 to <0.75	7 964	152	90	10 295	0.65	33 089	28	-	2 549	25	19	28
0.75 to <2.50	40 580	174	38	40 538	1.43	180 317	34	-	16 792	41	201	286
2.50 to <10.00	30 336	58	15	30 663	5.67	225 232	41	-	20 762	68	741	1 138
10.00 to <100.00	25 278	34	-	25 209	20.04	154 096	39	-	21 663	86	1 932	1 734
100.00 (Default)	23 361	42	-	23 305	100.00	158 763	46	-	5 400	23	10 114	10 114
Sub-total	139 410	1 415	25	142 565	21.59	815 433	38	-	69 448	49	13 019	13 337
Total (all portfolios)	1 291 784	409 350	40	1 453 710	8.92	4 734 616	28	-	543 010	37	41 770	43 007

¹ Total asset class average weighted PD percentage includes defaulted EADs.

² PMAs not included.

4. Credit risk

Effect on RWA of credit derivatives used as CRM techniques [CR7]

The Group makes limited use of credit derivatives to mitigate credit risk in the banking book.

		a	b
		31 December 2025	
		Pre-credit derivatives RWA Rm	Actual RWA Rm
1	Sovereign (including central government and central bank) – FIRB	12 047	12 047
2	Sovereign (including central government and central bank) – AIRB	16 501	14 516
3	Banks – FIRB	31 265	31 255
4	Banks – AIRB	-	-
5	Corporate – FIRB	78 853	78 336
6	Corporate – AIRB	78 884	78 884
7	SME corporate – FIRB	3 413	3 413
8	SME corporate – AIRB	90 529	90 529
9	Specialised lending – FIRB	-	-
10	Specialised lending – AIRB	63 008	62 469
11	Retail – qualifying revolving (QRRE)	37 342	37 342
12	Retail – residential mortgage exposures	80 528	80 528
13	Retail – SME	13 998	13 998
14	Other retail exposures	73 527	73 527
15	Equity – FIRB	-	-
16	Equity – AIRB	-	-
17	Purchased receivables – FIRB	-	-
18	Purchased receivables – AIRB	-	-
19	Total	579 895	576 844

		a	b
		31 December 2024	
		Pre-credit derivatives RWA Rm	Actual RWA Rm
1	Corporate	132 377	131 841
2	Specialised lending	57 206	57 163
3	SME corporate	85 372	85 364
4	PSEs	4 707	4 707
5	Local government and municipalities	3 822	3 822
6	Sovereign (including central government and central bank)	12 012	11 938
7	Banks	16 351	16 351
8	Securities firms	751	751
9	Retail mortgages (including any home equity line of credit)	87 442	87 442
10	Retail revolving credit	40 654	40 654
11	SME retail	14 290	14 290
12	Retail – other	69 402	69 402
13	Total	524 386	523 725

4. Credit risk

RWA flow statements of credit risk exposures under IRB [CR8]

	31 December 2025 ^a RWA amounts Rm	30 September 2025 ¹ RWA amounts Rm
1 RWA as at end of previous quarter	566 710	544 913
2 Asset size	15 973	14 047
3 Asset quality	(4 964)	(4)
4 Model updates	(231)	2 344
5 Methodology and policy	-	3 058
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	(2 417)	(1 546)
8 Other ²	5 788	3 898
9 RWA as at end of reporting period	580 859	566 710

RWA growth was driven by new loan disbursements to corporate clients, emerging market banks, and growth for some retail asset classes, together with process refinements following the implementation of the final Basel III framework in July 2025. This was partially offset by lower RWA for non-performing exposures corporate clients due curing and higher impairments.

¹ While the opening and closing balance remains unchanged, movement balances have changed due to refinement of Basel III finalization data attribution analysis.

² Other reflects RWA movements on non-performing loans due to differences in the definition of default between IFRS 9 impairment and regulatory capital models.

4. Credit risk

IRB: Backtesting of PD per portfolio [CR9]

The tables below provide backtesting results to validate the reliability of the Bank's IRB PD models. In particular, the tables compare the long-run average PD used in AIRB capital calculations with the realised default rate observed over a five-year period, per Basel asset class. The average historical default rate is calculated as the number of defaults in a given year, divided by the number of obligors that were performing at the start of that year (averaged over five years).

a/b	c	d	e	f		g	h	i
31 December 2025								
PD range	External rating equivalent	Weighted average PD %	Arithmetic average PD by obligors %	Number of obligators		Defaulted obligors in the year #	Of which new defaulted obligators in the year #	Average historical annual default rate %
				End of previous year #	End of the year #			
FIRB approach								
Banks								
0 to <0.15	AAA, AA, A	0.07	0.05	-	136	-	-	-
0.15 to <0.25	A-, BBB+	0.18	0.16	-	11	-	-	-
0.25 to <0.50	BBB	0.39	0.39	-	23	-	-	-
0.50 to <0.75	BB	0.60	0.60	-	1	-	-	-
0.75 to <2.50	BB-	1.56	1.50	-	142	-	-	-
2.50 to <10.00	B+, B	6.45	6.63	-	70	-	-	-
10.00 to <100.0	B- and below	15.36	13.93	-	17	-	-	-
100.00 (Default)	Defaulted	-	-	-	-	-	-	-
Sub-total		2.56	2.33	-	400	-	-	-
Commercial real estate								
0 to <0.15	AAA, AA, A	-	-	-	-	-	-	-
0.15 to <0.25	A-, BBB+	-	-	-	-	-	-	-
0.25 to <0.50	BBB	-	-	-	-	-	-	-
0.50 to <0.75	BB	0.73	0.73	-	4	-	-	-
0.75 to <2.50	BB-	1.62	1.40	-	12	-	-	-
2.50 to <10.00	B+, B	4.23	4.01	-	31	-	-	-
10.00 to <100.0	B- and below	16.66	45.10	-	7	-	-	-
100.00 (Default)	Defaulted	-	-	-	-	-	-	-
Sub-total		7.39	8.51	-	54	-	-	-
Corporate								
0 to <0.15	AAA, AA, A	0.10	0.09	-	94	-	-	-
0.15 to <0.25	A-, BBB+	0.18	0.18	-	94	-	-	-
0.25 to <0.50	BBB	0.32	0.36	-	164	-	-	-
0.50 to <0.75	BB	0.58	0.57	-	70	-	-	-
0.75 to <2.50	BB-	1.40	1.48	-	193	-	-	-
2.50 to <10.00	B+, B	3.75	3.32	-	166	-	-	-
10.00 to <100.0	B- and below	25.69	19.18	-	9	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	12	8	3	-
Sub-total		1.68	2.91	-	802	8	3	-

4. Credit risk

a/b	c	d	e	f		g	h	i
31 December 2025								
PD range	External rating equivalent	Weighted average PD %	Arithmetic average PD by obligors %	Number of obligators		Defaulted obligors in the year #	Of which new defaulted obligators in the year #	Average historical annual default rate %
				End of previous year #	End of the year #			
Local government and municipalities								
0 to <0.15	AAA, AA, A	0.13	0.13	-	7	-	-	-
0.15 to <0.25	A-, BBB+	0.17	0.20	-	18	-	-	-
0.25 to <0.50	BBB	0.38	0.33	-	44	-	-	-
0.50 to <0.75	BB	0.58	0.63	-	7	-	-	-
0.75 to <2.50	BB-	1.33	1.32	-	19	-	-	-
2.50 to <10.00	B+, B	7.85	4.67	-	30	-	-	-
10.00 to <100.0	B- and below	10.00	10.00	-	2	-	-	-
100.00 (Default)	Defaulted	-	-	-	-	-	-	-
Sub-total		3.74	1.64	-	127	-	-	-
Public sector entities								
0 to <0.15	AAA, AA, A	0.02	0.02	-	8	-	-	-
0.15 to <0.25	A-, BBB+	-	-	-	-	-	-	-
0.25 to <0.50	BBB	0.42	0.41	-	8	-	-	-
0.50 to <0.75	BB	0.56	0.53	-	3	-	-	-
0.75 to <2.50	BB-	1.02	1.40	-	33	-	-	-
2.50 to <10.00	B+, B	2.92	2.77	-	18	-	-	-
10.00 to <100.0	B- and below	24.67	29.44	-	4	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	2	-	-	-
Sub-total		0.82	5.51	-	76	-	-	-
Securities firms								
0 to <0.15	AAA, AA, A	0.07	0.08	-	6	-	-	-
0.15 to <0.25	A-, BBB+	-	-	-	-	-	-	-
0.25 to <0.50	BBB	-	-	-	-	-	-	-
0.50 to <0.75	BB	0.58	0.58	-	1	-	-	-
0.75 to <2.50	BB-	-	-	-	-	-	-	-
2.50 to <10.00	B+, B	-	-	-	-	-	-	-
10.00 to <100.0	B- and below	-	-	-	-	-	-	-
100.00 (Default)	Defaulted	-	-	-	-	-	-	-
Sub-total		0.07	0.15	-	7	-	-	-
SME corporate total								
0 to <0.15	AAA, AA, A	0.06	0.07	-	8	-	-	-
0.15 to <0.25	A-, BBB+	0.18	0.19	-	9	-	-	-
0.25 to <0.50	BBB	0.34	0.34	-	10	-	-	-
0.50 to <0.75	BB	0.58	0.55	-	5	-	-	-
0.75 to <2.50	BB-	1.31	1.37	-	55	-	-	-
2.50 to <10.00	B+, B	3.58	3.50	-	41	-	-	-
10.00 to <100.0	B- and below	12.53	12.89	-	5	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	1	1	-	-
Sub-total		0.42	2.93	-	134	1	-	-
Total (FIRB approach)		1.79	2.97	-	1 600	9	3	-

4. Credit risk

a/b	c	d	e	f	g	h	i	
31 December 2025								
PD range	External rating equivalent	Weighted average PD %	Arithmetic average PD by obligors %	Number of obligators		Defaulted obligors in the year #	Of which new defaulted obligators in the year #	Average historical annual default rate %
				End of previous year #	End of the year #			
AIRB approach								
Commercial real estate								
0 to <0.15	AAA, AA, A	0.10	0.08	-	21	-	-	-
0.15 to <0.25	A-, BBB+	0.19	0.21	-	5	-	-	-
0.25 to <0.50	BBB	0.45	0.44	-	368	-	-	-
0.50 to <0.75	BB	0.63	0.63	-	468	-	-	-
0.75 to <2.50	BB-	1.43	1.46	-	2 537	-	-	-
2.50 to <10.00	B+, B	3.33	3.66	-	3 449	-	-	-
10.00 to <100.0	B- and below	26.73	28.37	-	242	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	409	135	2	-
Sub-total		8.53	8.61	-	7 499	135	2	-
Corporate								
0 to <0.15	AAA, AA, A	0.11	0.11	-	73	-	-	-
0.15 to <0.25	A-, BBB+	0.20	0.17	-	59	-	-	-
0.25 to <0.50	BBB	0.35	0.36	-	307	-	-	-
0.50 to <0.75	BB	0.61	0.60	-	210	-	-	-
0.75 to <2.50	BB-	1.49	1.47	-	920	-	-	-
2.50 to <10.00	B+, B	3.62	3.02	-	502	-	-	-
10.00 to <100.0	B- and below	34.21	64.48	-	49	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	69	26	7	-
Sub-total		2.57	6.02	-	2 189	26	7	-
Corporate: Specialised lending								
0 to <0.15	AAA, AA, A	0.13	0.12	-	9	-	-	-
0.15 to <0.25	A-, BBB+	0.20	0.19	-	30	-	-	-
0.25 to <0.50	BBB	0.40	0.39	-	108	-	-	-
0.50 to <0.75	BB	0.56	0.58	-	103	-	-	-
0.75 to <2.50	BB-	1.24	1.43	-	340	-	-	-
2.50 to <10.00	B+, B	4.14	3.29	-	576	-	-	-
10.00 to <100.0	B- and below	19.67	20.98	-	11	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	64	13	-	-
Sub-total		6.57	7.35	-	1 241	13	-	-
Corporate: Specialised lending – project finance								
0 to <0.15	AAA, AA, A	0.07	0.06	-	4	-	-	-
0.15 to <0.25	A-, BBB+	0.20	0.20	-	1	-	-	-
0.25 to <0.50	BBB	0.33	0.31	-	59	-	-	-
0.50 to <0.75	BB	0.57	0.57	-	23	-	-	-
0.75 to <2.50	BB-	1.19	1.31	-	8	-	-	-
2.50 to <10.00	B+, B	3.62	3.57	-	5	-	-	-
10.00 to <100.0	B- and below	-	-	-	-	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	1	-	-	-
Sub-total		0.90	1.59	-	101	-	-	-

4. Credit risk

a/b	c	d	e	f	g	h	i	
31 December 2025								
PD range	External rating equivalent	Weighted average PD %	Arithmetic average PD by obligors %	Number of obligators		Defaulted obligors in the year #	Of which new defaulted obligators in the year #	Average historical annual default rate %
				End of previous year #	End of the year #			
Other retail exposures: Retail unsecured lending								
0 to <0.15	AAA, AA, A	0.09	0.10	-	5 730	-	-	-
0.15 to <0.25	A-, BBB+	0.19	0.19	-	5 364	-	-	-
0.25 to <0.50	BBB	0.45	0.46	-	6 519	-	-	-
0.50 to <0.75	BB	0.69	0.68	-	2 717	-	-	-
0.75 to <2.50	BB-	1.55	1.52	-	44 349	-	-	-
2.50 to <10.00	B+, B	5.65	5.73	-	94 117	-	-	-
10.00 to <100.0	B- and below	18.73	20.13	-	65 880	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	130 882	123 157	8 983	-
Sub-total		38.97	42.26	-	355 558	123 157	8 983	-
Other retail exposures: Secured lending excluding VAF								
0 to <0.15	AAA, AA, A	0.09	0.09	-	258	-	-	-
0.15 to <0.25	A-, BBB+	0.20	0.20	-	172	-	-	-
0.25 to <0.50	BBB	0.34	0.34	-	456	-	-	-
0.50 to <0.75	BB	0.62	0.62	-	2 552	-	-	-
0.75 to <2.50	BB-	1.21	1.30	-	1 270	-	-	-
2.50 to <10.00	B+, B	4.20	4.52	-	1 048	-	-	-
10.00 to <100.0	B- and below	23.34	21.57	-	55	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	425	269	10	-
Sub-total		11.04	8.32	-	6 236	269	10	-
Other retail exposures: VAF								
0 to <0.15	AAA, AA, A	-	-	-	-	-	-	-
0.15 to <0.25	A-, BBB+	0.21	0.21	-	7 262	-	-	-
0.25 to <0.50	BBB	0.36	0.36	-	24 149	-	-	-
0.50 to <0.75	BB	0.62	0.62	-	26 101	-	-	-
0.75 to <2.50	BB-	1.45	1.45	-	119 023	-	-	-
2.50 to <10.00	B+, B	5.30	5.28	-	119 170	-	-	-
10.00 to <100.0	B- and below	19.89	20.45	-	79 319	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	71 421	28 762	2 205	-
Sub-total		19.80	21.49	-	446 445	28 762	2 205	-
Retail – qualifying revolving (QRRE)								
0 to <0.15	AAA, AA, A	0.11	0.11	-	364 738	-	-	-
0.15 to <0.25	A-, BBB+	0.19	0.20	-	209 589	-	-	-
0.25 to <0.50	BBB	0.36	0.36	-	376 369	-	-	-
0.50 to <0.75	BB	0.61	0.61	-	267 704	-	-	-
0.75 to <2.50	BB-	1.41	1.38	-	641 424	-	-	-
2.50 to <10.00	B+, B	3.72	5.15	-	981 033	-	-	-
10.00 to <100.0	B- and below	22.80	22.31	-	153 297	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	147 617	142 903	36 904	-
Sub-total		9.40	7.80	-	3 141 771	142 903	36 904	-

4. Credit risk

a/b	c	d	e	f	g	h	i	
31 December 2025								
PD range	External rating equivalent	Weighted average PD %	Arithmetic average PD by obligors %	Number of obligators		Defaulted obligors in the year #	Of which new defaulted obligators in the year #	Average historical annual default rate %
				End of previous year #	End of the year #			
Retail: Residential mortgage exposure								
0 to <0.15	AAA, AA, A	0.08	0.08	-	50 659	-	-	-
0.15 to <0.25	A-, BBB+	0.19	0.19	-	25 997	-	-	-
0.25 to <0.50	BBB	0.37	0.36	-	49 700	-	-	-
0.50 to <0.75	BB	0.61	0.61	-	36 522	-	-	-
0.75 to <2.50	BB-	1.42	1.41	-	107 208	-	-	-
2.50 to <10.00	B+, B	4.29	4.59	-	57 970	-	-	-
10.00 to <100.0	B- and below	28.60	26.74	-	17 030	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	47 979	12 537	269	-
Sub-total		15.44	14.55	-	393 065	12 537	269	-
Retail SME								
0 to <0.15	AAA, AA, A	0.12	0.11	-	7 281	-	-	-
0.15 to <0.25	A-, BBB+	0.19	0.20	-	1 824	-	-	-
0.25 to <0.50	BBB	0.37	0.37	-	4 640	-	-	-
0.50 to <0.75	BB	0.63	0.63	-	3 328	-	-	-
0.75 to <2.50	BB-	1.71	1.68	-	12 739	-	-	-
2.50 to <10.00	B+, B	4.36	3.62	-	70 712	-	-	-
10.00 to <100.0	B- and below	25.70	26.57	-	3 779	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	3 721	3 089	499	-
0 to < 100.0		11.08	6.99	-	108 024	3 089	499	-
SME corporate								
0 to <0.15	AAA, AA, A	0.11	0.06	-	395	-	-	-
0.15 to <0.25	A-, BBB+	0.21	0.21	-	71	-	-	-
0.25 to <0.50	BBB	0.38	0.42	-	410	-	-	-
0.50 to <0.75	BB	0.65	0.68	-	624	-	-	-
0.75 to <2.50	BB-	1.53	1.46	-	5 593	-	-	-
2.50 to <10.00	B+, B	3.90	3.58	-	10 483	-	-	-
10.00 to <100.0	B- and below	27.09	28.97	-	964	-	-	-
100.00 (Default)	Defaulted	100.00	100.00	-	920	509	159	-
0 to < 100.0		8.95	8.54	-	19 460	509	159	-

4. Credit risk

a/b	c	d	e	f	g	h	i	
31 December 2025								
PD range	External rating equivalent	Weighted average PD %	Arithmetic average PD by obligors %	Number of obligators		Defaulted obligors in the year #	Of which new defaulted obligators in the year #	Average historical annual default rate %
				End of previous year #	End of the year #			
Sovereign (including central government and central bank)								
0 to <0.25	AAA, AA, A	0.01	0.03	-	50	-	-	-
0.25 to <0.50	A-, BBB+	0.23	0.20	-	2	-	-	-
0.50 to <0.75	BBB	0.40	0.41	-	11	-	-	-
0.75 to <2.50	BB	0.50	0.52	-	6	-	-	-
2.50 to <10.00	BB-	1.47	1.54	-	41	-	-	-
2.50 to <10.00	B+, B	4.14	4.37	-	9	-	-	-
10.00 to <100.0	B- and below	16.25	16.25	-	1	-	-	-
100.00 (Default)	Defaulted	-	-	-	-	-	-	-
Sub-total		0.04	1.07	-	120	-	-	-
Total (AIRB approach)		9.87	12.47	-	4 481 709	311 400	49 038	-
Total (FIRB and AIRB)		8.44	12.47	-	4 483 309	311 409	49 041	-

4. Credit risk

a/b	c	d	e	f	g	h	i
31 December 2024							
Number of obligors							
PD range	External rating equivalent	Weighted average PD %	Arithmetic average PD by obligors %	End of previous year #	End of the year #	Defaulted obligors in the year #	Average historical annual default rate %
Corporate							
0 to <0.15	AAA, AA, A, BBB+	0.10	0.10	206	158	-	0.68
0.15 to <0.25	BBB, BBB-	0.19	0.20	122	104	-	-
0.25 to <0.50	BBB-, BB+	0.36	0.33	278	278	1	0.30
0.50 to <0.75	BB+, BB	0.60	0.52	153	156	-	0.14
0.75 to <2.50	BB, BB-, B+	1.38	1.13	1 523	1 252	2	0.08
2.50 to <10.00	B+, B, B-	4.03	2.50	230	504	2	0.65
10.00 to <100.0	CCC/C	55.93	15.29	68	75	-	0.54
100.00 (Default)	100.00 (Default)	100.00	100.00	38	72	32	100.00
0 to < 100.0	AAA to CCC/C	1.19	1.60	2 580	2 527	5	0.20
Specialised lending							
0 to <0.15	AAA, AA, A, BBB+	0.14	0.12	58	16	-	-
0.15 to <0.25	BBB, BBB-	0.23	0.24	86	96	1	0.50
0.25 to <0.50	BBB-, BB+	0.36	0.34	138	147	-	-
0.50 to <0.75	BB+, BB	0.59	0.57	84	83	-	-
0.75 to <2.50	BB, BB-, B+	1.34	0.95	844	367	-	0.11
2.50 to <10.00	B+, B, B-	3.79	2.22	192	553	2	0.22
10.00 to <100.0	CCC/C	27.65	5.67	11	21	1	1.46
100.00 (Default)	100.00 (Default)	100.00	100.00	84	66	23	100.00
0 to < 100.0	AAA to CCC/C	0.84	1.42	1 413	1 283	4	0.24

4. Credit risk

a/b	c	d	e	f	g	h	i
31 December 2024							
Number of obligors							
PD range	External rating equivalent	Weighted average PD %	Arithmetic average PD by obligors %	End of previous year #	End of the year #	Defaulted obligors in the year #	Average historical annual default rate %
SME corporate							
0 to <0.25	AAA, AA, A, BBB+, BBB, BBB-	0.14	0.08	1 897	498	-	1.12
0.25 to <0.50	BBB-, BB+	0.38	0.35	1 187	264	4	0.97
0.50 to <0.75	BB+, BB	0.61	0.57	623	351	1	0.43
0.75 to <2.50	BB, BB-, B+	1.54	1.33	34 150	4 842	26	0.64
2.50 to <10.00	B+, B, B-	3.71	2.53	5 854	8 770	83	0.38
10.00 to <100.0	CCC/C	24.73	14.96	1 585	923	56	3.51
100.00 (Default)	100.00 (Default)	100.00	100.00	1 214	762	655	100.00
0 to < 100.0	AAA to CCC/C	3.33	2.73	45 296	15 648	170	0.48
Sovereigns							
0 to <0.15	AAA, AA, A, BBB+	0.01	0.02	25	23	-	-
0.15 to <0.25	BBB, BBB-	0.21	-	-	1	-	-
0.25 to <0.50	BBB-, BB+	0.40	0.16	8	5	-	-
0.50 to <0.75	BB+, BB	0.50	0.51	1	3	-	-
0.75 to <2.50	BB, BB-, B+	1.51	1.01	48	48	-	-
2.50 to <10.00	B+, B, B-	3.17	2.71	7	8	-	-
10.00 to <100.0	CCC/C	14.47	1.27	2	4	-	-
100.00 (Default)	100.00 (Default)	100.00	100.00	-	-	-	100.00
0 to < 100.0	AAA to CCC/C	0.03	0.84	91	92	-	-
Banks							
0 to <0.15	AAA, AA, A, BBB+	0.06	0.06	99	99	-	-
0.15 to <0.25	BBB, BBB-	0.16	0.17	4	13	-	-
0.25 to <0.50	BBB-, BB+	0.35	0.39	16	15	-	-
0.50 to <0.75	BB+, BB	0.60	0.72	4	7	-	-
0.75 to <2.50	BB, BB-, B+	1.89	0.07	55	124	-	-
2.50 to <10.00	B+, B, B-	6.71	0.93	48	58	-	-
10.00 to <100.0	CCC/C	17.95	0.76	14	18	-	-
100.00 (Default)	100.00 (Default)	100.00	100.00	-	-	-	100.00
0 to < 100.0	AAA to CCC/C	2.87	0.28	240	334	-	-
Retail mortgages							
0 to <0.50	AAA, AA, A, BBB+, BBB, BBB-, BB+	0.24	0.21	184 094	167 512	1 407	0.42
0.50 to <0.75	BB+, BB	0.62	0.61	37 446	39 199	790	0.97
0.75 to <2.50	BB, BB-, B+	1.39	1.39	124 263	110 491	4 094	2.24
2.50 to <10.00	B+, B, B-	4.35	4.65	41 665	53 328	4 463	5.55
10.00 to <100.0	CCC/C	30.64	29.05	17 935	20 501	6 769	29.32
100.00 (Default)	100.00 (Default)	100.00	100.00	49 701	52 053	-	100.00
0 to < 100.0	AAA to CCC/C	2.83	2.70	405 403	391 031	17 523	2.94

4. Credit risk

a/b	c	d	e	f	g	h	i
31 December 2024							
Number of obligors							
PD range	External rating equivalent	Weighted average PD %	Arithmetic average PD by obligors %	End of previous year #	End of the year #	Defaulted obligors in the year #	Average historical annual default rate %
Retail revolving credit							
0 to <0.50	AAA, AA, A, BBB+, BBB, BBB-, BB+	0.23	0.21	998 910	976 105	8 375	0.89
0.50 to <0.75	BB+, BB	0.62	0.61	236 228	305 322	8 991	1.95
0.75 to <2.50	BB, BB-, B+	1.39	1.39	767 517	671 940	34 598	3.67
2.50 to <10.00	B+, B, B-	3.94	5.20	655 015	776 665	115 497	12.02
10.00 to <100.0	CCC/C	22.79	22.24	190 948	209 696	82 914	30.46
100.00 (Default)	100.00 (Default)	100.00	100.00	242 287	295 465	-	100.00
0 to < 100.0	AAA to CCC/C	3.12	3.41	2 848 618	2 939 728	250 375	5.98
SME retail							
0 to <0.25	AAA, AA, A, BBB+, BBB, BBB-	0.13	0.05	104 716	9 502	14	0.16
0.25 to <0.50	BBB-, BB+	0.37	0.32	46 345	5 032	12	0.17
0.50 to <0.75	BB+, BB	0.61	0.56	5 139	4 700	9	0.57
0.75 to <2.50	BB, BB-, B+	1.59	1.33	55 667	15 605	42	0.57
2.50 to <10.00	B+, B, B-	4.35	2.87	28 622	73 891	362	1.05
10.00 to <100.0	CCC/C	28.05	19.12	3 961	4 028	64	5.35
100.00 (Default)	100.00 (Default)	100.00	100.00	11 080	3 663	8 451	100.00
0 to < 100.0	AAA to CCC/C	4.39	2.79	244 450	112 758	503	0.40
Retail - other							
0 to <0.50	AAA, AA, A, BBB+, BBB, BBB-, BB+	0.32	0.30	64 385	64 860	771	1.49
0.50 to <0.75	BB+, BB	0.62	0.64	34 963	32 736	575	1.47
0.75 to <2.50	BB, BB-, B+	1.43	1.48	223 516	184 043	6 377	2.70
2.50 to <10.00	B+, B, B-	5.84	5.47	271 521	228 029	26 329	8.24
10.00 to <100.0	CCC/C	20.37	20.13	130 198	158 361	49 339	25.35
100.00 (Default)	100.00 (Default)	100.00	100.00	168 421	166 689	-	100.00
0 to < 100.0	AAA to CCC/C	6.48	7.11	724 583	668 029	83 391	8.77

4. Credit risk

4.7 Counterparty credit risk (CCR) [CCR1]

CCR arises from the risk of losses due to a counterparty defaulting before meeting all their financial and contractual obligations on bilateral derivatives or securities financing transactions (SFTs). This includes failure to pay a regular cash flow, make a specific payment or deliver an asset. The credit risk relating to a derivative or SFT changes due to movement in underlying market variables. The loss to the Group is the cost of replacing or closing out the contract.

- **CCR measurement:** SA-CCR consists of two components which is replacement cost and potential future exposure (PFE) calculated per hedging set for each primary asset class.
- **Limit approval:** The principle of 'no limit, no trade' is strictly applied and all limits are to be approved by the risk sanctioning unit. All CCR limits are considered uncommitted and are revocable at any time. Break clauses are used to establish early termination rights.
- **Risk mitigants:** Cash and/or financial securities can be accepted to offset the exposure to trading positions which lead to CCR.
- **Exposure monitoring:** CCR activities are monitored through the management of limit excesses and failed trades.
- **Stress testing:** Stress testing is used to assess exposures to obligors or obligor groups and potential Bank losses under stress scenarios. Stress scenarios range from extreme but plausible events to less extreme but more probable stressed market conditions.

Wrong way risk (incorporated in the CCR profile) arises when there is adverse (positive) correlation between the obligor's PD and the Group's exposure to the obligor. Right way risk arises when an obligor's exposure is negatively correlated with the PD.

Collateral to be provided in the event of a credit rating downgrade: When assessing the portfolio in aggregate, the collateral that the Group would need to provide in the event of a rating downgrade is subject to many factors, including market movements in the underlying traded instruments and the netting of existing positions. The Group has limited instances of International Swaps and Derivatives Association (ISDA) agreements with a credit support annexure where both parties would be required to post additional collateral in the event of a credit rating downgrade. The additional collateral to be provided by the Group in the event of a credit rating downgrade is not considered to be material and therefore would not adversely impact its financial position.

The table below provides a view of the Group's regulatory CCR exposure, effectiveness of CRM techniques and RWA consumption. The table excludes CVA charges (table [CCR2]) and exposures cleared through central counterparties (CCPs) (table [CCR8]).

Analysis of CCR exposure by approach [CCR1]

	a	b	c	d	e	f
	31 December 2025					
	Replacement cost	PFE	Effective expected positive exposure (EEPE)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
	Rm	Rm	Rm	Rm	Rm	Rm
1 SA-CCR (for derivatives)	16 720	13 385		1.4	43 528	19 409
2 IMM (for derivatives and SFTs)			-	-	-	-
3 Simple approach for CRM (for SFTs)					-	-
4 Comprehensive approach for CRM (for SFTs)					20 725	9 954
5 VaR for SFTs					-	-
6 Total						29 363

	a	b	c	d	e	f
	30 June 2025					
	Replacement cost	PFE	Effective expected positive exposure (EEPE)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
	Rm	Rm	Rm	Rm	Rm	Rm
1 SA-CCR (for derivatives)	9 038	16 075		1.4	32 662	14 635
2 IMM (for derivatives and SFTs)			-	-	-	-
3 Simple approach for CRM (for SFTs)					-	-
4 Comprehensive approach for CRM (for SFTs)					15 978	3 857
5 VaR for SFTs					-	-
6 Total						18 492

SA-CCR (for derivatives) EAD post-CRM and RWA increased due to mark-to-market movements on foreign exchange and interest rate derivatives together with changes in portfolio mix. Net increase in EAD post-CRM and RWA under the comprehensive approach for CRM (for SFTs) with new exposures against SME corporates, sovereign counterparties and securities firms.

4. Credit risk

Standardised approach – CCR exposures by regulatory portfolio and risk weights [CCR3]

	a	b	c	d	e	c	v	h	i
	31 December 2025								
Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Regulatory portfolio									
Sovereigns	-	-	-	-	-	1 313	365	-	1 678
Non-central government public sector entities	-	-	-	195	-	-	-	-	195
Multilateral development banks	-	-	-	-	-	-	-	-	-
Banks	-	-	-	1	168	783	95	-	1 047
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	1 553	-	47	1 600
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	196	168	3 649	460	47	4 520

	a	b	c	d	e	c	v	h	i
	30 June 2025								
Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Regulatory portfolio									
Sovereigns	-	-	-	-	-	-	-	-	-
Non-central government public sector entities	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-
Banks	-	-	1	51	-	492	66	-	610
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	698	667	-	1 365
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	1	51	-	1 190	733	-	1 975

4. Credit risk

The table below provides a view of all relevant parameters used for the calculation of CCR capital requirements under the Group's AIRB models. The table excludes CVA charges and exposures cleared through a CCP.

IRB – CCR exposures by portfolio and PD scale [CCR4]

PD scale	a	b	c	d	e	f	g
	EAD post-CRM Rm	Average PD %	Number of obligors	Average LGD %	Average maturity Yrs	RWA Rm	RWA density %
31 December 2025							
FIRB approach							
Banks							
0.00 to <0.15	11 239	0.06	30	45.00	0.84	1 612	14
0.15 to <0.25	20	0.17	3	45.00	0.49	6	30
0.25 to <0.50	1 873	0.40	11	45.00	0.57	861	46
0.50 to <0.75	11	0.61	2	45.00	0.32	6	51
0.75 to <2.50	89	1.37	15	45.00	0.34	71	80
2.50 to <10.00	258	7.14	18	45.00	0.67	362	140
10.00 to <100.00	3	17.42	2	45.00	0.86	5	182
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	13 493	0.26	81	45.00	0.79	2 923	22
Corporate							
0.00 to <0.15	2 370	0.08	37	43.67	1.70	389	16
0.15 to <0.25	820	0.17	29	42.56	1.63	241	29
0.25 to <0.50	4 475	0.31	35	40.90	1.01	1 651	37
0.50 to <0.75	827	0.62	7	40.00	1.00	428	52
0.75 to <2.50	644	1.28	24	44.19	1.76	622	97
2.50 to <10.00	80	2.79	8	40.07	0.98	76	95
10.00 to <100.00	115	20.01	1	45.00	1.75	290	253
100.00 (Default)	1	100.00	1	40.00	1.00	3	500
Sub-total	9 332	0.60	142	41.94	1.16	3 700	40
Total (FIRB approach)	22 825	0.40	223	43.75	0.94	6 623	29
AIRB approach							
Corporate							
0.00 to <0.15	17	0.08	13	37.44	1.00	2	13
0.15 to <0.25	338	0.20	16	24.14	1.22	53	16
0.25 to <0.50	1 372	0.33	47	18.49	1.25	230	17
0.50 to <0.75	299	0.60	29	28.63	1.00	110	37
0.75 to <2.50	2 059	1.28	239	36.18	1.09	1 338	65
2.50 to <10.00	87	4.45	54	32.28	1.00	78	90
10.00 to <100.00	3	30.07	6	43.08	1.00	6	226
100.00 (Default)	-	100.00	3	43.90	1.00	1	549
Sub-total	4 175	1.00	407	28.78	1.00	1 818	44
Sovereign							
0.00 to <0.15	104	-	1	29.80	1.00	2	2
0.15 to <0.25	-	-	-	-	-	-	-
0.25 to <0.50	2 008	-	1	29.80	-	467	23
0.50 to <0.75	-	-	-	-	-	-	-
0.75 to <2.50	-	-	-	-	-	-	-
2.50 to <10.00	1 893	3.00	1	54.16	1.00	2 161	114
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	4 005	1.00	3	41.31	-	2 630	66
Total (AIRB approach)	8 181	1.00	410	34.92	1.00	4 448	54
Total (sum of portfolios)	31 006	1.00	633	41.42	1.00	11 071	41

4. Credit risk

PD scale	a	b	c	d	e	f	g
	EAD post-CRM Rm	Average PD %	Number of obligors	Average LGD %	Average Maturity Yrs	RWA Rm	RWA density %
30 June 2025							
Corporate/SME corporate							
0.00 to <0.15	3 721	0.06	46	38	1.28	587	16
0.15 to <0.25	5 953	0.17	62	36	1.03	1 370	23
0.25 to <0.50	6 521	0.36	102	30	2.56	2 652	41
0.50 to <0.75	3 504	0.59	66	33	2.63	2 071	59
0.75 to <2.50	4 656	1.33	338	39	0.88	3 590	77
2.50 to <10.00	1 503	3.44	102	44	0.73	2 076	138
10.00 to <100.00	100	17.10	8	45	1.29	239	240
100.00 (Default)	1	100.0	3	44	1.0	4	582
Sub-total	25 959	0.72	727	36	1.62	12 589	48
Banks/Securities firms							
0.00 to <0.15	18 225	0.05	36	44	0.59	1 812	10
0.15 to <0.25	92	0.21	3	44	0.93	35	38
0.25 to <0.50	1 703	0.40	9	44	0.37	767	45
0.50 to <0.75	-	-	-	-	-	-	-
0.75 to <2.50	112	1.34	16	44	1.96	129	115
2.50 to <10.00	550	6.90	13	44	0.41	790	144
10.00 to <100.00	24	18.63	2	44	1.0	54	226
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	20 706	0.29	79	44	0.58	3 587	17
Total (all portfolios)	46 665	0.53	806	39	1.16	16 176	35

4. Credit risk

The table below provides a breakdown of the types of collateral posted or received by the Group to support or reduce the CCR exposure related to derivatives and SFTs, including transactions cleared through a CCP. The Group relies mainly on cash and government bonds as collateral for derivative and securities financing contracts. The value of collateral used in each leg of SFTs is depicted on a gross basis.

Composition of collateral for CCR exposure [CCR5]

	a	b	c	d	e	f
	31 December 2025					
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
	Rm	Rm	Rm	Rm	Rm	Rm
Cash – domestic currency	-	6 101	-	4 270	105 810	69 204
Cash – other currencies	-	8 313	-	7 247	11 882	32 574
Domestic sovereign debt	-	-	-	-	67 191	104 233
Other sovereign debt	-	-	-	-	31 133	7 004
Government agency debt	-	2 694	-	607	-	-
Corporate bonds	-	10	-	609	11 246	3 776
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	17 118	-	12 733	227 262	216 791

The increase in collateral used in derivative and SFT transactions aligns with OTC derivatives and SFTs, as reflected in the CCR1 table.

	a	b	c	d	e	f
	30 June 2025					
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
	Rm	Rm	Rm	Rm	Rm	Rm
Cash – domestic currency	-	6 089	-	1 313	115 710	76 191
Cash – other currencies	-	9 397	-	5 188	4 700	36 073
Domestic sovereign debt	-	-	-	-	74 211	99 871
Other sovereign debt	-	-	-	-	32 992	82
Government agency debt	-	2 919	-	-	-	-
Corporate bonds	-	31	-	-	8 997	8 285
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	18 436	-	6 501	236 610	220 502

4. Credit risk

The table below illustrates the extent of the Group's exposures to credit derivative transactions in the trading book broken down between protection bought and protection sold positions.

Credit derivatives exposures [CCR6]

	a		b	
	31 December 2025		30 June 2025	
	Protection bought Rm	Protection sold Rm	Protection bought Rm	Protection sold Rm
Notionals				
Single-name credit default swaps	7 494	9 301	4 831	7 083
Index credit default swaps	-	-	-	-
Total return swaps	32 000	11 281	24 693	4 696
Credit options	-	-	-	-
Other credit derivatives	-	-	-	-
Total notionals	35 562	39 494	20 582	11 779
Fair values				
Positive fair value (asset)	106	169	609	198
Negative fair value (liability)	(2 161)	(1 613)	(332)	(338)

The increase in credit derivative exposure is primarily driven by risk management, hedging, and regulatory capital optimisation.

Exposures to CCPs [CCR8]

The table below provides a comprehensive picture of the Group's exposure to qualifying CCPs. The Group has no exposure to non-qualifying CCPs. The table includes exposures due to operations, margins posted and contributions to default funds.

	a		b	
	31 December 2025		30 June 2025	
	EAD post-CRM Rm	RWA Rm	EAD post-CRM Rm	RWA Rm
1 Exposures to qualifying central counterparty (QCCPs) (total)		1 812		1 370
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
3 i. OTC derivatives	-	-	-	-
4 ii. Exchange-traded derivatives	6 477	1 332	7 539	846
5 iii. SFTs	-	-	-	-
6 iv. Netting sets where cross-product netting has been approved	-	-	-	-
7 Segregated initial margin	-	-	-	-
8 Non-segregated initial margin	10 537	290	11 880	291
9 Pre-funded default fund contributions	55	190	81	233
10 Unfunded default fund contributions	-	-	-	-
11 Exposures to non-QCCPs (total)		-		-
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
13 i. OTC derivatives	-	-	-	-
14 ii. Exchange-traded derivatives	-	-	-	-
15 iii. SFTs	-	-	-	-
16 iv. Netting sets where cross-product netting has been approved	-	-	-	-
17 Segregated initial margin	-	-	-	-
18 Non-segregated initial margin	-	-	-	-
19 Pre-funded default fund contributions	-	-	-	-
20 Unfunded default fund contributions	-	-	-	-

4. Credit risk

4.8 Credit valuation adjustment risk (CVA)

4.8.1 General information about CVA [CVAA]

Credit Valuation Adjustment (CVA) risk represents the risk of loss arising from changes in counterparty credit spreads on derivatives and secured-financing transactions (SFTs) exposures. These exposures are subject to regulatory capital requirements under the revised framework for CVA, the objective of which is to ensure that banks hold sufficient capital protection against potential CVA losses.

The Basic Approach for Credit Valuation Adjustment (BA CVA) framework captures CVA risk through the aggregation of systematic and idiosyncratic components of counterparty credit spread risk across derivatives and SFTs. The regulatory framework provides for both a reduced and a full version of the BA CVA approach, depending on whether CVA hedging activities are undertaken and are eligible for capital recognition.

Absa applies the full BA CVA approach to calculate regulatory capital requirements for CVA risk. The BA CVA capital model methodology that has been applied is consistent with the applicable regulatory requirements and has received regulatory approval.

BA CVA – Reduced version

The reduced version of BA CVA is intended to simplify implementation for institutions that do not hedge CVA risk. Under this approach:

- CVA hedges are not recognised for regulatory capital purposes.
- The CVA capital requirement is calculated based solely on the aggregation of the systematic and idiosyncratic components of CVA risk.

BA CVA – Full version

The full version of BA CVA is designed for institutions that actively hedge CVA risk and allows for the recognition of credit spread hedges through single-name and index credit default swaps (CDS). Under this approach, the CVA capital calculation incorporates:

- The aggregation of the systematic and idiosyncratic components of CVA risk (i.e. the reduced version without hedging recognition).
- The impact of eligible single name and index hedges, as well as the components of indirect hedges, thereby reflecting the effect of hedging in the CVA capital requirement.
- The application of a supervisory beta parameter, which limits the extent to which hedging activities can reduce the overall CVA capital requirement.

4.8.2 The Group's approach to CVA

The Group's processes for managing CVA risk are governed by a comprehensive standard that applies to all business units and subsidiaries.

The CVA desk is responsible for risk management and hedging of the CVA portfolio, with strict eligibility criteria for hedges—only those mitigating counterparty credit spread risk via instruments like single-name or index credit default swaps are recognized.

Processes and controls are embedded in the CVA methodology documents, ensuring proper documentation, identification, and inclusion or exclusion of hedges in capital requirements. Ongoing monitoring of hedge effectiveness is achieved through robust analysis, metric sign-offs, and regular oversight by Traded Market Risk (TMR), with governance structures ensuring that all changes, methodologies, and risk mappings are reviewed, documented, and reported to senior management and regulators as required.

The Group has opted not to apply for or make use of the alternative approach to CVA capital calculation under MAR50, but instead applies the full BA-CVA methodology.

The full BA-CVA [CVA2]

		^a 31 December 2025
		BA-CVA RWA
		Rm
1	K Reduced	13 194
2	K Hedged	13 260
3	Total	13 210

4. Credit risk

4.9 Securitisation [SECA]

Securitisation is the financial practice of pooling various types of contractual debt such as residential and commercial mortgages, vehicle loans, or credit card debt obligations and selling their related cash flows to third party investors as securities in the form of note or bond issuances. Risk arises from the extent of credit enhancement provided to absorb losses from defaults on the underlying loans to support the required rating.

The Group engages in four securitisation transactions, namely Clover Capital (RF) (Pty) Ltd (Clover Capital), Nqaba Finance 1 (RF) Ltd (Nqaba), Bayport Securitisation (RF) Ltd (Bayport), and MW Asset Rentals (RF) Ltd (MWAR).

- Clover Capital was established to purchase qualifying debtors of Clover SA (Pty) Ltd (Clover). Clover has provided R300m subordinated debt to Clover Capital, which ranks after all external debt provider claims and acts as first loss absorption. The notes issued by Clover Capital are unrated.
- Nqaba was established specifically for the purpose of purchasing eligible residential mortgages originated by Eskom Finance Company SOC Ltd to employees of Eskom Holdings SOC Limited. The notes issued by Nqaba are rated by GCR Ratings.
- Bayport is a special purpose vehicle incorporated to house unsecured loans originated by Bayport Financial Services 2010 (Pty) Limited. Bayport notes are rated by S&P Global Ratings.
- MWAR is a ring-fenced equipment rentals securitisation vehicle, originated and serviced by Merchant West Proprietary Limited. Under the R2.5bn Lease Receivables Backed Note Programme, MWAR issues class A notes, listed on the Interest Rate Market of the Johannesburg Stock Exchange. The notes are rated by GCR Ratings.

The table below provides a breakdown of the Group's traditional securitisation exposures in the banking book for the retail and corporate portfolios where the Group acts as originator, sponsor or investor.

Securitisation exposures in the banking book [SEC1]

	a	b	c	d	e	f	g	h	i	j	k	l
	31 December 2025											
	Bank acts as originator				Bank acts as sponsor				Bank acts as investor			
	Traditional	Of which	Synthetic	Sub-total	Traditional	Of which	Synthetic	Sub-total	Traditional	Of which	Synthetic	Sub-total
Rm	STC	Rm	Rm	Rm	STC	Rm	Rm	Rm	Rm	STC	Rm	Rm
1 Retail (total)	-	-	-	-	307	307	-	307	244	244	-	244
2 Residential mortgage	-	-	-	-	307	307	-	307	-	-	-	-
3 Credit card	-	-	-	-	-	-	-	-	-	-	-	-
4 Other retail exposures	-	-	-	-	-	-	-	-	244	244	-	244
5 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
6 Wholesale (total)	-	-	-	-	-	-	-	-	540	290	-	540
7 Loans to corporates	-	-	-	-	-	-	-	-	250	-	-	250
8 Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-
9 Lease and receivables	-	-	-	-	-	-	-	-	290	290	-	290
10 Other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
11 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

	a	b	c	e	f	g	i	j	k
	31 December 2024								
	Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	
1 Retail (total)	-	-	-	533	-	533	118	-	118
2 Residential mortgage	-	-	-	533	-	533	-	-	-
3 Other retail exposures	-	-	-	-	-	-	118	-	118
6 Wholesale (total)	-	-	-	-	-	-	463	-	463
9 Lease and receivables	-	-	-	-	-	-	463	-	463

4. Credit risk

Securitisation exposures in the banking book and associated RC requirements – bank acting as originator or as sponsor [SEC3]

		31 December 2025																
		Exposure values (by risk weight (RW) bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
		>20% to ≤20% RW	>50% to 50% RW	>100% to 100% RW	<1 250% 1 250% RW	SEC-ERBA		SEC-SA	1 250%	SEC-ERBA		SEC-SA	1 250%	SEC-ERBA		SEC-SA	1 250%	
		Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	
1	Total exposures	307	-	-	-	-	-	307	-	-	-	31	-	-	-	2	-	
2	Traditional securitisation	307	-	-	-	-	-	307	-	-	-	31	-	-	-	2	-	
3	Of which securitisation	307	-	-	-	-	-	307	-	-	-	31	-	-	-	2	-	
4	Of which retail underlying	307	-	-	-	-	-	307	-	-	-	31	-	-	-	2	-	
5	Of which STC	307	-	-	-	-	-	307	-	-	-	31	-	-	-	2	-	
6	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Of which STC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Of which re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Of which securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Of which re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

4. Credit risk

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	30 June 2025																
	Exposure values (by risk weight bands)					Exposure values (by regulatory approach)					RWA (by regulatory approach)				Capital charge after cap		
	>20% to ≤20%	>50% to 50%	>100% to 100%	<1 250% RW	1 250% RW	SEC-ERBA		SEC-SA	1 250%	SEC-ERBA		SEC-SA	1 250%	SEC-ERBA		SEC-SA	1 250%
	Rm	Rm	Rm	Rm	Rm	SEC IRBA & SEC-IAA	Rm	Rm	Rm	Rm	SEC IRBA & SEC-IAA	Rm	Rm	Rm	Rm	Rm	Rm
1 Total exposures	343	-	-	-	-	-	-	343	-	-	-	34	-	-	-	3	-
2 Traditional securitisation	343	-	-	-	-	-	-	343	-	-	-	34	-	-	-	3	-
3 Of which securitisation	343	-	-	-	-	-	-	343	-	-	-	34	-	-	-	3	-
4 Of which retail underlying	343	-	-	-	-	-	-	343	-	-	-	34	-	-	-	3	-
5 Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Of which re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Of which securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Of which re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

4. Credit risk

Securitisation exposures in the banking book and associated RC requirements – bank acting as investor [SEC4]

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	31 December 2025																
	Exposure values (by risk weight (RW) bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1 250% RW	1 250% RW	SEC-ERBA			SEC-ERBA			SEC-ERBA			SEC-ERBA		
	Rm	Rm	Rm	Rm	Rm	SEC IRBA & SEC-IAA	SEC-SA	1 250%	SEC IRBA & SEC-IAA	SEC-SA	1 250%	SEC IRBA & SEC-IAA	SEC-SA	1 250%	SEC IRBA & SEC-IAA	SEC-SA	1 250%
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
1 Total exposures	784	-	-	-	-	-	-	784	-	-	-	90	-	-	-	7	-
2 Traditional securitisation	784	-	-	-	-	-	-	784	-	-	-	90	-	-	-	7	-
3 Of which securitisation	244	-	-	-	-	-	-	244	-	-	-	24	-	-	-	2	-
4 Of which retail underlying	244	-	-	-	-	-	-	244	-	-	-	24	-	-	-	2	-
5 Of which STC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Of which wholesale	540	-	-	-	-	-	-	540	-	-	-	66	-	-	-	5	-
7 Of which STC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which re-securitisation																	
9 Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Of which securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Of which re-securitisation																	

4. Credit risk

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	
	30 June 2025																	
	Exposure values (by risk weight bands)					Exposure values (by regulatory approach)					RWA (by regulatory approach)				Capital charge after cap			
	>20% to ≤20%	>50% to 50%	>100% to 100%	<1 250% RW	1 250% RW	SEC-ERBA		SEC-SA	1 250%	SEC-ERBA		SEC-SA	1 250%	SEC-ERBA		SEC-SA	1 250%	
	Rm	Rm	Rm	Rm	Rm	SEC IRBA & SEC-IAA	Rm	Rm	Rm	Rm	SEC IRBA & SEC-IAA	Rm	Rm	Rm	Rm	Rm	Rm	
1 Total exposures	555	-	-	-	-	-	-	555	-	-	-	68	-	-	-	5	-	
2 Traditional securitisation	555	-	-	-	-	-	-	555	-	-	-	68	-	-	-	5	-	
3 Of which securitisation	555	-	-	-	-	-	-	555	-	-	-	68	-	-	-	5	-	
4 Of which retail underlying	92	-	-	-	-	-	-	92	-	-	-	9	-	-	-	1	-	
5 Of which wholesale	462	-	-	-	-	-	-	462	-	-	-	59	-	-	-	5	-	
6 Of which re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7 Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9 Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10 Of which securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11 Of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12 Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13 Of which re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14 Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

4. Credit risk

4.10 Equity investment risk

Equity investment risk refers to the risk of adverse changes in the value of listed and unlisted equity investments. These investments are longer-term investments held in the banking book for non-trading purposes.

The Group's governance of equity investments is based on the following fundamental principles:

- A formal approval governance process.
- Key functional specialists reviewing investment proposals.
- Adequate monitoring and control after the investment decision has been implemented.
- Implementation of best practice standards based on current market trends, hurdle rates and benchmarks.

Criteria considered for transactions cover a comprehensive set of financial, commercial, legal and technical (where required) considerations. The performance of these investments is monitored relative to the portfolio's objectives.

The Group uses the market-based simple risk weight approach for the calculation of RC on its equity positions and look-through approach for equity investments in funds.

5. Market risk

5.1 Governance	90
5.2 Traded market risk	90
5.2.1 Review of current reporting period	90
5.2.2 Priorities	90
5.2.3 General information about traded market risk	90
5.3 Non-traded market risk	94
5.3.1 Review of current reporting period	94
5.3.2 Priorities	94
5.3.3 General information about non-traded market risk	94

5. 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.

5.1 Governance

5.1.1 Structure

Market risk arises from either traded or non-traded Group activities and is structured by asset class for South Africa and geographically for AR with assigned analysts responsible for ensuring trading and banking activity occurs within approved regulatory and internal management limits and that related risk metric results are accurate. The RTO for market risk is responsible for oversight of all market risk across the Group.

The market risk function interacts daily with the Product Control Group (reporting into the CIB Chief Financial Officer and responsible for daily profit and loss (PnL), PnL attribution and independent price testing), the front office traders and credit risk or country risk analysts (where appropriate). Daily reports are sent to the CIB CRO and front office detailing limit utilisation, limit breaches, VaR/sVaR and commentary, where relevant.

The Traded Market Risk Committee (TMRC) and Group Non-Traded Market Risk Committee (GNTMRC) provide oversight of the Group's traded and non-traded market risk profiles and report into the ERC and ATC. These committees have the capacity and mandate to act as fora where committee members ensure that both risk coverage and limit frameworks remain appropriate.

The GCRO presents the Group's market risk profile, alongside the other risk types as specified by the ERMF, to the GRCMC.

5.1.2 Committees

Market risk committees operate at business unit and group level. A risk summary of actual exposure from positions, risks, stresses, EC, EaR, RWA and capital across all asset classes against these limits, is presented at the TMRC and GNTMRC including the risk profile reports tabled at the GRCMC meeting.

The key committees involved in the governance of market risk are depicted below:



Board risk committee



Executive committees



Management committees

- Traded Market Risk Committee
- Non-Traded Market Risk Committee



Financial risks



Non-financial risks



Financial and non-financial risks

5. Market risk

5.2 Traded market risk

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

5.2.1 Review of current reporting period

Key risk metrics	31 December 2025	31 December 2024
Traded market risk EC (Rbn)	9.4	6.6
Traded market risk RWA (Rbn)	61.1	40.4
Average traded market risk – 99% value at risk (VaR) (Rm) ¹	52.9	56.3

- Amid changing macroeconomic conditions and monetary policy easing in certain markets, risk increases across asset classes were influenced by client flow in those markets.
- EC increased due to higher AR default risk charge (DRC) driven by increased exposures to AR sovereign bond holdings. The increase in risk appetite was supported by stable currency conditions, a reduction in central bank policy rates, and growing foreign investor interest in sovereign bonds.
- RWAs increased due to changes in the portfolio risk due to increased client activity on the back of the geopolitical and macroeconomic environment, along with the implementation of the FRTB regulatory changes.

5.2.2 Priorities

- Maintain 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 the new framework.
- Manage capital demand within risk appetite, considering impacts of the 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.

5.2.3 General information about market risk [MRA and MRB]

The regulatory framework for market risk capitalisation changed with the implementation of the Fundamental Review of the Trading Book (FRTB), which went live on 1 July 2025. Under FRTB, the Group adopted the standardised approach (SA) for South Africa, replacing Basel 2.5 which was capitalised under a combination of the Internal Models Approach (VaR methodology) and Standardised Approach, and the simplified standardised approach (SSA) for AR, replacing the Basel 2.5 Standardised Approach. While the Group's overall approach to managing market risk has remained consistent, regulatory capital calculated under FRTB now informs the management of capital limits and risk appetite at both country and Group levels, with VaR continuing to be used as a key internal risk management tool.

5.2.3.1 Risk identification and management

The market risk RTO reports to the GCRO and is responsible for establishing the Market Risk framework and overseeing market risk across the Group. The market risk teams are responsible for the setting and monitoring of market risk limits for the business units, in line with the Group risk appetite and the Market Risk Management Framework and report directly to the market risk RTO. These teams ensure that risks are managed within set limits and thresholds (regulatory required and internal), including VaR, sensitivity, loss threshold and stress testing. Aggregate limits and thresholds are reviewed and set at the Group level and allocated to business units at least annually. The first line of defence for market risk management resides with the respective business unit heads. Governance committees include the TMRC and the GNTMRC.

Market risk management objectives are to:

- Establish the market risk framework, policies and standards to measure and manage traded and non-traded market risk.
- Embed appropriate models to measure risk.
- Ensure risk is managed within the Group's risk appetite by monitoring risk against the limit and appetite framework.
- Understand risk sensitivity and the impact of volatility on the portfolio.
- Understand concentration risk, market liquidity, risk correlations and basis risk across the portfolio.
- Utilise stress testing and empirical analytics to supplement model-based risk management.

The Group aims to manage market risk in a way that limits earnings volatility and ensures risk utilisation is within the Group's allocated risk appetite. The Group takes on market risk to support the needs of its customers to facilitate market liquidity as a market maker and leverage short-term market mispricing. Market risk is controlled by risk management frameworks, policies and standards, supported by daily limit monitoring.

Several techniques are used to measure and control market risk (regulatory required and internal). These include:

- VaR-based measures including sVaR.
- Tail metrics.
- Position and sensitivity metrics.
- Stress testing.
- RWAs
- EC and EaR.
- Valuation control, independent price and bid-offer testing conducted by the independent valuation control team within product control.

¹ Historically, the Group's internal market risk management closely aligned with the regulatory capital framework, enabling clear links between internal risk measures and regulatory capital based on VaR. However, since the adoption of FRTB, effective 1 July 2025, the Group has adopted a hybrid approach: regulatory capital requirements now inform capital limit management, while VaR continues to play a central role as an internal risk management tool.

5. Market risk

A limit structure is in place for each of the above metrics. These are set and reviewed at least annually to control the Group's trading activities, in line with the allocated risk appetite. The criteria for allocating risk limits to businesses include relevant market analysis, market liquidity and business strategy.

VaR¹

Daily value at risk (DVaR) is an estimate of the potential loss that may arise from unfavourable market movements if current positions were to be held unchanged for one business day.

The Group uses an internal DVaR model based on the historical simulation method to derive the quantitative market risk measures under normal conditions. The DVaR model utilises a two-year data history of unweighted historical price and rate data and a holding period of one day with a confidence interval of 99%.

The performance of the DVaR model is regularly assessed for continued suitability. The main technique employed is backtesting, which counts the number of days when actual losses from trading activities exceed the corresponding 99% level of confidence assuming a one-day holding period calculated by the DVaR model.

Stressed value at risk (sVaR) uses a similar methodology to DVaR but is based on a one-year period of financial stress. The period of stress used is currently the 2008/2009 financial crisis.

Loss thresholds, tail risk metrics, position and sensitivity reporting and stress testing are used to complement DVaR in the management of traded market risk.

Stress testing

Stress testing provides an indication of the potential size of losses that could occur in extreme conditions. Stress testing assists in identifying risk concentrations across business lines and assists senior management in making capital planning decisions. The Group performs stress and scenario testing as follows:

- Risk factor stress testing is conducted by applying historical stress moves to each of the main risk categories (interest rate, equity, foreign exchange, commodity and credit spread risks) and is an estimate of potential losses that might arise from extreme market moves or scenarios to key liquid and illiquid risk factors.
- The trading book is subjected to multi-factor scenarios that simulate past periods of significant market disturbance and hypothetical extreme, yet plausible, events that may impact the market risk exposure across liquid and illiquid risk factors at the same time.

These are reported based on the concurrent aggregation of all risk factors including cross-risk factor effects. Scenarios are reviewed at least annually. A sensitivity-based approach is used for South Africa and AR. The results are monitored against approved limits and thresholds.

Tail risk metrics

Expected shortfall (also referred to as expected tail loss) measures the average of all hypothetical losses from the historical simulation beyond the 99th percentile used for the VaR. This metric is monitored daily, using the current portfolio and two years of unweighted historical market moves.

Risk sensitivities and exposures

The risk sensitivity reporting covers non-statistical measures for calculating and monitoring risk sensitivities and exposures as well as gross notional limits, issuer risk limits and concentration exposure where appropriate. All asset classes and product types have risk sensitivity reporting and limit monitoring. These limits are aligned to VaR limits, but do not bear a direct linear relationship.

Aggregation for capital calculation purposes

Under the Fundamental Review of the Trading Book (FRTB), the Group's traded market risk minimum RC requirement in respect of its trading book comprises two elements.

Standardised approach (SA)

Within Bank Solo, all trading book positions are capitalised using the Standardised Approach (SA) for market risk. This approach applies regulatory prescribed risk weights and calculates capital under the Sensitivity-Based Approach (SBA), Default Risk Charge (DRC) and Residual Risk Add-On (RRAO), based on sensitivities calibrated to regulatory defined risk factors, buckets and correlation parameters.

Simplified Standardised approach (SSA)

The Africa Regions (AR) are capitalised under the Simplified Standardised Approach (SSA), as approved by the PA, given that their trading books primarily comprise interest rate and foreign exchange risk and reflect less complex market risk exposures.

RC is calculated as a simple summation of the SA and SSA capital charges. No diversification between the methodologies is permitted.

5.2.3.2 Reporting

The Group's market risk function produces several daily and monthly market risk reports. The reports detail the positions, sensitivities and exposures, stress testing losses, VaR/sVaR, RWA and capital across all asset classes for the trading book. A risk summary is also presented at the TMRC and other governance committee meetings, as required, including the risk profile report tabled at the quarterly CIB and Group ERC.

¹ In line with regulatory requirements for public disclosures on the IMA, the sections on VaR, backtesting, tail metrics and sVaR specifically relate to the internal model used for the calculation of South Africa market risk RC.

5. Market risk

Market risk under SA [MR1]

The following table depicts market risk in the Bank under the FRTB SA.

		a 31 December 2025
		Capital charge in SA Rm
1	General interest rate risk	961
2	Equity risk	156
3	Commodity risk	42
4	Foreign exchange risk	321
Credit spread risk		
5	Non-securitisations	709
6	Securitisations (non-correlation trading portfolio)	-
7	Securitisations (correlation trading portfolio)	-
Default risk		
8	Non-securitisations	405
9	Securitisations (non-correlation trading portfolio)	-
10	Securitisations (correlation trading portfolio)	-
11	Residual risk add-on	40
12	Total	2 634

Capital decreased by R2.7bn for the Bank, primarily driven by the transition from Basel 2.5 to FRTB which became effective on 1 July 2025. Under Basel 2.5, capital was calculated using the IMA and reflected elevated risk levels based on a 60-day averaging period, including the April 2025 "Liberation Day" impacts. The FRTB SA measures exposures at the month-end reporting date, resulting in a capital reduction from lower observed risk levels.

		a 30 June 2025
		RWA Rm
Outright products		
1	Interest rate risk (general and specific) ¹	32 983
2	Equity risk (general and specific)	434
3	Foreign exchange risk	2 223
4	Commodity risk	-
Options		
5	Simplified approach	-
6	Delta-plus method	213
7	Scenario approach	-
8	Securitisations	-
9	Total	35 853

¹ General and specific risks are calculated separately as standalone charges without diversification.

5. Market risk

Market risk under the simplified standardised approach [MR3]

The following table depicts market risk in the Group subsidiaries under the simplified standardised approach (SSA).

		a	b	c	d
		31 December 2025			
		Outright products	Options		
		Simplified approach	Delta-plus method	Scenario approach	
		Rm	Rm	Rm	Rm
1	Interest rate risk		2 162		
2	Equity risk		-		
3	Commodity risk		-		
4	Foreign exchange risk		94		
5	Securitisation		-		
6	Total		2 256		

Capital increase was driven by the application of regulatory scalars under the FRTB SSA, specifically 1.3 for interest rate risk and 1.2 for foreign exchange risk.

5.3 Non-traded market risk

Non-traded 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.

5.3.1 Review of current reporting period

Key risk metrics	31 December 2025	31 December 2024
Banking book net interest income (NII) sensitivity for a 2% increase shock in interest rates (Rm)	1 430	1 116
South Africa	681	758
AR	749	358
Banking book NII sensitivity for a 2% downward shock in interest rates (Rm)	(2 768)	(1 904)
South Africa	(1 270)	(1 006)
AR	(1 498)	(898)
Banking book risk EC (Rbn)	9.7	8.9

- The Group continued to manage interest rate risk within established risk appetite.
- Group NII sensitivity increased over the year, predominantly due to increased risk in AR markets arising from the continued management of sovereign credit risk and liquidity management priorities in AR markets. Capital markets outside South Africa were less robust and therefore the use of derivative instruments to hedge NII risk was not feasible.
- South Africa experienced increased NII sensitivity as the banking book expanded, resulting in higher reset risk. Furthermore, asset growth was mainly supported by stable structural funding, which was partly hedged within established risk thresholds.
- Economic capital increased by R0.8bn driven by the investment growth 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.

5.3.2 Priorities

- Manage credit spread, interest rate, and foreign exchange risk proactively and within 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.

5.3.3 General information about non-traded market risk (interest rate risk in the banking book) [IRRBA]

Non-traded market risk is the risk that the Group's financial position might be adversely affected by changes in interest rate levels, yield curves and spreads. This risk arises in the banking book due to repricing differences between assets, liabilities and equity, originating from the provision of retail and wholesale banking products and services (considered core banking activities), together with certain rate-insensitive exposures in the balance sheet. This risk impacts both the earnings and economic value of the Group.

The Group's objective for the management of non-traded market risk is to ensure a higher degree of interest rate margin stability and reduced interest rate risk over an interest rate cycle. This is achieved by transferring the interest rate risk from the business to local treasury or Group Treasury, which is mandated to hedge material net exposures with the external market. This allows risk to be managed centrally and holistically for the Group.

These risk positions are managed mainly through the use of derivative instruments such as interest rate swaps, or appropriate balance sheet optimisation. Residual interest rate risk may remain in treasury due to risks that are not viable to hedge in external markets. A limit framework is in place to ensure that the retained risk remains within approved risk appetite.

5. Market risk

The techniques used to measure and monitor non-traded market risk include:

- Repricing profiles
- NII sensitivity
- VaR and other tail metrics
- EC
- Economic value of equity (EVE) sensitivity
- Stress testing

VaR, supporting metrics and stresses are reported daily for Group Treasury and the AR businesses, with the exception of two businesses where reporting is done monthly. The repricing profiles, NII, EVE sensitivity and stress results are reported monthly for both Group Treasury and AR. Limits are set and monitored through the formal governance process.

Repricing profiles

To generate repricing profiles, instruments are allocated to time periods with reference to the earlier of the next contractual interest rate repricing date and the maturity date. The repricing profiles consider the assumed behaviour of structural product balances and portfolios subject to prepayments.

NII sensitivity

NII sensitivity measures the sensitivity of NII over the next 12 months to a specified shock in interest rates. The metric is based on a static balance sheet and observed across a range of market scenarios as prescribed in the regulatory guidelines. The risk exposures are monitored against approved internal limits. Foreign exchange risk arising from the banking book is transferred from business to treasury and hedged in the external market.

VaR

VaR calculated at a 99% confidence level is used for measuring non-traded market risk. The VaR is monitored against approved internal limits and is used as a complementary metric to NII. The VaR is supplemented by non-VaR, stress and tail metrics.

Economic capital

EC is the Group's internal capital adequacy assessment of an estimated maximum cumulative loss over a one year holding period as a result of market price volatility changes at various confidence intervals. This holding period better reflects the nature of banking book exposures and is supplemented by VaR and non-VaR metrics.

EVE sensitivity

EVE sensitivity evaluates how the present value of the banking book responds to a specific shock in the yield curve. In accordance with regulatory standards, Absa Group evaluates the impact of various yield curve shocks on equity. EVE sensitivity is evaluated across six scenarios including two parallel scenarios (up and down) and four non-parallel scenarios (short rate up, short rate down, flattener, steepener). The impact is evaluated based on the cash flows generated from all interest-bearing assets, liabilities (excluding equity), and off-balance sheet items within the banking book. Additionally, the metric assumes a run-off balance sheet, where banking book positions amortize and are not replaced by new business. The anticipated cash flows do not factor in commercial margins or other spread components and are discounted at the risk-free rate.

The Group employs strong fixed interest rate risk management strategies to ensure that fixed exposures, including structural equity, are well hedged within defined limits. The risk mitigation approaches incorporate conventional market instruments, like interest rate swaps, along with balance sheet structuring. Post implementing hedging strategies, the 400bps rate increase scenario remains the most severe. Both EVE and NII sensitivity evaluations are based on behavioural profiles, where non-maturing deposits (including equity), and asset portfolios subject to prepayments, are assigned tenors reflective of their historical weighted average lives. The maximum duration for non-maturing deposits is five years, which is within the regulatory limit of five years.

Stress testing

Stress testing is tailored to each banking book and consists of a combination of stress scenarios and historical stress movements applied to the respective banking books.

Impact on earnings

The following table depicts the impact on NII for 100 and 200bps up and down movements in market interest rates for the Group's banking books. Assuming no management action is taken in response to market interest rate movements, a hypothetical, immediate and sustained parallel decrease of 200 bps in all market interest rates would, at the reporting date, result in a pre-tax reduction in projected 12-month NII of R2.8bn (2024 YE: R1.9bn). A similar increase would result in an increase in projected 12-month NII of R1.4bn (2024 YE: R1.1bn). On this basis, EaR expressed as sensitivity to a 200bps parallel decrease in all market interest rates increased to 3.7% (2024: 2.7%) of the Group's NII.

5. Market risk

NII sensitivity for 100 and 200bps changes in market interest rates

	31 December 2025			
	200 bps decrease	100 bps decrease	100 bps increase	200 bps increase
South Africa (Rm)	(1 270)	(580)	553	681
AR (Rm)	(1 498)	(681)	374	749
Total (Rm)	(2 768)	(1 261)	927	1 430
Percentage of the Group's NII (%)	(3.7)	(1.7)	1.3	1.9
Percentage of the Group's equity (%)	(1.4)	(0.7)	0.5	0.7

	31 December 2024			
	200 bps decrease	100 bps decrease	100 bps increase	200 bps increase
South Africa (Rm) ¹	(1 006)	(398)	413	758
AR (Rm) ²	(898)	(371)	179	358
Total (Rm)	(1 904)	(769)	592	1 116
Percentage of the Group's NII (%)	(2.7)	(1.1)	0.8	1.6
Percentage of the Group's equity (%)	(1.0)	(0.4)	0.3	0.6

Regulatory scenarios: NII and EVE sensitivity [IRRBB1]

	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Changes in economic value of equity (incl. equity hedges)	Changes in economic value of equity (incl. equity hedges)	Changes in the net interest income	Changes in the net interest income
Parallel up (Rm)	(5 212)	(5 201)	1 142	1 092
Parallel down (Rm)	6 526	6 129	(2 513)	(1 909)
Steeper (Rm)	(1 562)	(572)		
Flattener (Rm)	366	(600)		
Short rate up (Rm)	(1 832)	(2 577)		
Short rate down (Rm)	2 065	2 819		
Maximum (Rm)	(5 212)	(5 201)	(2 513)	(1 909)
Tier 1 capital (Rm)	105 883	99 424		
Maximum sensitivity to tier 1 capital (%)	(4.9)	(5.2)	(2.4)	(1.9)

EVE sensitivity was R5.2bn, representing 4.9% of Tier 1 capital. This position remained well within regulatory thresholds. The ratio remained stable relative to the prior year, highlighting the Bank's disciplined and consistent approach to strategic risk management.

6. Capital and liquidity risk

6.1 Overview of capital and liquidity risk management and key prudential metrics	98
6.1.1 Key BCBS metrics (at consolidated Group level)	99
6.1.2 Key BCBS metrics (at consolidated Bank level)	99
6.1.3 Governance	101
6.2 Capital risk	102
6.2.1 Review of the current reporting period	102
6.2.2 Priorities	102
6.2.3 General information about capital risk	103
6.3 Liquidity risk	124
6.3.1 Review of the current reporting period	124
6.3.2 Priorities	125
6.3.3 General information about liquidity risk	125



Summary of risk profile and RWA

Basis of preparation

Risk management overview

Credit risk

Market risk



Capital and liquidity risk

Operational and resilience risk

Model risk

Remuneration

Abbreviations and acronyms

6. 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.

6.1 Overview of capital and liquidity risk management and key prudential metrics

The Capital and Liquidity Risk Management Framework sets out the overarching requirements and approach to the assessment and management of capital and liquidity risks.

The risk management approach is aligned to the principles defined in the ERMF. The second line of defence is responsible for independent oversight on the management of the risk profile and preparing the policies and guidelines that detail responsibilities, activities and governance arrangements for managing and mitigating capital and liquidity risk. Risk appetite is set annually and enables the monitoring of the capital and liquidity risk profile across the Group.

The Group / legal entity Treasury Committees review and approve the capital and liquidity risk appetite at least annually. In addition, capital and liquidity risk appetite statements classified as Board level are submitted to the Group GRMC for review and recommended to the Board for final approval. The ERC reviews and approves the cascading risk appetite to risk types, legal entities and business units.

Risk metrics are forecast as part of the annual integrated planning cycle or when necessary to ensure that the Group has adequate financial resources to support its strategic objectives and to meet minimum regulatory requirements. The metrics are monitored dynamically and in line with the nature of each of the underlying risks. Capital and liquidity buffers are informed by internal scenario analysis and stress testing exercises conducted by finance, treasury, and risk functions to test the resilience of business, capital and funding plans against adverse events and scenarios.

Risk management and mitigation activities are monitored by the appropriate executive oversight committees and include the proactive management of the level and composition of capital as well as the amount, tenor and composition of funding for strategy execution.

In line with regulatory and accounting requirements, the capital and leverage positions of the Group and the Bank in this document are reflected on a regulatory basis (which requires unappropriated profits to be excluded).

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



6. Capital and liquidity risk

6.1.1 Key BCBS metrics (at consolidated Group level) [KM1]^{1,2}

	a	b	c	d	e
	31 December 2025	30 September 2025 ³	30 June 2025 ³	31 March 2025 ³	31 December 2024 ³
Available capital (Rm)					
1 CET1	147 327	141 783	142 272	136 790	137 413
2 Tier 1	167 607	163 774	161 383	157 831	158 416
3 Total capital	186 475	180 453	175 672	174 995	174 847
RWA (Rm)					
4 Total RWA	1 232 627	1 219 498	1 221 944	1 171 001	1 161 658
4a Total RWA (pre-floor)	1 232 627	1 219 498			
Risk-based capital ratios as a percentage of RWA (%)					
5 CET1 ratio	12.0	11.6	11.6	11.7	11.8
5a CET1 ratio (pre-floor ratio)	12.0	11.6			
6 Tier 1 ratio	13.6	13.4	13.2	13.5	13.6
6a Tier 1 ratio (pre-floor ratio)	13.6	13.4			
7 Total capital ratio	15.1	14.8	14.4	14.9	15.1
7a Total capital ratio (pre-floor ratio)	15.1	14.8			
Additional CET1 buffer requirements as a percentage of RWA (%)					
8 Capital conservation buffer requirement	2.5	2.5	2.5	2.5	2.5
9 Countercyclical buffer requirement ⁴	-	-	-	-	-
10 Global systemically important banks (G-SIB) and/or domestic systemically important banks (D-SIB) additional requirements	1.0	1.0	1.0	1.0	1.0
11 Total of bank CET1 specific buffer requirements (row 8 + row 9 + row 10)	3.5	3.5	3.5	3.5	3.5
12 CET1 available after meeting the bank's minimum capital requirements	3.5	3.1	3.1	3.2	3.3
Basel III leverage ratio⁵					
13 Total Basel III leverage ratio exposure measure (Rm)	2 370 567	2 258 166	2 230 897	2 146 213	2 138 735
14 Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	7.1	7.3	7.2	7.4	7.4
14a Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	7.1	7.3			
14b Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for security financing transaction (SFT) assets	7.1	7.3			
14c Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	7.1	7.3			
LCR					
15 Total high-quality liquid assets (HQLA) (Rm)	301 802	306 498	287 295	278 258	271 798
16 Total net cash outflow (Rm)	236 895	241 165	222 708	215 588	214 531
17 LCR ratio (%)	127.4	127.1	129.0	129.1	126.7
NSFR					
18 Total available stable funding (ASF) (Rm)	1 368 736	1 324 443	1 300 624	1 276 652	1 305 870
19 Total required stable funding (RSF) (Rm)	1 168 170	1 138 219	1 110 029	1 077 535	1 073 219
20 NSFR ratio (%)	117.2	116.4	117.2	118.5	121.7

From September 2025 to December 2025:

- Common equity tier 1 (CET1) available capital increased during the quarter mainly from the appropriation of R5bn of profits coupled with movements in the available for sale reserve.
- The Group's total capital position included the issuance of a tier 2 instrument of R2.4bn (USD150 million) in December 2025 and the redemption of an additional tier 1 instrument of R1.2bn in October 2025.
- Leverage exposure increased R112.4bn during the quarter, mainly due to higher on and off-balance sheet exposures. Refer to LR2 on page 123 for more information in the commentary.
- Refer to OV1 on page 13 for RWA commentary.

¹ The fully loaded accounted ECL basis has been fully transitioned in.

² The numbers are excluding unappropriated profits.

³ The December 2024, March 2025 and June 2025 figures were revised to align with the final regulatory submissions.

⁴ The countercyclical buffer in South Africa is currently zero and will be phased in at 1% effective 1 January 2026.

⁵ The Basel III leverage ratio disclosed above reflects the inclusion of SFT exposures in the leverage exposure and in leverage exposure calculation, based on average of daily values over the quarter instead of quarter end values, in accordance with local regulatory requirements.

6. Capital and liquidity risk

- The Group's regulatory capital and leverage positions remained well above the minimum regulatory requirements.
- The Group's liquidity risk position remained healthy and key liquidity metrics remained within risk appetite and above the minimum regulatory requirements.

6.1.2 Key BCBS metrics (at consolidated Bank level) [KM1]^{1,2}

	a	b	c	d	e
	31 December 2025	30 September 2025 ⁴	30 June 2025 ⁴	31 March 2025 ⁴	31 December 2024 ³
Available capital (Rm)					
1 CET1	90 873	85 846	83 860	82 062	81 990
2 Tier 1	109 188	105 803	100 825	100 791	100 700
3 Total capital	124 136	118 173	111 292	114 219	113 418
RWA (Rm)					
4 Total RWA	790 352	764 215	725 762	703 216	700 253
4a Total RWA (pre-floor)	790 352	764 215			
Risk-based capital ratios as a percentage of RWA (%)					
5 CET1 ratio	11.5	11.2	11.6	11.7	11.7
5a CET1 ratio (pre-floor ratio)	11.5	11.2			
6 Tier 1 ratio	13.8	13.8	13.9	14.3	14.4
6a Tier 1 ratio (pre-floor ratio)	13.8	13.8			
7 Total capital ratio	15.7	15.5	15.3	16.2	16.2
7a Total capital ratio (pre-floor ratio)	15.7	15.5			
Additional CET1 buffer requirements as a percentage of RWA (%)					
8 Capital conservation buffer requirement	2.5	2.5	2.5	2.5	2.5
9 Countercyclical buffer requirement ⁴	-	-	-	-	-
10 Global systemically important banks (G-SIB) and/or domestic systemically important banks (D-SIB) additional requirements	1.0	1.0	1.0	1.0	1.0
11 Total of bank CET1 specific buffer requirements (row 8 + row 9 + row 10)	3.5	3.5	3.5	3.5	3.5
12 CET1 available after meeting the bank's minimum capital requirements	3.0	2.7	3.1	3.2	3.2
Basel III leverage ratio⁵					
13 Total Basel III leverage ratio exposure measure (Rm)	1 948 712	1 847 421	1 824 500	1 741 780	1 747 792
14 Basel III leverage ratio (%) (row 2 / row 13)	5.6	5.7	5.5	5.8	5.8
14a Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	5.6	5.7			
14b Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	5.6	5.7			
14c Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	5.6	5.7			
LCR					
15 Total HQLA (Rm)	261 000	264 462	252 342	256 910	239 592
16 Total net cash outflow (Rm)	196 093	199 129	187 755	194 240	182 326
17 LCR ratio (%)	133.1	132.8	134.4	132.3	131.4
NSFR					
18 Total ASF (Rm)	1 099 232	1 058 754	1 041 279	1 018 745	1 050 581
19 Total RSF (Rm)	1 002 935	971 271	942 994	917 885	915 273
20 NSFR ratio (%)	109.6	109.0	110.4	111.0	114.8

From September 2025 to December 2025:

- CET1 available capital increased during the quarter mainly due to the appropriation of R4bn of profits coupled movements in the available for sale reserve.
- The total capital position included the issuance of a tier 2 instrument of R2.4bn (USD150 million) in December 2025 and the redemption of an additional

¹ The fully loaded accounted ECL basis has been fully transitioned in.

² The numbers are excluding unappropriated profits.

³ The December 2024, March 2025 and June 2025 figures were revised to align with the final regulatory submissions.

⁴ The countercyclical buffer in South Africa is currently zero and will be phased in at 1% effective 1 January 2026.

⁵ The Basel III leverage ratio disclosed above reflects the inclusion SFT exposures in the leverage exposure and in leverage exposure calculation, based on average of daily values over the quarter instead of quarter end values, in accordance with local regulatory requirements.

6. Capital and liquidity risk

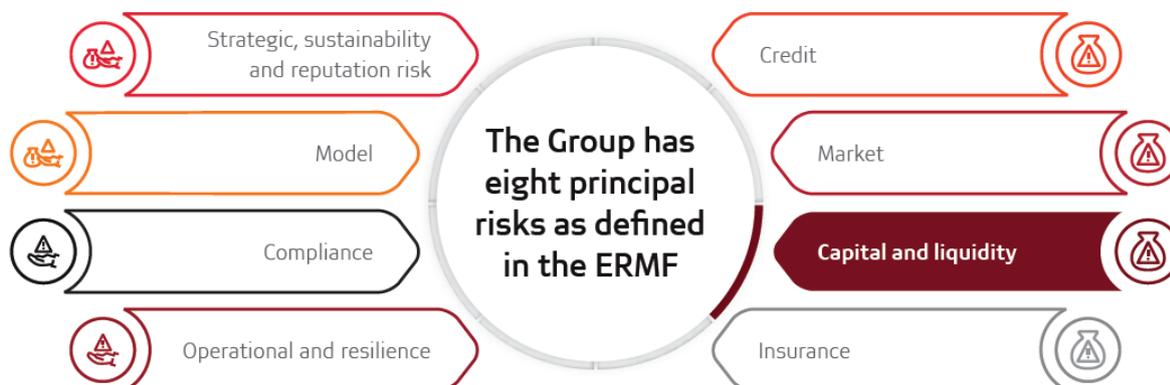
tier 1 instrument of R1.2bn in October 2025.

- Leverage exposure increased R101.3bn during the quarter due to higher on and off-balance sheet exposures. Refer to LR2 on page 123 for more information in the commentary.
- Refer to OV1 on page 13 for RWA commentary.
- The Bank's regulatory capital and leverage positions remained well above the minimum regulatory requirements.
- The Bank's liquidity risk position remained healthy and key liquidity metrics remained within risk appetite and above the minimum regulatory requirements.

6.1.3 Governance

A set of policies and standards, with an overarching framework, is used with the ERMF to manage and govern capital and liquidity risks. The Capital and Liquidity Risk Management Framework includes key control objectives that must be met. The liquidity, capital risk and pension risk policies outline a minimum set of standards and requirements that should be maintained for the management of these risks, encompassing planning, limit setting, stress testing, contingency and recovery planning.

The committee structure used to govern decisions relating to capital and liquidity risk is outlined below:



Board risk committee



Executive committees



Management committees

- Legal Entity Treasury Committees
- AR Treasury Committee



Financial risks



Non-financial risks



Financial and non-financial risks

6. Capital and liquidity risk

6.2 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.

6.2.1 Review of the current reporting period

Key risk metrics	31 December 2025	31 December 2024
Total EC (Rbn)	116.7	123.8
Total RWA (Rbn)	1 232.6	1 161.7 ¹
CET1 capital adequacy ratio (%) ²	12.7	12.6
EC coverage	1.7	1.5
Leverage ratio (%) ²	7.4	7.8
Capital and liquidity risk EC (Rbn) ³	0.7	0.9
Cost of equity (CoE) (%) ⁴	15.10	15.00

- The Group's CET1 capital adequacy ratio at 31 December 2025 was above the top end of the Board's target range of 11.0% to 12.5%, and well above the minimum regulatory requirement.
- The Group dividend payout target of 55% was maintained.
- RWA growth was largely driven balance sheet growth in South Africa combined with the higher regulatory requirements implemented in July 2025 which resulted in an increase in credit risk and market risk. These increases were offset by a reduction in significant investments and deferred tax assets subject to threshold risk.
- The Group's tier 1 capital position was impacted by the issuance of R3.0bn additional tier 1 capital in July 2025 partly offset by redemptions of R1.4bn and R1.2bn additional tier 1 capital in June 2025 and October 2025, respectively.
- The Group's tier 2 capital position was impacted by the issuance of R2.5bn and R2.4bn tier 2 capital in September 2025 and December 2025, respectively. This was partly offset by the redemption of R2.7bn tier 2 capital in May 2025.
- AR 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 growth.
- Following assessments of the financial market landscape, the Group's cost of equity increased to 15.10%, driven by reassessments of macroeconomic and financial market conditions.

6.2.2 Priorities

- Maintain strong capital ratios within or above the Board-approved risk appetite and above regulatory minimum levels, while supporting a sustainable dividend payout ratio.
- Deploy capital and manage the repatriation of dividends from subsidiaries to optimise capital utilisation.
- Implement measures to optimise capital resources by pursuing tier 2 and additional tier 1 issuance opportunities in domestic and international markets, while actively engaging in the finalisation of South Africa's Financial Conglomerate Supervisory Framework capital standard to ensure regulatory alignment.
- Prioritise the issuance of Flac instruments over the six-year phase-in period given the prudential standard on Flac instruments was promulgated and is effective from 1 January 2026.
- The Prudential Authority, together with the South African Reserve Bank (SARB), agreed to implement a positive cycle-neutral countercyclical buffer (CCyB). The minimum regulatory capital requirements will increase by 1% with effect from 1 January 2026. The Group is aligning its capital planning and Board targets to accommodate increases in regulatory minimums, recognising the role of CCyB as a shock absorber during periods of financial stress.

¹ The December 2024 figures were revised to align with the final regulatory submissions.

² Includes unappropriated profits.

³ Capital and liquidity risk includes pension risk.

⁴ The CoE is based on the capital asset pricing model.

6. Capital and liquidity risk

6.2.3 General information about capital risk

6.2.3.1 Risk identification and management

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.

The Group's capital management objectives are to:

- Maintain an adequate level of capital resources in excess of regulatory requirements and within capital targets, by optimising capital resources and raising capital where required.
- Ensure efficient deployment of capital to legal entities in the Group.
- Assess, manage and efficiently implement regulatory changes to optimise capital usage.

Various processes play a role in ensuring that the Group's capital management objectives are met, including ICAAP, stress testing and recovery and resolution planning.

Refer to [the Financial Results Booklet](#) for additional information on capital adequacy and supply.

6.2.3.2 Reporting

Capital distribution constraints [CDC]

		31 December 2025			
		Group		Bank	
Group		Leverage ratio that would trigger capital distribution constraints	Current leverage ratio	Leverage ratio that would trigger capital distribution constraints	Current leverage ratio
		(%)	(%)	(%)	(%)
3	Leverage ratio	<4.5	7.1	<4.5	5.6



6. Capital and liquidity risk

Capital adequacy ratios of legal entities

		31 December 2025			
Operations	Regulator	Total qualifying capital Rm	Tier 1 ratio %	Total capital adequacy %	Total regulatory minimum %
Local entities (South Africa)					
Group	Prudential Authority				
Including unappropriated profits		195 282	14.3	15.8	
Excluding unappropriated profits		186 475	13.6	15.1	12.5 ¹
Absa Bank ²	Prudential Authority				
Including unappropriated profits		127 694	14.3	16.2	
Excluding unappropriated profits		124 136	13.8	15.7	12.5 ¹
Foreign banking entities³					
Absa Bank Mozambique	Banco de Mozambique	2 384	17.2	17.0	13.0
Absa Bank Botswana	Bank of Botswana	4 777	12.6	18.1	12.5
Absa Bank Ghana	Bank of Ghana	5 591	17.6	17.6	10.0
Absa Bank Kenya	Central Bank of Kenya	12 087	18.3	21.0	14.5
Absa Bank Mauritius	Bank of Mauritius	7 727	14.1	15.2	14.0
National Bank of Commerce	Bank of Tanzania	3 679	15.0	16.7	14.5
Absa Bank Tanzania	Bank of Tanzania	2 195	22.5	23.2	14.5
Absa Bank Uganda	Bank of Uganda	3 639	20.6	22.6	15.2
Absa Bank Seychelles	Bank of Seychelles	1 240	12.5	18.4	12.0
Absa Bank Zambia	Bank of Zambia	4 230	21.3	23.1	13.0
Insurance entities					
Absa Life Limited	Prudential Authority	6 819		1.51xSCR ⁴	1.0xSCR ⁴
Absa Insurance Company Limited	Prudential Authority	1 642		1.81xSCR ⁴	1.0x SCR ⁴

¹ The 2025 minimum total regulatory capital adequacy requirement of 12.5% includes the capital conservation buffer, Pillar 2A which was reinstated at 1% percent and the D-SIB add-on but excludes the bank specific individual capital requirement (Pillar 2B add-on).

² The Bank includes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings.

³ The 2025 foreign banking entity disclosures are unaudited.

⁴ Solvency capital requirement (SCR): calibrated to correspond to the VaR of an insurer's qualifying capital at a confidence level of 99.5% over a one-year period, as prescribed by the Financial Soundness Standards for Insurers (FSI).



Summary of risk profile and RWA

Basis of preparation

Risk management overview

Credit risk

Market risk

**Capital and liquidity risk**

Operational and resilience risk

Model risk

Remuneration

Abbreviations and acronyms

6. Capital and liquidity risk

Operations	Regulator	31 December 2024			Total regulatory minimum %
		Total qualifying capital Rm	Tier 1 ratio %	Total capital adequacy %	
Local entities (South Africa)					
Group	Prudential Authority				
Including unappropriated profits		183 439	14.4	15.8	
Excluding unappropriated profits		174 889	13.6	15.1	12.5 ¹
Absa Bank ²	Prudential Authority				
Including unappropriated profits		119 683	15.3	17.1	
Excluding unappropriated profits		113 418	14.4	16.2	12.5 ¹
Foreign banking entities ³					
Absa Bank Mozambique	Banco de Mozambique	2 597	20.1	19.6	13.0
Absa Bank Botswana	Bank of Botswana	5 447	13.6	20.7	12.5
Absa Bank Ghana	Bank of Ghana	4 316	20.6	20.8	10.0
Absa Bank Kenya	Central Bank of Kenya	12 496	17.0	21.5	14.5
Absa Bank Mauritius	Bank of Mauritius	9 690	18.0	19.0	14.0
National Bank of Commerce	Bank of Tanzania	4 030	17.3	19.1	14.5
Absa Bank Tanzania	Bank of Tanzania	1 917	23.6	24.5	14.5
Absa Bank Uganda	Bank of Uganda	3 778	20.5	22.7	15.2
Absa Bank Seychelles	Bank of Seychelles	1 292	13.0	20.1	12.0
Absa Bank Zambia	Bank of Zambia	2 988	25.2	26.0	10.0
Insurance entities					
Absa Life Limited	Prudential Authority	6 403		1.59xSCR ⁴	1.0xSCR ⁴
Absa Insurance Company Limited	Prudential Authority	1 571		1.73xSCR ⁴	1.0x SCR ⁴

¹ The 2024 minimum total regulatory capital adequacy requirement of 12.5% includes the capital conservation buffer, Pillar 2A which was reinstated at 1% percent and the D-SIB add-on but excludes the bank specific individual capital requirement (Pillar 2B add-on).

² The Bank includes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings.

³ The 2024 foreign banking entity disclosures have been restated subsequent to the audit.

⁴ Solvency capital requirement (SCR): calibrated to correspond to the VaR of an insurer's qualifying capital at a confidence level of 99.5% over a one-year period, as prescribed by the Financial Soundness Standards for Insurers (FSI).

6. Capital and liquidity risk

Composition of regulatory capital [CC1]

Group	31 December 2025		30 June 2025
	Amounts Rm	b Ref. ¹	Amounts Rm
CET1 capital: instruments and reserves			
1 Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	12 094	(a)	12 149
2 Retained earnings	139 988	(b)	134 283
3 Accumulated other comprehensive income (and other reserves)	11 556	(c)	10 736
4 Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-		-
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	7 237	(d)	6 826
6 CET1 capital before regulatory adjustments	170 875		163 994
CET1 capital: regulatory adjustments			
7 Prudent valuation adjustments	495		402
8 Goodwill (net of related tax liability)	664	(e)	714
9 Other intangibles other than mortgage servicing rights (net of related tax liability)	12 632	(f)	13 926
10 DTA that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	1		32
11 Cash-flow hedge reserve	2 902		1 414
12 Shortfall of provisions to expected losses	-		-
13 Securitisation gain on sale	-		-
14 Gains and losses due to changes in own credit risk on fair valued liabilities	(937)		(860)
15 Defined-benefit pension fund net assets	631		466
16 Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	5		3
17 Reciprocal cross-holdings in common equity	-		-
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-		-
19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	4 389		4 336
20 Mortgage servicing rights (amount above 10% threshold)	-		-
21 DTA arising from temporary differences (amount above 10% threshold, net of related tax liability)	-		-
22 Amount exceeding the 15% threshold	-		-
23 of which: significant investments in the common stock of financials	-		-
24 of which: mortgage servicing rights	-		-
25 of which: DTA arising from temporary differences	-		-
26 National specific regulatory adjustments	2 766		1 288
27 Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		-
28 Total regulatory adjustment to CET1	23 548		21 721
29 CET1 capital	147 327		142 272
Additional Tier 1 capital: instruments			
30 Directly issued qualifying additional Tier 1 instruments plus related stock surplus	18 316		16 966
31 of which: classified as equity under applicable accounting standards	10 098	(g)	8 298
32 of which: classified as liabilities under applicable accounting standards	8 218	(h)	8 669
33 Directly issued capital instruments subject to phase out from additional Tier 1	-		-
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	1 461		1 416

¹ References refer to the reconciliation of accounting capital to regulatory capital.

6. Capital and liquidity risk

Group (cont.)	31 December 2025		30 June 2025
	Amounts Rm	b Ref. ¹	Amounts Rm
35 of which: instruments issued by subsidiaries subject to phase out	-		-
36 Additional Tier 1 capital before regulatory adjustments	19 776		18 381
Additional Tier 1 capital: regulatory adjustments			
37 Investments in own additional Tier 1 instruments	-		-
38 Reciprocal cross-holdings in additional Tier 1 instruments	-		-
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-		-
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-		-
41 National specific regulatory adjustments	(504)		(729)
42 Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-
43 Total regulatory adjustments to additional Tier 1 capital	(504)		(729)
44 Additional Tier 1 capital (AT1)	20 280		19 111
45 Tier 1 capital (T1 = CET1 + AT1)	167 607		161 383
Tier 2 capital instruments and provisions			
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	14 344	(i)	9 338
47 Directly issued capital instruments subject to phase out from Tier 2	-		-
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-		-
49 of which: instruments issued by subsidiaries subject to phase out	-		-
50 Provisions	3 643		4 671
51 Tier 2 capital before regulatory adjustments	17 987		14 009
Tier 2 capital: regulatory adjustments			
52 Investments in own Tier 2 instruments	-		-
53 Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-		-
54 Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-		-
54a Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for GSIBs only)	-		-
55 Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-		-
56 National specific regulatory adjustments	(881)		(280)
57 Total regulatory adjustments to Tier 2 capital	(881)		(280)
58 Tier 2 capital (T2)	18 868		14 289
59 Total capital (TC = T1 + T2)	186 475		175 672
60 Total RWA	1 232 627		1 221 691
Capital adequacy ratios and buffers			
61 CET1 (as a percentage of RWA)	12.0		11.6
62 Tier 1 (as a percentage of RWA)	13.6		13.2
63 Total capital (as a percentage of RWA)	15.1		14.4

¹ References refer to the reconciliation of accounting capital to regulatory capital.

6. Capital and liquidity risk

Group (cont.)	31 December 2025		30 June 2025
	a Amounts Rm	b Ref. ¹	a Amounts Rm
64 Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of RWA)	8.5		8.5
65 of which: capital conservation buffer requirement	2.5		2.5
66 of which: bank-specific countercyclical buffer requirement	-		-
67 of which: higher loss absorbency requirement	1.0		1.0
68 CET1 (as a percentage of RWA) available after meeting the bank's minimum capital requirements	3.5		3.1
National minima (if different from Basel III)			
69 National CET1 capital adequacy ratio (if different from Basel III minimum)	8.5		8.5
70 National Tier 1 capital adequacy ratio (if different from Basel III minimum)	10.3		10.3
71 National minimum total capital adequacy ratio (if different from Basel III minimum)	12.5		12.5
Amounts below the thresholds for deduction (before risk weighting)			
72 Non-significant investments in the capital and other TLAC liabilities of other financial entities	3 721		1 477
73 Significant investments in the common stock of financial entities	2 224		2 380
74 Mortgage servicing rights (net of related tax liability)	-		-
75 DTA arising from temporary differences (net of related tax liability)	5 879		6 438
Applicable caps on the inclusion of provisions in Tier 2			
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	3 189		3 663
77 Cap on inclusion of provisions in Tier 2 under standardised approach	3 870		4 250
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to IRBA (prior to application of cap)	454		1 008
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	3 645		3 269
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2018 and 1 January 2022)²	-		-

- CET1 available capital increased during the period mainly due to appropriation of profits partly offset by a decrease in the foreign currency translation reserve due to a stronger Rand. The increase in deductions was mainly due to the minority interest surplus deduction which was offset by the impairment of intangible assets.
- The total capital position included AT1 and T2 net issuances of R1.8bn and R2.5bn, respectively.

¹ References refer to the reconciliation of accounting capital to regulatory capital.

² The Group has no instruments subject to phase out arrangements.

6. Capital and liquidity risk

Bank	31 December 2025		30 June 2025
	Amounts Rm	a b Ref. ¹	Amounts Rm
CET1 capital: instruments and reserves			
1	37 184	(a)	37 184
2	57 675	(b)	53 947
3	10 446	(c)	6 887
4	-		-
5	-		-
6	105 305		98 018
CET1 capital: regulatory adjustments			
7	358		261
8	112	(d)	112
9	11 383	(e)	12 783
10	-		-
11	2 904		(1 416)
12	-		-
13	-		-
14	(937)		(860)
15	609		466
16	3		2
17	-		-
18	-		-
19	-		-
20	-		-
21	-		-
22	-		-
23	-		-
24	-		-
25	-		-
26	0		(22)
27	-		-
28	14 432		14 158
29	90 873		83 860
Additional Tier 1 capital: instruments			
30	18 316		16 966
31	10 098	(f)	8 298
32	8 218	(g)	8 668
33	-		-
34	-		-

¹ References refer to the reconciliation of accounting capital to regulatory capital.

6. Capital and liquidity risk

	31 December 2025		30 June 2025
	a Amounts Rm	b Ref. ¹	a Amounts Rm
Bank (cont.)			
35 of which: instruments issued by subsidiaries subject to phase out	-		-
36 Additional Tier 1 capital before regulatory adjustments	18 316		16 966
Additional Tier 1 capital: regulatory adjustments			
37 Investments in own additional Tier 1 instruments	-		-
38 Reciprocal cross-holdings in additional Tier 1 instruments	-		-
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-		-
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-		-
41 National specific regulatory adjustments	-		-
42 Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-
43 Total regulatory adjustments to additional Tier 1 capital	-		-
44 Additional Tier 1 capital (AT1)	18 316		16 966
45 Tier 1 capital (T1 = CET1 + AT1)	109 189		100 826
Tier 2 capital instruments and provisions			
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	14 344	(h)	9 338
47 Directly issued capital instruments subject to phase out from Tier 2	-		-
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-		-
49 of which: instruments issued by subsidiaries subject to phase out	-		-
50 Provisions	603		1 129
51 Tier 2 capital before regulatory adjustments	14 947		10 467
Tier 2 capital: regulatory adjustments			
52 Investments in own Tier 2 instruments	-		-
53 Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-		-
54 Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-		-
54a Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for GSIBs only)	-		-
55 Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-		-
56 National specific regulatory adjustments	-		-
57 Total regulatory adjustments to Tier 2 capital	-		-
58 Tier 2 capital (T2)	14 947		10 467
59 Total capital (TC = T1 + T2)	124 136		111 293
60 Total RWA	790 352		725 510
Capital adequacy ratios and buffers			
61 CET1 (as a percentage of RWA)	11.5		11.6
62 Tier 1 (as a percentage of RWA)	13.8		13.9
63 Total capital (as a percentage of RWA)	15.7		15.3

¹ References refer to the reconciliation of accounting capital to regulatory capital.

6. Capital and liquidity risk

	a		b	a
	31 December 2025		30 June 2025	
Bank (cont.)	Amounts		Amounts	
	Rm	Ref. ¹	Rm	Rm
64 Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of RWA)	8.5			8.5
65 of which: capital conservation buffer requirement	2.5			2.5
66 of which: bank-specific countercyclical buffer requirement	-			-
67 of which: higher loss absorbency requirement	1.0			1.0
68 CET1 (as a percentage of RWA) available after meeting the bank's minimum capital requirements ²	3.0			3.1
National minima (if different from Basel III)				
69 National CET1 capital adequacy ratio (if different from Basel III minimum)	8.5			8.5
70 National Tier 1 capital adequacy ratio (if different from Basel III minimum)	10.3			10.3
71 National minimum total capital adequacy ratio (if different from Basel III minimum)	12.5			12.5
Amounts below the thresholds for deduction (before risk weighting)				
72 Non-significant investments in the capital and other TLAC liabilities of other financial entities	1 012			553
73 Significant investments in the common stock of financial entities	632			791
74 Mortgage servicing rights (net of related tax liability)	-			-
75 DTA arising from temporary differences (net of related tax liability)	3 090			3 411
Applicable caps on the inclusion of provisions in Tier 2				
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1			2
77 Cap on inclusion of provisions in Tier 2 under standardised approach	19			17
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to IRBA (prior to application of cap)	602			1 127
79 Cap for inclusion of provisions in Tier 2 under internal ratings based approach	2 563			3 336
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2018 and 1 January 2022)²	-			-

- CET1 available capital increased during the period mainly due to appropriation of profits coupled with movements in the available for sale reserve and a reduction in the intangible asset deduction.
- The total capital position included AT1 and T2 net issuances of R1.8bn and R2.5bn, respectively.

¹ References refer to the reconciliation of accounting capital to regulatory capital.

² The Bank has no instruments subject to phase out arrangements.

6. Capital and liquidity risk

Reconciliation of regulatory capital to balance sheet [CC2]

Group	31 December 2025			30 June 2025	
	a Accounting balance sheet per published financial statements Rm	b Balance sheet per regulatory scope of consolidation Rm	c Ref. ¹	a Accounting balance sheet per published financial statements ¹ Rm	b Balance sheet per regulatory scope of consolidation ¹ Rm
Assets					
Cash, cash balances and balances with central banks	141 415	140 123		102 857	101 813
Investment securities	268 530	260 360		268 592	260 894
Trading portfolio assets	287 136	287 136		251 412	251 412
Hedging portfolio assets	709	709		2 720	2 720
Other assets	29 778	29 200		48 881	48 415
Current tax assets	577	572		1 646	1 633
Non-current assets held for sale	3 753	3 753		3 684	3 684
Loans and advances	1 438 559	1 438 083		1 412 147	1 410 618
Insurance contract assets	1 229	-		1 016	-
Reinsurance contract assets	525	-		485	-
Investment linked to Investment contracts	27 218	-		24 964	-
Investments in associates and joint ventures	2 929	2 929		3 092	3 092
Investment properties	314	186		315	180
Property and equipment	16 055	15 881		15 786	15 160
Goodwill and intangible assets	14 455	13 296		15 982	14 640
of which goodwill	664	664	(e)	677	76714
of which other intangibles	13 791	12 927	(f)	15 305	14 547
net of deferred tax	-	(294)	(f)	-	(531)
Deferred tax assets	6 297	5 827		6 180	6 082
Total assets	2 239 479			2 159 759	

¹ References to composition of capital disclosure table.

6. Capital and liquidity risk

Group	31 December 2025			30 June 2025	
	a	b	c	a	b
	Accounting balance sheet per published financial statements Rm	Balance sheet per regulatory scope of consolidation Rm	Ref. ¹	Accounting balance sheet per published financial statements ¹ Rm	Balance sheet per regulatory scope of consolidation Rm
Liabilities					
Trading portfolio liabilities	84 533	84 533		68 029	68 029
Hedging portfolio liabilities	3 196	3 196		1 253	1 253
Other liabilities	38 751	37 477		71 776	71 193
Provisions	6 818	6 682		4 657	4 553
Current tax liabilities	1 946	1 584		670	586
Non-current liabilities held for sale	3 370	3 370		3 275	3 275
Deposits and debt funding	1 854 348	1 854 348		1 774 696	1 774 696
Liabilities under investment contracts	27 744	-		25 219	-
Insurance contract liabilities	4 324	-		4 071	-
Reinsurance contract liabilities	249	-		150	-
Subordinated debt	22 562	22 562		18 006	18 006
of which directly qualifying AT1 instruments		8 218	(h)		8 668
of which directly issued qualifying Tier 2 instruments		14 344	(i)		9 338
of which relates to subsidiaries		-			-
Deferred tax liabilities	229	216		263	219
Total liabilities	2 048 070			1 972 06	
Equity					
Capital and reserves					
Attributable to ordinary equity holders:					
Paid-in share capital	12 094	11 993	(a)	12 149	12 149
Retained earnings including unappropriated profits	148 758	148 795		144 282	144 138
of which amount eligible for CET1		139 988	(b)		134 283
of which unappropriated profits		8 807			9 855
Other reserves	11 559	11 556	(c)	9 851	10 736
Non-controlling Interest - ordinary shares	8 900	8 698		8 471	8 242
of which relate to eligible CET1		7 237	(d)		6 826
of which relates to eligible AT1		1 461			1 416
Non-controlling Interest - preference shares	-	-		4 642	-
Other equity: Additional Tier 1 capital	10 098	10 098	(g)	8 298	8 298
Total equity	191 409			187 693	
Total liabilities and equity	2 239 479			2 159 759	

Refer to [the Financial Results Booklet](#) for the narratives relating to significant movements in the balance sheet.

¹ References to composition of capital disclosure table.

6. Capital and liquidity risk

Bank ¹	31 December 2025			30 June 2025	
	a	b	c	a	b
	Accounting balance sheet per published financial statements Rm	Balance sheet per regulatory scope of consolidation Rm	Ref. ²	Accounting balance sheet per published financial statements Rm	Balance sheet per regulatory scope of consolidation Rm
Assets					
Cash, cash balances and balances with central banks	94 456	94 456		67 187	67 187
Investment securities	169 660	169 660		165 902	165 902
Trading portfolio assets	210 376	210 376		182 118	182 118
Hedging portfolio assets	709	709		2 720	2 720
Other assets	19 320	19 316		36 606	36 605
Current tax assets	26	26		1 140	1 140
Non-current assets held for sale	143	143		53	53
Loans and advances	1 213 214	1 212 738		1 182 559	1 182 559
Loans to Group companies	84 582	84 582		76 235	76 235
Investments in associates and joint ventures	2 042	2 042		2 233	2 233
Subsidiaries	-	-		-	-
Investment properties	90	-			
Property and equipment	11 779	11 779		11 542	11 542
Goodwill and intangible assets	11 768	11 495		13 404	12 243
of which goodwill	112	112	(d)	112	112
of which other intangibles	11 656	11 656	(e)	12 596	12 596
net of deferred tax	-	(273)	(e)	-	(465)
Deferred tax assets	3 257	2 959		3 089	4 222
Total assets	1 821 422			1 744 788	

¹ Absa Bank Limited includes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings.

² References to composition of capital disclosure table.

6. Capital and liquidity risk

Bank ¹	31 December 2025			30 June 2025	
	a	b	c	a	b
	Accounting balance sheet per published financial statements Rm	Balance sheet per regulatory scope of consolidation Rm	Ref. ²	Accounting balance sheet per published financial statements Rm	Balance sheet per regulatory scope of consolidation Rm
Liabilities					
Trading portfolio liabilities	81 684	81 864		64 830	64 830
Hedging portfolio liabilities	3 196	3 196		1 253	1 253
Other liabilities	25 543	25 068		55 587	55 550
Provisions	4 659	4 659		2 862	2 822
Current tax liabilities	739	739		82	82
Deposits and debt funding	1 553 634	1 553 634		1 478 676	1 478 676
Loans from Group companies	10 019	10 019		7 739	7 322
Insurance contract liabilities	3	3		5	13
Subordinated debt	22 562	22 562		18 006	18 006
of which directly qualifying AT1 instruments		8 218	(g)		8 668
of which directly issued qualifying Tier 2 instruments		14 344			9 338
Deferred tax liabilities	119	119		157	157
Total Liabilities	1 702 158			1 629 196	
Equity					
Capital and reserves					
Attributable to ordinary equity holders:					
Paid-in share capital	37 184	37 184	(a)	37 184	37 184
Retained earnings including unappropriated profits	61 536	61 273		58 673	58 792
of which amount eligible for CET1		57 675	(b)		53 947
of which unappropriated profits		3 559			4 845
Other reserves	10 446	10 446	(c)	6 887	6 887
Preference shares premium	-	-		4 642	-
Additional Tier 1 capital	10 098	10 098	(f)	8 298	8 298
Total equity	119 264			115 683	
Total liabilities and equity	1 821 422			1 744 878	

Refer to [the Financial Results Booklet](#) for the narratives relating to significant movements in the balance sheet.

¹ Absa Bank Limited includes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings.

² References to composition of capital disclosure table.



Summary of risk profile and RWA

Basis of preparation

Risk management overview

Credit risk

Market risk



Capital and liquidity risk

Operational and resilience risk

Model risk

Remuneration

Abbreviations and acronyms

6. Capital and liquidity risk

Main features of RC instruments and of other total loss-absorbing capacity (TLAC)-eligible instruments [CCA]

		31 December 2025															
Group		1	2	3	4	5	6	7	8	9	10	11	12	12	14	15	
1 Issuer		The Group															
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)		ZAE000255915	XS233910287	ZAG000191925	ZAG000200395	ZAG000205154	ZAG000210865	ZAG000217076	ZAG000189580	ZAG000198334	ZAG000207291	ZAG000208679	Loan	ZAG000209552	ZAG000218751	XS3225241457	
3 Governing law(s) of the instrument		South Africa	United Kingdom (except certain provisions under South African law)	South Africa												English Law (except certain provisions under South African law)	
3a Means by which enforceability requirement of Section 13 of the TLAC term sheet is achieved (for other TLAC-eligible instruments governed by foreign law)																	
Regulatory treatment																	
4 Transitional Basel III rules		Common Equity Tier 1	Additional Tier 1						Tier 2								
5 Post-transitional Basel III rules		Common Equity Tier 1	Additional Tier 1						Tier 2								
6 Eligible at solo / Group / Group and solo		Group															
7 Instrument type (types to be specified by each jurisdiction)		Ordinary share capital and premium	Additional Tier 1 callable notes						Subordinated callable notes				Subordinated loan	Subordinated callable notes			
8 Amount recognised in regulatory capital (currency in million, as of most recent reporting date)		R12 094	USD500	R1 999	R2 000	R1 511	R1 579	R3 009	R1 923	R2 176	R1 012	R2 024	R1 693	R509	R2 513	USD150	
9 Par value of instrument		R1 694	USD500	R1 999	R2 000	R1 511	R1 579	R3 009	R1 916	R2 158	R1 000	R2 019	R1 700	R500	R2 500	USD150	
10 Accounting classification		Shareholders' equity	Liability amortised cost	Shareholders' equity						Liability amortised cost							
11 Original date of issuance		1986	27 May 2021	15 Nov 2022	30 Oct 2023	13 May 2024	28 Nov 2024	9 Jul 2025	15 Sep 2022	25 Aug 2023	6 Aug 2024	20 Sep 2024	11 Oct 2024	15 Oct 2024	9 Sep 2025	8 Dec 2025	



Summary of risk profile and RWA

Basis of preparation

Risk management overview

Credit risk

Market risk



Capital and liquidity risk

Operational and resilience risk

Model risk

Remuneration

Abbreviations and acronyms

6. Capital and liquidity risk

		31 December 2025														
Group		1	2	3	4	5	6	7	8	9	10	11	12	12	14	15
12 Perpetual or dated		Perpetual							Dated							
13 Original maturity date		NA							16 Sep 2032	26 Aug 2033	6 Aug 2034	21 Sep 2034	27 Sep 2034	16 Oct 2034	10 Sep 2035	8 Jun 2036
14 Issuer call subject to prior supervisory approval	NA	Yes														
15 Optional call date, contingent call dates and redemption amount	N/A	28 May 2026, USD500	16 Nov 2027, R1 999	31 Oct 2028, R2 000	14 May 2029, R1 511	29 Nov 2029, R1 579	9 Jul 2031, R3 009	16 Sep 2027, R1 916	26 Aug 2028, R2 158	6 Nov 2029, R1 000	21 Sep 2029, R2 019	12 Oct 2029, R1 700	16 Oct 2029, R500	10 Sep 2030, R2 500	8 Jun 2031, USD150	
16 Subsequent call dates, if applicable	NA	Semi-annually after the first optional call date until maturity	Quarterly after the first optional call date until maturity												NA	
Coupons / dividends																
17 Fixed or floating dividend/ coupon	Floating	Fixed	Floating													Fixed
18 Coupon rate and any related index	N/A	6.375%	3M JIBAR +358bps	3M JIBAR +294bps	3M JIBAR +290bps	3M JIBAR +274bps	3M JIBAR +257bps	3M JIBAR +210bps	3M JIBAR +172bps	3M JIBAR +172bps	3M JIBAR +175 bps	3M JIBAR +162bps	3M JIBAR +170bps	3M JIBAR - SAFEX +158bps	6.625% (initial rate until call date) CMT+292 bps (Reset rate after call date)	
19 Existence of a dividend stopper	No		Yes					No								
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory	Fully discretionary					Mandatory								
21 Existence of step up or other incentive to redeem	NA	No							NA				No			
22 Non-cumulative or cumulative	Non-cumulative															
23 Convertible or non-convertible	NA	Non-convertible														
24 If convertible, conversion trigger (s)	NA															
25 If convertible, fully or partially	NA															
26 If convertible, conversion rate	NA															
27 If convertible, mandatory or optional conversion	NA															
28 If convertible, specify instrument type convertible into	NA															
29 If convertible, specify issuer of instrument it converts into	NA															
30 Write-down feature	No	Yes														
31 If write-down, write-down trigger(s)	NA	At SARB's discretion														



6. Capital and liquidity risk

		31 December 2025														
Group		1	2	3	4	5	6	7	8	9	10	11	12	12	14	15
32 If write-down, full or partial	NA	Full or partial														
33 If write-down, permanent or temporary	NA	Permanent														
34 If temporary write-own, description of write-up mechanism		NA														
34 Type of subordination a																
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarch of the legal entity concerned)	Additional Tier 1 Callable Notes	Tier 2 Capital Notes						Senior debt notes								
36 Non-compliant transitioned features		NA														
37 If yes, specify non-compliant features		NA														

		31 December 2025														
Bank		1	2	3	4	5	6	7	8	9	10	11	12	12	14	15
1 Issuer		The Bank														
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ZAE000079810	NA	ZAG000192063	ZAG000200320	ZAG000205162	ZAG0000873	ZAG000217209	ZAG000189598	ZAG000198888	ZAG000207531	ZAG000208687	ZAG000209669	ZAG000209594	ZAG000218926	NA	
3 Governing law(s) of the instrument		South Africa														
3a Means by which enforceability requirement of Section 13 of the TLAC term sheet is achieved (for other TLAC-eligible instruments governed by foreign law)																
Regulatory treatment																
4 Transitional Basel III rules	Common Equity Tier 1	Additional Tier 1						Tier 2								
5 Post-transitional Basel III rules	Common Equity Tier 1	Additional Tier 1						Tier 2								
6 Eligible at Solo / Group / Group and Solo		Solo														
7 Instrument type (types to be specified by each jurisdiction)	Ordinary share capital and premium	Additional Tier 1 callable notes						Subordinated callable notes								Subordinated callable loan



Summary of risk profile and RWA

Basis of preparation

Risk management overview

Credit risk

Market risk



Capital and liquidity risk

Operational and resilience risk

Model risk

Remuneration

Abbreviations and acronyms

6. Capital and liquidity risk

31 December 2025

Bank	1	2	3	4	5	6	7	8	9	10	11	12	12	14	15	
8 Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	R37 184	USD500	R1 999	R2 000	R1 511	R1 579	R3 009	R1 923	R2 176	R1 012	R2 024	R1 693	R509	R2 513	USD150	
9 Par value of instrument	R304	USD500	R1 999	R2 000	R1 511	R1 579	R3 009	R1 916	R2 158	R1 000	R2 019	R1 700	R500	R2 500	USD150	
10 Accounting classification	Share holders' equity	Liability amortised cost	Share holders' equity					Liability amortised cost								
11 Original date of issuance	1986	27 May 2021	15 Nov 2022	30 Oct 2023	13 May 2024	18 Nov 2024	9 Jul 2025	15 Sep 2022	25 Aug 2023	6 Aug 2024	20 Sep 2024	11 Oct 2024	15 Oct 2024	9 Sep 2025	8 Dec 2025	
12 Perpetual or dated	Perpetual							Dated								
13 Original maturity date	NA							16 Sep 2032	26 Aug 2033	6 Aug 2034	21 Sep 2034	27 Sep 2034	16 Oct 2034	10 Sep 2035	8 Jun 2036	
14 Issuer call subject to prior supervisory approval	NA	Yes														
15 Optional call date, contingent call dates and redemption amount	NA	28 May 2026, USD500	16 Nov 2027, R1 999	31 Oct 2028, R2 000	14 May 2029, R1 511	29 Nov 2029, R1 579	9 Jul 2031, R3 009	16 Sep 2027, R1 916	26 Aug 2028, R2 158	6 Nov 2029, R1 000	21 Sep 2029, R2 019	12 Oct 2029, R1 700	16 Oct 2029, R500	10 Sep 2030, R2 500	8 Jun 2031, USD150	
16 Subsequent call dates, if applicable	NA	Semi-annually after the first optional call date until maturity	Quarterly after the first optional call date until maturity												NA	
Coupons / dividends																
17 Fixed or floating dividend / coupon	Floating	Fixed	Floating	Fixed	Floating											Fixed
18 Coupon rate and any related index	NA	6.375%	3M JIBAR +358bps	3M JIBAR +294bps	3M JIBAR +290bps	3M JIBAR +274bps	3M JIBAR +257bps	3M JIBAR +210bps	3M JIBAR +172 bps	3M JIBAR +172 bps	3M JIBAR +175bps	3M JIBAR +162bps	3M JIBAR +170bps	3M JIBAR-SAFEX +158bps	6.625% (initial rate until call date) CMT+292 bps (Reset rate after call date)	
19 Existence of a dividend stopper	No		Yes					No								
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory	Fully discretionary					Mandatory								
21 Existence of step up or other incentive to redeem	NA	No														
22 Non-cumulative or cumulative	Non-cumulative															
23 Convertible or non-convertible	NA	Non-convertible														
24 If convertible, conversion trigger(s)	NA															
25 If convertible, fully or partially	NA															



6. Capital and liquidity risk

		31 December 2025															
Bank		1	2	3	4	5	6	7	8	9	10	11	12	12	14	15	
26	If convertible, conversion rate																
27	If convertible, mandatory or optional conversion																
28	If convertible, specify instrument type convertible into																
29	If convertible, specify issuer of instrument it converts into																
30	Write-down feature	No								Yes							
31	If write-down, write-down trigger(s)	NA								At SARB's discretion							
32	If write-down, full or partial	NA								Full or partial							
33	If write-down, permanent or temporary	NA								Permanent							
34	If temporary write-own, description of write-up mechanism									NA							
34	Type of subordination ^a									-							
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarch of the legal entity concerned)	Additional Tier 1 Callable Notes								Tier 2 capital bonds							Senior debt
36	Non-compliant transitioned features									NA							
37	If yes, specify non-compliant features									NA							

7. Capital and liquidity risk

Summary comparison of accounting assets versus leverage ratio exposure measure [LR1]

Group	31 December 2025 Rm	30 September 2025 Rm
1 Total consolidated assets	2 238 682	2 219 332
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(42 798)	(41 776)
3 Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4 Adjustments for temporary exemption of central bank reserves	-	-
5 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
6 Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	(5 522)	(39 689)
7 Adjustments for cash pooling transactions	-	-
8 Adjustments for derivative financial instruments	13 004	13 896
9 Adjustments for securities financing transactions (i.e. repos and similar secured lending)	28 834	(21 364)
10 Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	166 358	153 258
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(495)	(449)
12 Other adjustments	(27 496)	(25 042)
13 Leverage ratio exposure measure	2 370 567	2 258 166

Bank ¹	31 December 2025 Rm	30 September 2025 Rm
1 Total consolidated assets	1 820 647	1 804 364
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	(461)
3 Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4 Adjustments for temporary exemption of central bank reserves	-	-
5 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
6 Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	(2 986)	(35 213)
7 Adjustments for cash pooling transactions	-	-
8 Adjustments for derivative financial instruments	10 859	12 201
9 Adjustments for securities financing transactions (i.e. repos and similar secured lending)	23 735	(20 330)
10 Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	122 297	110 565
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(358)	(306)
12 Other adjustments	(25 480)	(23 399)
13 Leverage ratio exposure measure	1 948 712	1 847 421

¹ Absa Bank Limited includes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings.

7. Capital and liquidity risk

Leverage ratio common disclosure template [LR2]

	Group		Bank ¹	
	a	b	a	b
	31 December 2025	30 September 2025 ²	31 December 2025	30 September 2025 ²
	Rm	Rm	Rm	Rm
On-balance sheet exposures				
1 On-balance sheet exposures (excluding derivatives and SFTs, but including collateral)	2 104 160	2 017 453	1 679 774	1 606 368
2 Gross up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative	-	-	-	-
3 Deductions of receivable assets for cash variation margin provided in derivative transactions	(10 329)	(8 923)	(10 469)	(9 231)
4 Adjustment for securities received under securities financing transactions that are recognised as an asset	-	-	-	-
5 Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(51 648)	(52 132)	(39 433)	(39 590)
6 (Asset amounts deducted in determining Basel III tier 1 capital)	(59 965)	(57 895)	(15 011)	(14 629)
7 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	1 982 218	1 898 503	1 614 861	1 542 917
Derivative exposures				
8 Replacement cost associated with all derivative transactions (where applicable net of eligible cash variation margin and / or with bilateral netting)	34 727	30 096	33 385	28 853
9 Add-on amounts for potential future exposure (PFE) associated with all derivative transactions	36 870	32 662	35 895	31 808
10 Exempted central counterparty (CCP) leg of client-cleared trade exposures	(1 130)	-	(1 130)	-
11 Adjusted effective notional amount of written credit derivative	20 739	18 151	20 739	18 151
12 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(3 014)	(2 962)	(3 014)	(2 962)
13 Total derivative exposures (sum of rows 8 to 12)	88 192	77 946	85 875	75 850
Security financing transaction exposures				
14 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions ³	132 797	126 901	124 897	116 774
15 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-
16 Counterparty credit risk (CCR) exposure for SFT assets	1 001	1 559	782	1 315
17 Agent transaction exposures	-	-	-	-
18 Total securities financing transaction exposures (sum of rows 14 to 17)	133 798	128 460	125 679	118 089
Other off-balance sheet exposures				
19 Off-balance sheet exposures at gross notional amount	629 905	494 608	535 700	397 728
20 (Adjustments for conversion to credit equivalent amounts)	(462 764)	(340 455)	(412 867)	(286 560)
21 (Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier1 capital)	(782)	(896)	(536)	(603)
22 Off-balance sheet items (sum of rows 19 to 21)	166 359	153 258	122 297	110 565
Capital and total exposures				
23 Tier 1 capital (excluding unappropriated profits)	167 607	163 774	109 188	105 803
24 Total exposures (sum of lines 7, 13, 18 and 22)	2 370 567	2 258 166	1 948 712	1 847 421
Leverage ratio				
25 Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	7.1	7.3	5.6	5.7
25a Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	7.1	7.3	5.6	5.7
26 National minimum leverage ratio requirement	4.0	4.0	4.0	4.0
27 Applicable leverage buffers	0.5	0.5	0.5	0.5
Disclosure of mean values				
28 Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	132 797	126 901	124 897	116 774
29 Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	104 965	149 824	101 944	138 418

¹ Absa Bank Limited includes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings.

² September 2025 has been restated to reflect on-balance sheet exposure (excluding derivatives and SFTs, but including collateral) gross of specific and general provisions which are now shown as a deduction in line 5. Previously line 1 was shown net of this deduction.

³ Gross SFT assets are included based on average of daily values over the quarter instead of quarter end values, in accordance with local regulatory requirements.

7. Capital and liquidity risk

	Group		Bank ¹	
	a	b	a	b
	31 December 2025	30 September 2025 ²	31 December 2025	30 September 2025 ²
	Rm	Rm	Rm	Rm
30 Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 23 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	2 370 567	2 258 166	1 948 712	1 847 421
30a Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 23 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	2 370 567	2 258 166	1 948 712	1 847 421
31 Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.1	7.3	5.6	5.7
31a Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.1	7.3	5.6	5.7

From September 2025 to December 2025:

- Leverage ratio exposure measure increased by R112.4bn due to a R83.7bn increase in on-balance sheet exposure, attributable to an increase in overnight placements with the SARB and customer growth.
- Off-balance sheet exposure increased by (+R13.1bn) primarily driven by the recognition of intraday limits at year end following the Prudential Authority directive (R130bn pre CCF exposure).
- Total derivative exposure increased by (R10.2bn) largely driven by an increase in replacement cost (+R4.6bn) driven by derivative mark-to-market gains and potential future exposure (+R4.2bn) driven by increased notional exposure over the quarter.
- Securities Financing Transactions exposure increased by (+R5.3bn) primarily due to higher client activity over the quarter.



7. Capital and liquidity risk

6.3 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.

6.3.1 Review of the current reporting period

Key risk metrics	31 December 2025	31 December 2024
Sources of liquidity (Rbn)	427.7	384.5
NSFR (%)	117.2	121.7 ¹
LCR (%) ²	127.4	126.7
Loan-to-deposit ratio (%) ³	79.0	80.9
Loans and advances to customers and banks (Rbn)	1 411.8	1 328.3¹
South Africa	1 191.2	1 127.4
AR	220.6	200.9
Deposits from customers and banks (including debt funding) (Rbn)	1 787.2	1 641.5¹
South Africa	1 472.9	1 360.7
AR	314.3	280.8

- Liquidity risk position:
 - The Group's liquidity risk position remained healthy and key liquidity metrics were within risk appetite and above the minimum regulatory requirements.
 - The Group maintained a high-quality liquid asset (HQLA) buffer in excess of the minimum regulatory requirements, based on stress testing performed, to absorb potential volatility in the liquidity position.
 - The money market surplus, post the gold and foreign exchange contingency reserve account (GFECRA) liquidity injection into the market, contributed towards Absa Bank's healthy liquidity position.
 - The Group's foreign currency liquidity position remained robust and flexible, with adequate diversified United States dollar (USD) funding available to support the USD asset base and planned asset growth.
 - All banking subsidiaries remained self-sufficient in terms of local currency liquidity, with limited reliance on USD working capital support from the Group.
- Short-term balance sheet structure and liquidity buffers:
 - The Group's sources of liquidity amounted to 29.7% (December 2024: 28.4%) of deposits from customers. The Group continued to maintain a diversified HQLA portfolio, thereby maintaining a 90-day average HQLA at R301.8bn (December 2024: R271.8bn).
 - Loan growth was funded by growth in customer deposits and supported by raising wholesale funding, of appropriate tenor, ensuring a sustainable and diverse funding base.
 - The cost of wholesale funding in domestic markets remained at relatively lower levels in 2025, given the surplus liquidity in the market post GFECRA. Absa Bank continued to observe good demand for wholesale funding from corporate and institutional clients and reliance on wholesale funding was managed appropriately to support asset growth. The cost of funding may increase in future as shorter dated wholesale funding becomes less desirable; due to the full phase-out of the regulatory benefit attributable to financial institution funding in the net stable funding ratio (NSFR) from 1 January 2028.
 - The Group consistently maintained an LCR buffer above 100% and used its Internal Liquidity Stress Metric Framework to determine the amount of HQLA required to be held to meet internally defined stress requirements.
- Long-term balance sheet structure:
 - The Group continued to strengthen and diversify its funding sources to maintain a sustainable funding structure.
 - The demand from investors for the Group's bond issuances remained robust throughout 2025, as evidenced by high subscription levels. Absa successfully raised R7.9bn in senior debt, R2.5bn in tier 2 capital and R3bn additional tier 1 (AT1) capital in the local South African market. The Bank issued its inaugural South African rand overnight index average (ZARONIA) linked senior debt bond. This marked an important milestone in the adoption of ZARONIA and underscores our commitment to supporting the transition from Johannesburg Interbank Average Rate (JIBAR) to globally aligned benchmark rates ahead of the expected December 2026 JIBAR cessation date.
 - The Group issued USD150m tier 2 capital Notes on the London Stock Exchange. The issuance size was less than a benchmark size Eurobond transaction, allowing Absa to issue volumes that are fit for purpose in a strong market.
 - As of January 2026, South Africa's systemically important financial institutions (SIFIs) are required to start the issuance of Flac instruments to enhance their loss-absorbing capacity. Flac is expected to be phased in over the period 2026 – 2031, with 60% of the requirement to be issued by 2028 (80% by 2029, 90% by 2030 and 100% by 2031). As the minimum Flac requirements are phased in, Absa intends issuing Flac instruments which in turn will replace maturing senior debt.

¹ The December 2024 figures were revised to align with the restated financial statements and final regulatory submissions.

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

³ The methodology used to calculate the loan-to-deposit ratio includes loans and advances to banks and is based on average balances and not spot balances as disclosed per the Group financial statements.

7. Capital and liquidity risk

- Diversification:
 - The Group had a well-diversified deposit base and concentration risk was managed within internal and regulatory guidelines.
 - The Group managed funding sources to maintain a wide diversity of depositors, products, tenors and currencies.

6.3.2 Priorities

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

6.3.3 General information about liquidity risk [LIQA]

Liquidity risk is monitored at Group level under a single comprehensive Capital and Liquidity Risk Framework. The Capital and Liquidity Risk Framework was designed to deliver an appropriate tenor structure and composition of funding consistent with the risk appetite set by the Board. This framework is delivered through a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

6.3.3.1 Risk identification and management

The efficient management of liquidity is essential for safeguarding the Group's depositors, preserving market confidence and maintaining the Group's reputation. The Group considers sustainable access to appropriate liquidity for each of its entities to be vital. Liquidity risk is managed under the Liquidity Risk Policy in line with the Capital and Liquidity Risk Framework to:

- Maintain liquidity resources that are sufficient in amount and quality together with a funding profile that is appropriate to meet the risk appetite as expressed by the Board.
- Maintain market confidence.
- Set limits to manage liquidity risk within and across lines of business and legal entities.
- Price liquidity costs accurately and incorporate these into product pricing and performance measurement.
- Monitor early warning indicators (EWIs) to immediately identify the emergence of increased liquidity risk or vulnerabilities including events that would impair access to liquidity resources.
- Fully project over an appropriate set of time horizons cash flows arising from assets, liabilities and off-balance sheet items.
- Maintain a recovery plan that incorporates a contingent funding plan (CFP) that is comprehensive and proportionate to the nature, scale and complexity of the business and regularly tested to ensure it is operationally robust.

The liquidity risk management processes are summarised in the table below:

Funding planning	Liquidity risk monitoring	Execution and intra-day liquidity risk	Contingent funding planning	Regulatory compliance
<ul style="list-style-type: none"> • Funding plan • Concentration risk • Customer behaviour • Pricing liquidity risk through funds transfer pricing 	<ul style="list-style-type: none"> • Capital and Liquidity Risk Framework and policies • Internal liquidity stress metrics (ILSM) • Stress testing • Limits and metrics • Intra-day liquidity risk monitoring • Monitoring other contingent liquidity risks • New product review • Debt buyback monitoring 	<ul style="list-style-type: none"> • Liquidity buffers • Funding execution • Daily clearing and settlement • Contingent liquidity risks in transaction documentation 	<ul style="list-style-type: none"> • EWIs • Liquidity simulations • Contingency planning and Recovery planning 	<ul style="list-style-type: none"> • Cash reserving • Liquid assets • Regulatory reporting • LCR • NSFR • Deposit insurance scheme

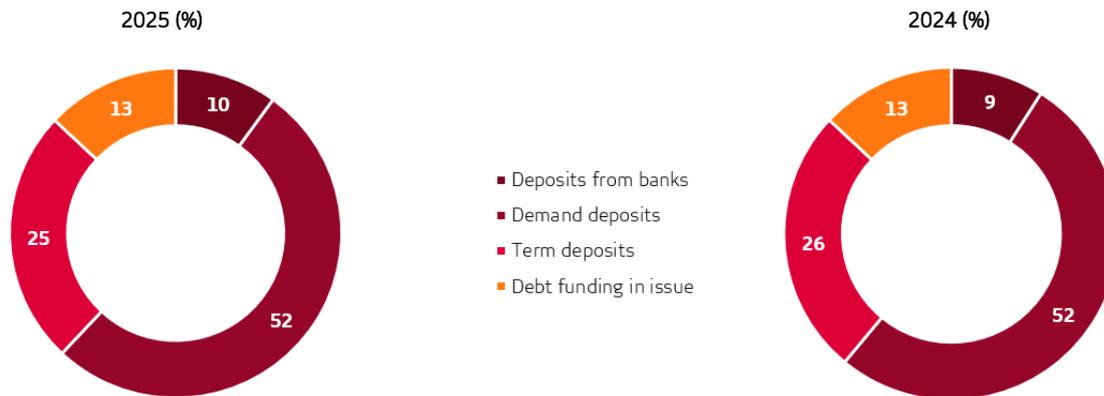
7. Capital and liquidity risk

Funding structure

Funding is sourced from a variety of depositors representing a diversity of economic sectors, with a wide range of products and maturities.

Funding sources by product

The graphs below show the Group's funding sources:



NSFR

The NSFR aims to promote the resilience in the banking sector by requiring banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities on an ongoing structural basis.

	Group		Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Rm	Rm	Rm	Rm
ASF (Rm)	1 368 736	1 305 870 ¹	1 099 232	1 050 581 ¹
RSF (Rm)	1 168 170	1 073 219 ¹	1 002 935	915 273 ¹
Actual NSFR (%)	117.2	121.7 ¹	109.6	114.8 ¹
Required NSFR (%)	100	100	100	100

Diversification

The Group maintained a well-diversified deposit base. Concentration risk is managed within appropriate guidelines. Sources of funding were managed to maintain a diversity of depositors, products, tenors and currencies.

The Group's foreign currency funding position remains robust, with diversified funding facilities from international banks and appropriate tenors to meet term asset growth.

Each geographic entity in the Group is required to ensure funding diversification is taken into account in its business planning process and to maintain a funding plan. This takes into account market conditions and the changes in factors that affect the entity's ability to raise funds.

Stress and scenario testing

Under the Capital and Liquidity Risk Framework, the Group established the ILSM, which sets the level of liquidity risk the Group chooses to take to achieve its business objectives and in meeting its regulatory requirements. It is measured with reference to the anticipated stressed net contractual and contingent outflows for a variety of stress scenarios and is used to determine the appropriate size of the liquidity pool, along with the LCR.

Each entity in the Group undertakes a range of stress tests appropriate to its business. Stress tests consider both name-specific and market-wide scenarios. The results of the stress tests are used to determine the liquid asset buffer, to develop the CFP which is a component of the Group's recovery plan. Stress testing results are also considered when setting limits for the management of liquidity risk and the business planning process.

As part of stress and scenario testing, the relevant liquid assets portfolio serves as the main source of liquidity under stress. Liquidity value is also assigned to unsecured funding lines, readily marketable investment securities and price-sensitive overnight loans.

Contingency funding planning

Each banking entity in the Group maintains its own CFP, which includes, inter alia:

- The roles and responsibilities of senior management in a crisis.
- Authorities for invoking the plan.
- Communications strategy.
- An analysis of a realistic range of market-wide and Group-specific liquidity stress tests.
- Scenario analyses and the extent to which each stress test and scenario can be mitigated by the management of the balance sheet.
- A range of EWIs, which assist in informing management when deciding whether the CFP should be invoked.

¹ The December 2024 figures were revised to align with the final regulatory submissions.

7. Capital and liquidity risk

Each banking entity in the Group must establish local processes and procedures to manage local liquidity stresses that are consistent with the Group's plan. The CFPs set out the specific requirements to be undertaken locally in a crisis. This could include monetising the liquidity pool, slowing the extension of credit, increasing the tenor of funding and securitising or selling assets. For the Bank the CFP was merged with the recovery plan.

6.3.3.2 Reporting

Short-term liquidity stress

The Group's sources of liquidity

	31 December 2025 Rm	31 December 2024 Rm
Total Group sources of liquidity	427 686	384 493
HQLA ¹	254 849	263 043
Other liquid assets (AR)	117 960	92 012
Other sources of liquidity	54 877	29 438

LCR²

The LCR aims to ensure banks maintain an adequate stock of HQLA to survive a plausible yet severe stress scenario lasting 30 days. The table below represents the average LCR for the quarter:

	Group		Bank	
	31 December 2025 Rm	31 December 2024 Rm	31 December 2025 Rm	31 December 2024 Rm
HQLA (Rm)	301 802	271 798	261 000	239 592
Net cash outflows (Rm)	236 895	214 531	196 093	182 326
LCR (%)	127.4	126.7	133.1	131.4
Required LCR (%)	100	100	100	100

HQLA

Each bank holds a stock of HQLA to meet any unexpected liquidity outflows. In the majority of locations, local regulators impose rules on the quantum of reserve liquidity to be held.

The HQLA portfolio is well diversified and consists of cash and cash equivalents, deposits with central banks, government debt, and other qualifying instruments under the Basel III framework. Each entity in the Group maintains and demonstrates constant access to the relevant underlying asset market to avoid undue price movement if liquid assets need to be sold. Each operation ensures its buffer can be liquidated at short notice.

Composition of liquid assets by country (%)



¹ The values disclosed represent the spot values of HQLA.

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

7. Capital and liquidity risk

Liquidity coverage ratio common disclosure template and summary [LIQ1]

Group ¹	a		b		a		b	
	31 December 2025				30 September 2025			
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
High-quality liquid assets (HQLA)								
1 Total HQLA		301 802					306 498	
Cash outflows								
2 Retail deposits and deposits from small business customers of which:	551 062	43 030	544 319	42 169				
3 Stable deposits	86 160	4 308	87 449	4 373				
4 Less stable deposits	464 902	38 722	456 870	37 796				
5 Unsecured wholesale funding of which:	655 923	301 124	657 327	305 262				
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	206 131	48 689	188 704	44 751				
7 Non-operational deposits (all counterparties)	444 868	247 511	461 531	253 419				
8 Unsecured debt	4 924	4 924	7 092	7 092				
9 Secured wholesale funding		6 609		3 233				
10 Additional requirements of which:	412 089	52 256	405 357	53 919				
11 Outflows related to derivative exposures and other collateral requirements	21 520	21 520	20 380	20 380				
12 Outflows related to loss of funding on debt products	-	-	-	-				
13 Credit and liquidity facilities	390 569	30 736	384 977	33 539				
14 Other contractual funding obligations	-	-	1 367	1 367				
15 Other contingent funding obligations	281 047	11 935	256 460	10 797				
16 Total cash outflows (Sum of lines 2+5+9+10+14+15)		414 954		416 747				
Cash inflows								
17 Secured lending (e.g. reverse repos)	76 413	16 757	75 057	15 740				
18 Inflows from fully performing exposures	180 635	148 838	175 163	141 198				
19 Other cash inflows	12 464	12 464	19 424	18 644				
20 Total cash inflows (Sum of lines 17-19)	269 512	178 059	269 644	175 582				
		Total weighted value		Total weighted value				
High-quality liquid assets (HQLA)								
21 Total HQLA (Rm)		301 802		306 498				
22 Total net cash outflows (Rm)		236 895		241 165				
23 LCR (%)		127.4		127.1				

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



7. Capital and liquidity risk

Bank ¹	a		b	
	31 December 2025		30 September 2025	
	Total unweighted value (average) Rm	Total weighted value (average) Rm	Total unweighted value (average) Rm	Total weighted value (average) Rm
High-quality liquid assets (HQLA)				
1 Total HQLA		261 000		264 462
Cash outflows				
2 Retail deposits and deposits from small business customers of which:	427 343	32 149	421 113	31 404
3 Stable deposits	86 160	4 308	87 449	4 373
4 Less stable deposits	341 183	27 841	333 664	27 031
5 Unsecured wholesale funding of which:	518 688	237 370	513 837	238 422
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	206 132	48 689	188 705	44 751
7 Non-operational deposits (all counterparties)	307 699	183 824	319 825	188 364
8 Unsecured debt	4 857	4 857	5 307	5 307
9 Secured wholesale funding		6 609		3 233
10 Additional requirements of which:	369 025	45 684	361 843	47 042
11 Outflows related to derivative exposures and other collateral requirements	18 597	18 597	17 171	17 171
12 Outflows related to loss of funding on debt products	-	-	-	-
13 Credit and liquidity facilities	350 428	27 087	344 672	29 871
14 Other contractual funding obligations	-	-	1 367	1 367
15 Other contingent funding obligations	247 196	10 400	220 207	9 168
16 Total cash outflows (Sum of lines 2+5+9+10+14+15)		332 212		330 636
Cash inflows				
17 Secured lending (e.g. reverse repos)	76 413	16 757	75 057	15 740
18 Inflows from fully performing exposures	138 546	115 839	136 288	111 482
19 Other cash inflows	3 523	3 523	5 065	4 285
20 Total cash inflows (Sum of lines 17-19)	218 482	136 119	216 410	131 507
		Total weighted value		Total weighted value
21 Total HQLA (Rm)		261 000		264 462
22 Total net cash outflows (Rm)		196 093		199 129
23 LCR (%)		133.1		132.8

¹ The Bank LCR was calculated as a simple average of 90 calendar-day LCR observations.

7. Capital and liquidity risk

Net stable funding ratio [LIQ2]

Group	31 December 2025					Weighted Value Rm
	Unweighted value by residual maturity					
	a No maturity Rm	b <6 months Rm	c <1 year Rm	d ≥1 year Rm		
ASF item						
1 Capital	172 207	-	-	14 344	186 551	
2 Regulatory capital	166 652	-	-	14 344	180 996	
3 Other capital instruments	5 555	-	-	-	5 555	
4 Retail deposits and deposits from small business customers:	303 247	191 946	30 946	28 698	507 104	
5 Stable deposits	77 371	15 966	4 284	2 915	95 655	
6 Less stable deposits	225 876	175 980	26 662	25 783	411 449	
7 Wholesale funding:	293 091	656 559	103 118	257 137	653 661	
8 Operational deposits	167 789	56 615	-	-	112 202	
9 Other wholesale funding	125 302	599 944	103 118	257 137	541 459	
10 Liabilities with matching interdependent assets	-	-	-	-	-	
11 Other liabilities:	16 926	39 378	947	49 187	21 420	
12 NSFR derivative liabilities		-	-	30 397		
13 All other liabilities and equity not included in the above categories	16 926	39 378	947	18 790	21 420	
14 Total ASF					1 368 736	
Required stable funding (RSF) item						
15 Total NSFR HQLA					27 110	
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-	
17 Performing loans and securities:	2 942	428 110	108 010	963 563	996 091	
18 Performing loans to financial institutions secured by Level 1 HQLA	-	58 401	334	2 823	8 830	
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	169 805	28 409	122 637	162 312	
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	184 447	71 823	674 479	699 875	
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	7 836	5 093	
22 Performing residential mortgages, of which:	-	2 627	2 692	139 788	93 522	
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	2 627	2 692	139 788	93 522	
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2 942	12 830	4 752	23 836	31 552	
25 Assets with matching interdependent liabilities	-	-	-	-	-	
26 Other assets:	6 907	11 632	-	135 386	113 860	
27 Physical traded commodities, including gold	4 454				3 786	
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	4 727	4 018	
29 NSFR derivative assets		-	-	34 619	7 563	
30 NSFR derivative liabilities before deduction of variation margin posted		-	-	7 320	7 320	
31 All other assets not included in the above categories	2 453	11 632	-	88 720	91 173	
32 Off-balance sheet items		-	-	622 180	31 109	
33 Total RSF					1 168 170	
34 Net stable funding ratio (%)					117.2	

7. Capital and liquidity risk

Group	30 September 2025				Weighted Value Rm
	a	b	c	d	
	Unweighted value by residual maturity				
	No maturity Rm	<6 months Rm	6 months to <1 year Rm	≥1 year Rm	
ASF item					
1 Capital	166 514	-	-	11 850	178 364
2 Regulatory capital	161 918	-	-	11 850	173 768
3 Other capital instruments	4 596	-	-	-	4 596
4 Retail deposits and deposits from small business customers:	300 117	185 364	32 559	24 955	496 117
5 Stable deposits	77 715	16 522	4 261	2 935	96 509
6 Less stable deposits	222 402	168 842	28 298	22 020	399 608
7 Wholesale funding:	255 947	733 971	108 101	245 889	628 159
8 Operational deposits	141 980	51 716	-	-	96 848
9 Other wholesale funding	113 967	682 255	108 101	245 889	531 311
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	15 812	37 667	872	81 211	21 803
12 NSFR derivative liabilities		-	-	62 430	
13 All other liabilities and equity not included in the above categories	15 812	37 667	872	18 781	21 803
14 Total ASF					1 324 443
Required stable funding (RSF) item					
15 Total NSFR HQLA					26 257
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities:	2 411	493 692	99 599	940 163	979 196
18 Performing loans to financial institutions secured by Level 1 HQLA	-	87 749	372	300	9 260
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	211 963	15 443	136 263	175 779
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	179 730	77 426	643 586	674 071
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	11 396	7 408
22 Performing residential mortgages, of which:	-	2 677	2 766	141 395	94 628
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	2 677	2 766	141 395	94 628
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2 411	11 573	3 592	18 619	25 458
25 Assets with matching interdependent liabilities	-	-	-	-	-
26 Other assets:	5 512	41 539	-	139 347	108 888
27 Physical traded commodities, including gold	3 540				3 009
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	6 276	5 334
29 NSFR derivative assets		-	-	34 738	240
30 NSFR derivative liabilities before deduction of variation margin posted		-	-	6 444	6 444
31 All other assets not included in the above categories	1 972	41 539	-	91 889	93 861
32 Off-balance sheet items		-	-	477 552	23 878
33 Total RSF					1 138 219
34 Net stable funding ratio (%)					116.4

7. Capital and liquidity risk

Bank	a	b	c	d	e
	31 December 2025				
	Unweighted value by residual maturity				Weighted Value Rm
No maturity Rm	<6 months Rm	6 months to <1 year Rm	≥1 year Rm		
ASF item					
1 Capital	116 483	-	-	14 344	130 827
2 Regulatory capital	111 986	-	-	14 344	126 330
3 Other capital instruments	4 497	-	-	-	4 497
4 Retail deposits and deposits from small business customers:	303 247	78 394	25 936	23 742	395 443
5 Stable deposits	77 371	15 966	4 284	2 915	95 655
6 Less stable deposits	225 876	62 428	21 652	20 827	299 788
7 Wholesale funding:	293 091	498 254	91 660	244 378	565 259
8 Operational deposits	167 789	56 615	-	-	112 202
9 Other wholesale funding	125 302	441 639	91 660	244 378	453 057
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	16 926	39 378	947	32 415	7 703
12 NSFR derivative liabilities	-	-	-	27 343	-
13 All other liabilities and equity not included in the above categories	16 926	39 378	947	5 072	7 703
14 Total ASF					1 099 232
Required stable funding (RSF) item					
15 Total NSFR HQLA					19 251
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities:	2 942	341 141	90 023	859 299	861 748
18 Performing loans to financial institutions secured by Level 1 HQLA	-	58 069	-	299	6 106
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	150 033	27 127	121 801	157 870
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	118 174	55 744	576 999	575 841
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	7 836	5 093
22 Performing residential mortgages, of which:	-	2 627	2 692	138 739	92 840
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	2 627	2 692	138 739	92 840
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2 942	12 238	4 460	21 461	29 091
25 Assets with matching interdependent liabilities	-	-	-	-	-
26 Other assets:	6 907	11 632	-	116 393	94 579
27 Physical traded commodities, including gold	4 454	-	-	-	3 786
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	4 727	4 018
29 NSFR derivative assets	-	-	-	34 619	7 275
30 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	7 014	7 014
31 All other assets not included in the above categories	2 453	11 632	-	70 033	72 486
32 Off-balance sheet items				547 146	27 357
33 Total RSF					1 002 935
34 Net stable funding ratio (%)					109.6

7. Capital and liquidity risk

Bank	30 September 2025					Weighted Value Rm
	Unweighted value by residual maturity					
	a No maturity Rm	b <6 months Rm	c <1 year Rm	d ≥1 year Rm	e	
ASF item						
1 Capital	112 354	-	-	11 850	124 204	
2 Regulatory capital	107 758	-	-	11 850	119 608	
3 Other capital instruments	4 596	-	-	-	4 596	
4 Retail deposits and deposits from small business customers:	300 117	79 557	25 395	20 891	390 379	
5 Stable deposits	77 715	16 522	4 261	2 935	96 509	
6 Less stable deposits	222 402	63 035	21 134	17 956	293 870	
7 Wholesale funding:	255 947	549 865	97 810	233 222	537 110	
8 Operational deposits	141 980	51 716	-	-	96 848	
9 Other wholesale funding	113 967	498 149	97 810	233 222	440 262	
10 Liabilities with matching interdependent assets	-	-	-	-	-	
11 Other liabilities:	15 812	37 667	872	63 361	7 061	
12 NSFR derivative liabilities		-	-	59 323		
13 All other liabilities and equity not included in the above categories	15 812	37 667	872	4 038	7 061	
14 Total ASF					1 058 754	
Required stable funding (RSF) item						
15 Total NSFR HQLA					18 897	
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-	
17 Performing loans and securities:	2 411	397 880	86 445	829 590	841 068	
18 Performing loans to financial institutions secured by Level 1 HQLA	-	87 749	372	300	9 260	
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	179 442	19 672	127 886	164 639	
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	117 037	60 510	544 494	550 038	
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	7 775	5 054	
22 Performing residential mortgages, of which:	-	2 677	2 766	140 323	93 932	
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	2 677	2 766	140 323	93 932	
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2 411	10 975	3 125	16 587	23 199	
25 Assets with matching interdependent liabilities	-	-	-	-	-	
26 Other assets:	5 512	41 539	-	121 232	90 534	
27 Physical traded commodities, including gold	3 540				3 009	
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	6 276	5 334	
29 NSFR derivative assets		-	-	34 738	-	
30 NSFR derivative liabilities before deduction of variation margin posted		-	-	6 133	6 133	
31 All other assets not included in the above categories	1 972	41 539	-	74 085	76 058	
32 Off-balance sheet items		-	-	415 447	20 772	
33 Total RSF					971 271	
34 Net stable funding ratio (%)					109.0	

7. Operational and resilience risk

7.1 Review of current reporting period	135
7.2 Priorities	135
7.3 General information about operational and resilience risk	135
7.4 Qualitative information about operational and resilience risk	139
7.3.1 Policies, frameworks and guidelines for operational risk management	135
7.3.2 Structure and organisation of the operational and resilience risk control function	135
7.3.3 Operational risk measurement system	135
7.3.4 Reporting framework and governance	137
7.3.5 Risk mitigation and risk transfer	138
7.4 Qualitative information about operational and resilience risk	139

7. 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.

7.1 Review of current reporting period

Key risk metrics	31 December 2025	31 December 2024 ¹
Total operational risk losses as a percentage of gross income (%)	0.48	0.38
Total operational risk losses (Rm)	555	417
Operational risk EC (Rbn) ²	12.5	12.6
Total operational risk RWA (Rbn)	210.3	208.8
Operational risk (Rbn)	177.9	179.1
Non-customer assets (Rbn)	32.4	29.7

- Maintained group-wide operational resilience and delivered 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, watershedding 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.
- Successful implementation of the new standardised approach per the Basel III finalisation, which came into effect on 1 July 2025.
- Operational risk losses for the period were higher due to a higher number of events experienced.
- RWA increased to R210.3bn (31 Dec 2024: R208.8bn) due to the appreciation in the value of non-customer assets offset by the lower capital requirement under the new standardised approach per the Basel III finalisation.
- EC reduced to R12.5bn (31 Dec 2024: R12.6bn) due to the lower capital requirement under the new standardised approach per the Basel III finalisation for the AR countries.

7.2 Priorities

- Maintain a satisfactory and robust control environment that continues to deliver operational resilience:
 - Enhance and optimise fraud, information security and cyber controls.
 - Improve the understanding of interdependencies between processes.
 - Ensure continuity of services from third parties.
 - Optimise business continuity responses and scenario planning.
- Automate the testing and monitoring of key controls to enable combined assurance in a seamless fashion.
- Progress the implementation of the new standardised approach per the Basel III finalisation, which is expected come 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.

7.3 General information about operational and resilience risk (ORAI)

Operational and resilience risk occurs in the natural course of business activity. Therefore, it is not possible to eliminate all operational and resilience risk exposure. Operational and resilience risk is recognised as a principal risk type and the Operational and Resilience Risk Management Framework (ORRMF) establishes a set of inter-related quantitative and qualitative tools and processes to identify, assess, measure, mitigate, monitor, and remediate risks within a defined appetite.

The ORRMF is underpinned by the BCBS principles for the sound management of operational risk (PSMOR), as localised by the Prudential Authority through ORMAQ which has been localised in South Africa by the Prudential Authority as the operational risk maturity assessment questionnaire (ORMAQ), the BCBS's principles for operational resilience, the Single Regulatory Board's (SRB) operational guidance on operational continuity in resolution (OCIR) and the ERMF. The ORRMF applies across all Absa Group entities, business units and functions to ensure consistent risk management.

The leveraging of operational processes and capabilities is pivotal to the achievement of the Group's strategy and objectives, and the management of operational and resilience risk aims to ensure these processes and capabilities are safeguarded and resilient.

7.3.1 Policies, frameworks and guidelines for operational risk management

The Group manages operational and resilience risk under the Operational and Resilience Risk Management Framework (ORRMF), which defines the principles, minimum requirements and governance for all operational-risk related sub-risk types. The ORRMF is aligned to the ERMF and is informed by the BCBS Principles for the Sound Management of Operational Risk (PSMOR), the BCBS Principles for Operational Resilience, the Prudential Authority ORMAQ, and the SRB guidance on Operational Continuity in Resolution (OCIR).

¹ The December 2024 figures were revised to align with the final regulatory submissions.

² Operational risk EC includes non-customer assets and compliance risk.

7. Operational and resilience risk

In addition to the framework, a suite of risk policies and Group-wide standards set out mandatory control objectives, monitoring expectations and execution requirements for the management of technology, third-party, information security and cyber, fraud, tax, financial reporting, people, legal, business continuity, and other operational sub-risk types.

The suite of risks considered within the remit of operational and resilience risk include:

- Business continuity
- Change
- Data management
- Financial reporting
- Fraud
- Information security and cyber
- Legal
- People
- Physical assets
- Tax
- Technology
- Third party
- Process management

While conduct and financial crime are managed individually under the umbrella of compliance risk, they are incorporated into operational and resilience risk for capital requirement and measurement purposes.

7.3.2 Structure and organisation of the operational and resilience risk control function

Operational and resilience risk is managed using the three-lines-of-defence model.

- 1 LOD: Business and functional units own their risks and implement controls to operate within agreed risk appetite.
- 2 LOD: Business-aligned operational and resilience risk teams provide oversight, challenge, and assurance over BU risk profiles; while the Operational & Resilience Risk RTO (appointed by the GCRO) owns the ORRMF, sets the risk-type strategy, and provides Group-wide aggregation and governance.
- 3 LOD: Internal Audit performs independent assurance over the effectiveness of risk frameworks and controls.

This structure ensures consistent oversight, independent challenge, and alignment to the Group's risk appetite across all operations.

7.3.3 Operational risk measurement system

Operational and resilience risk capital is measured using the New Standardised Approach following the Basel III Finalisation methodology, which came into effect 1 July 2025. To address the wide remit of operational and resilience risk, the ORRMF establishes a suite of management techniques applicable to its underlying risk types. These include:

7.3.3.1 Risk and control assessments (RCAs)

RCAs are an integrated assessment that enables the Group to focus on processes which are essential to executing on strategy and delivering for customers and stakeholders. This approach ensures that material risks and rewards are holistically understood and decisively managed, resulting in consistent monitoring of the operational and resilience risk profile in the context of business objectives and appetite. It requires the assessment of risks and controls in processes on an end-to-end basis, enabling a view across functions and supporting enablers, such as systems and third parties. This approach promotes performance and service efficiencies through using key indicators that monitor risks, controls, and process performance.

Further, a comprehensive understanding of all business enablers is obtained by considering all supporting dependencies and the end-to-end resilience of processes and capabilities. RCA enables management of the prioritised enablers and a focus on the most material risks and key controls. The outcome of RCA is a consolidated view of all material risks in the critical business processes and information on the drivers of risk, such as risk events, root causes, indicators, issues and management responses.

7.3.3.2 Internal risk events

An operational and resilience risk event is any circumstance where there is a potential or actual impact to the Group resulting from inadequately controlled or failed internal processes, people and systems, or from an external event. The definition includes situations where a loss could have been incurred, but a gain was realised, as well as incidents resulting in customer, legal, reputational, conduct or regulatory impacts. Operational losses incurred from internal risk events must be captured on the Group operational and resilience risk management system. Boundary events, such as operational and resilience risk materialising within credit risk, are also tracked. The analysis of internal risk events assists the Group in identifying areas of improvements to processes or controls, to reduce the likelihood of recurrence and/or magnitude of risk events.

The analysis of risk events assists the Group in identifying control deficiencies to prevent future losses. In addition, it aids monitoring of a changing risk.

7.3.3.3 Lessons learnt reviews

Lessons learnt is a targeted root cause analysis of significant risk events experienced in the Group with the outcomes of such reviews including:

- Establishing what went wrong.
- Early detection and prevention of systemic issues.
- Address thematic concerns.
- Determining whether cultural, operating model, governance or risk practices may have contributed to the risk event.

This process enables sustained and shared learning across the organisation, promoting stronger risk management.

7.3.3.4 External risk events

Applicable external loss information is regularly considered to support and inform risk identification, assessment, and measurement, and provide management with insight into possible emerging risks. External data is used to provide insight into the magnitude of events/losses emanating from scenarios and risks which Absa has never experienced and are complex to quantify. The Group's primary source of external data is through membership of the Operational Risk Data Exchange (ORX), a non-profit association of international banks formed to share anonymous loss data information.

7. Operational and resilience risk

7.3.3.5 Key indicators

Key indicators are metrics used to monitor the Group's operational and resilience risk profile. They include measurable thresholds that reflect the risk appetite, of the business and are designed to monitor risk, control and business factors that influence the operational and resilience risk profile. Key indicators serve as alerts to management when risk levels exceed acceptable ranges and drive timeous decision-making and actions.

7.3.3.6 Key risk scenarios

Key risk scenarios are a summary of the extreme potential risk exposure for each risk in the suite of operational and resilience risks and includes quantitative and qualitative assessments of the potential frequency of risk events, the average size of losses and extreme scenarios. The assessments consider internal and external loss experiences, key indicators, CPAs and other relevant risk information.

Factors incorporated into the analysis of potential extreme scenarios include:

- The circumstances and contributing factors that could lead to an extreme event.
- The potential financial and non-financial impacts (e.g. reputational damage).
- The controls and other mitigants that seek to limit the likelihood of such an event occurring, and the actions that would be taken if the event were to occur (e.g. crisis management procedures, business continuity or disaster recovery plans, etc.).

7.3.4 Reporting framework and governance

The GCRO appoints the Operational and Resilience Risk RTO, who is accountable for the design, implementation, and maintenance of an effective, efficient and regulatory compliant ORRMF.

A Group Operational and Resilience Risk Management Committee (ORRMC) chaired by the RTO is in place, thereby providing an aggregation and challenge viewpoint of the Group's operational and resilience risk profile, prior to submission to the ERC. Additionally, it serves as the vehicle to drive development, implementation, embedment and optimisation of the framework, policies, and Group-wide standards.

The GCRO presents the Group's operational and resilience risk profile, alongside the other risk types as specified by the ERMF, to the GRCMC.

Business and infrastructure functional unit risk committees monitor risk management and control effectiveness, with progress reporting to the ERC by the respective executive.

Operational and resilience risk reporting follows a structured governance pathway:

- BUs report risk profiles, indicators, issues, and control effectiveness to their respective BU Risk Committees.
- These are consolidated and challenged through the Operational and Resilience Risk Management Committee (ORRMC), chaired by the RTO.
- Material risks, appetite breaches, and thematic concerns are escalated to the Executive Risk Committee (ERC).
- The GCRO presents the consolidated operational and resilience risk profile to the Group Risk and Capital Management Committee (GRCMC) as part of the enterprise-wide risk report.
- KRIs, CPAs, risk events and lessons learned feed into regular reporting and ensure proactive monitoring aligned to appetite.

The key committees involved in the governance of operational and resilience risk are depicted below:

7. Operational and resilience risk



Board committees



Executive committee



Management committees

- Operational and Resilience Risk Management Committee
- Cluster ERC Committees



Financial risks



Non-financial risks



Financial and non-financial risks

7.3.5 Risk mitigation and risk transfer

It is not always possible or cost effective to eliminate all operational and resilience risks, nor is this the objective of operational and resilience risk management. Achieving the correct balance of focus and effort is pivotal to the Group's operational and resilience risk management strategy. This is underpinned by a defined risk appetite, established governance and oversight structures, monitoring and escalation criteria, clarity of roles across the three lines of defence and clear direction and tone from the top, driving a transparent and accountable risk culture in the organisation. Operational and resilience risk is managed in accordance with the Group Risk Appetite Framework that formalises and articulates how risk appetite is established, communicated, cascaded, governed, and monitored across the organization. It provides a common and consistent platform for how risk appetite is managed.

Residual risks are managed using one or a combination of the following approaches:

- Accept (maintain controls where risk remains within appetite),
- Mitigate (strengthen controls, processes, or capabilities),
- Avoid (cease or change activities), and
- Transfer (e.g., insurance, outsourcing, or contractual risk transfer).

The Group maintains strong risk culture, tone-from-the-top, and governance expectations, with KRIs linked to appetite acting as early-warning triggers. The Group utilises insurance to mitigate certain operational and resilience risks. The cover and associated cost are regularly reviewed and are presented annually to the GRCMC.

7. Operational and resilience risk

7.4 Qualitative information about operational and resilience risk

7.4.1 Historical losses [OR1]

	a	b	c	d	e	f	g	h	i	j	k	
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	10-year average	
Using R50 000 threshold												
1	Total amount of operational losses net of recoveries (no exclusions) (Rm)	524.4	377.6	456.5	(107.8)	895.6	355.5	540.2	676.9	465.9	569.7	475.4
2	Total number of operational risk losses	1 391	1 195	1 506	1 126	1 006	1 061	902	831	1 192	1 149	1 136
3	Total amount of excluded operational risk losses (Rm)	-	-	-	(317.5)	267.2	-	185.0	281.8	-	-	41.6
4	Total number of exclusions	2	-	-	1	1	-	1	1	-	-	-
5	Total amount of operational losses net of recoveries and net of excluded losses (Rm)	524.4	377.6	456.5	209.7	628.4	355.5	355.2	395.1	465.9	569.7	433.8
Details of operational risk capital calculation												
11	Are losses used to calculate the ILM (yes/no)?	Yes										
12	If "no" in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?	N/A										
13	Loss event threshold	R50k										

7. Operational and resilience risk

7.4.2 Business indicator (BI) and subcomponents [OR2]

	a 31 December 2025 Rm	b 31 December 2024 Rm	c 31 December 2023 Rm
1 Interest, lease and dividend component	41 353		
1a Interest and lease income	162 377		
1b Interest and lease expense	88 560		
1c Interest earning assets	1 980 410		
1d Dividend income	16		
2 Services component	32 946		
2a Fee and commission income	30 364		
2b Fee and commission expense	3 790		
2c Other operating income	1 033		
2d Other operating expense	3 961		
3 Financial component	9 095		
3a Net P&L on the trading book	8 282		
3b Net P&L on the banking book	2 831		
4 BI	83 388		
5 Business indicator component (BIC)	12 358		

		31 December 2025 Rm
Disclosure on the BI		
21	BI gross of excluded divested activities	83 388
23	Reduction in BI due to excluded divested activities	-

7.4.3 Minimum required operational risk capital [OR3]

	a 31 December 2025 Rm
1 BIC	12 359
2 Internal loss multiplier (ILM)	0.84
3 Minimum required operational risk capital (ORC)	12 776
4 Operational risk RWA¹	177 868

¹ Inclusive of regulatory add-on.

8. Model risk

8.1 Review of current reporting period	142
8.2 Priorities	142
8.3 General information about model risk	142
8.3.1 Risk identification and management	142
8.3.2 Governance	142
8.3.3 Reporting	144

8. 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.

8.1 Review of current reporting period

Key risk metrics	31 December 2025	31 December 2024
Model risk EC (Rbn)	1.6	1.8

- Refreshed existing models and developed new models in accordance with business priorities and the outcomes of independent model validations.
- Continued the modernisation of SAS infrastructure from on-premise to cloud-based.
- Completed the design and embedment of model risk governance framework for ML / AI models.
- Continued the automation of model performance monitoring on the South Africa and AR retail portfolio for regulatory credit capital, credit impairment and behavioural scorecard models.
- Continued to improve model development methodologies and enhanced the model risk management workflow system.
- Completed independent reviews against best practice of the model risk operating model and model risk governance processes and controls with successful outcomes.

8.2 Priorities

- Enhancement of model risk policies, standards and processes to incorporate the recommendations of the independent best practice review of the model risk operating model.
- Meet the regulatory change requirements of Directive 12 of 2025 (Credit Risk Roadmap) for the implementation of the revisions to:
 - the standardised (STA) and internal ratings-based (IRB) approaches, which form part of the Basel III finalisation,
 - the implementation of the revised Prudential Treatment of Distressed Restructured Credit Exposures Directive 11 of 2025.
- Finalise the modernisation of SAS infrastructure from on-premise to cloud-based and establish BAU capability to facilitate ongoing maximisations of benefits across a range of applications.
- Improve model development methodologies, and where beneficial, develop standardised methodologies to expedite the cadence of the model lifecycle.
- Ongoing automation of model performance monitoring on the South Africa and AR retail portfolio for regulatory credit capital, credit impairment and behavioural scorecard models.
- Ongoing technical and non-technical training of model lifecycle stakeholders.

8.3 General information about model risk

8.3.1 Risk identification and management

A model is a quantitative method, system or approach that applies statistical, economic, financial or mathematical theories, techniques, parameters and assumptions to process input data into outputs. A model is comprised of risk driver inputs, methodology, parameters and calculations that produce outputs. A model is considered an end-to-end concept, including the sourcing of risk driver input data, the selection and specification of methodology, the calibration of parameters, the implementation of the model and the usage of the outputs. The use of models invariably presents model risk, defined as the potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and reports. Model risk may lead to financial loss, poor business and strategic decision-making, or damage to the Group's reputation.

Model risk is a principal risk managed under the Group's ERM. The model risk RTO oversees the Model Risk Management Framework, established to manage model risk in accordance with the Group's tolerances. Through its policies and standards, the Model Risk Management Framework identifies risks and specifies controls in order to establish a consistent approach to the management of model risk across the Group. Compliance to controls is assessed through key risk assessments (KRAs) and control testing is conducted to provide assurance around the effective design and operation of controls.

All models are governed by the GMRP, which specifies the model lifecycle, together with the control activities to be conducted at each stage thereof; assigns stakeholder responsibilities and accountabilities for the management of model risk; mitigates model risk through controlled model design, development, implementation, use and change processes; and institutionalises independent validation and approval of models. The GMRP is supported by the following detailed standards:

- Model development and documentation
- Independent model validation
- Model performance monitoring
- Model implementation and decommissioning
- Model owner review
- Post model adjustment, management adjustment and model override
- Machine learning and artificial intelligence models
- Model risk appetite and EC

Model risk appetite is defined as the types and amount of risk that the Group, its business units and legal entities are prepared to accept to meet strategic objectives. It explicitly defines the risk boundaries within which management is expected to operate under business-as-usual and stressed conditions when pursuing the business strategy. As the Group does not actively seek model risk, its appetite is expressed in terms of risk tolerance thresholds and does not have a target range. The Group holds EC in respect of model risk, based on the outcome of the model risk appetite assessment against the risk tolerance thresholds.

The model risk second line of defence is comprised of the Model Governance and Control (MGC) team, the independent validation unit (IVU) – incorporating the central model monitoring team, the model methodology team and the model risk processing centre (MRPC).

The MGC team develops the framework, policy and standards to manage model risk, sets limits consistent with the Group's risk appetite and monitors performance of the model ownership areas against these limits. It performs regular conformance reviews to provide assurance around control effectiveness.

8. Model risk

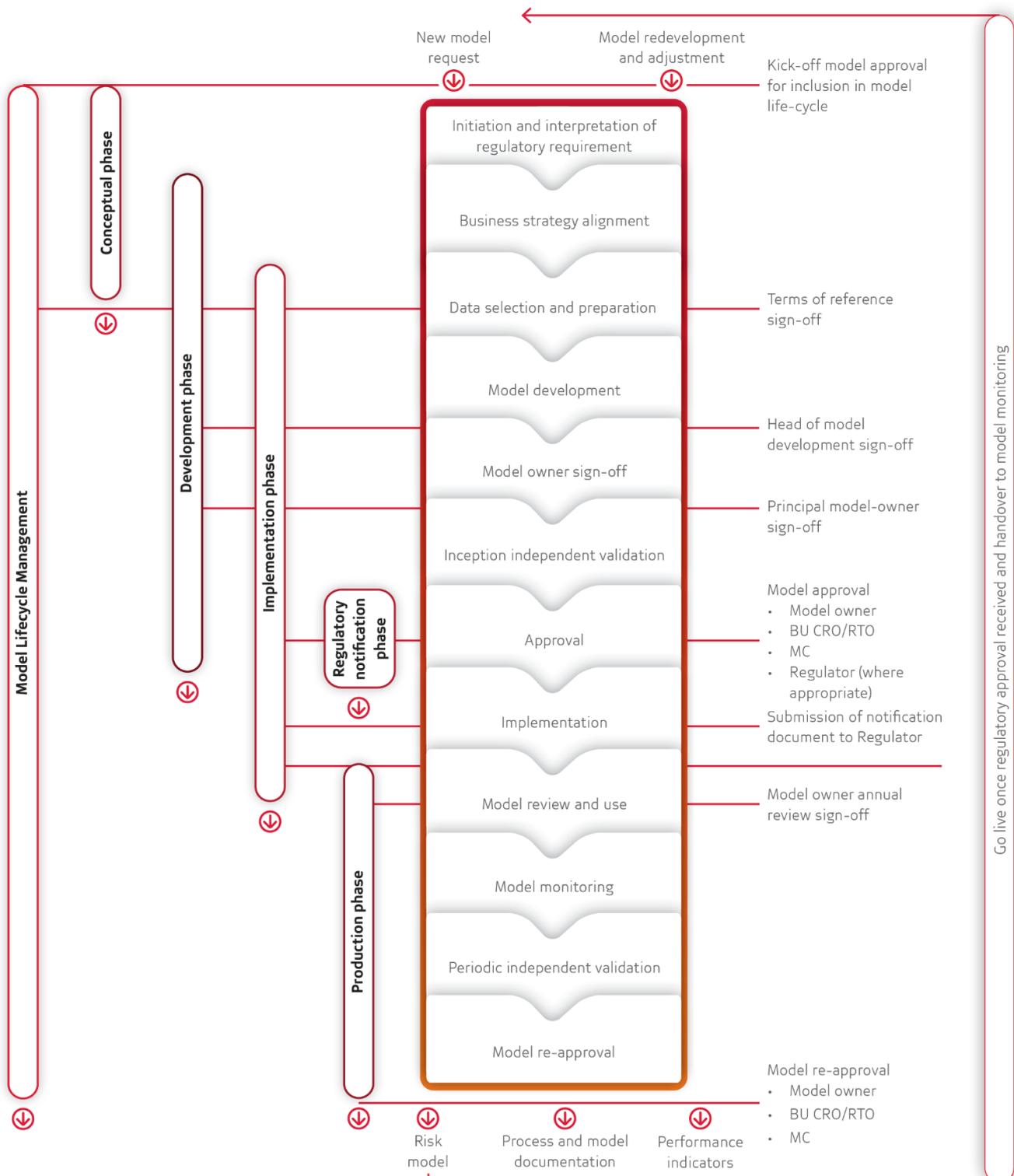
IVU is responsible for the independent validation of models (developed by the model development teams residing in the business units), prior to the initial approval thereof and at regular intervals thereafter (including any subsequent model changes). The independent validation is an assessment of a model across multiple dimensions (e.g., performance, regulatory compliance, etc.), in the context of the model's objectives. The IVU also conducts the ongoing independent performance monitoring for retail regulatory capital and their feeder models (e.g. behavioural scorecards and application/sanctioning models) as well as retail credit impairment models.

The model methodology team assists with developing and aligning model methodology across the Group. It also facilitates the technical training of the modelling resources throughout the Group.

MRPC oversees model implementation controls, maintains a central implementation/processing environment for behavioural scorecard, credit impairment and regulatory credit capital models and executes these models within the impairment and regulatory credit capital reporting processes.

8.3.2 Governance

The model lifecycle and associated controls are depicted in the diagram below.



8. Model risk

The model approvers are assigned based on the materiality of models. Material models are routed to the MC (Board committee) for approval, and models of lesser materiality are approved by the business unit CROs, RTOs or CFO (in the case of Finance models) through business unit model approval forums. Overall model ownership vests with the business units that use the output of models to quantify risk.

The key committees involved in the governance of model risk are depicted below:



Board committees



Executive committee



Management committee

- Model Risk Committee



Financial risks



Non-financial risks



Financial and non-financial risks

8.3.3 Reporting

A monthly model risk group and business unit report is produced by the MGC team and submitted to the committees and forums attended by senior management, the MC and the ERC. The report covers:

- Progress on regulatory and other model development.
- Adherence to policy and standards including any model related audit findings and control issues.
- Models in governance coverage, i.e., models monitored, reviewed and validated.
- Individual model's risk assessment (high, medium or low).
- Model risk appetite status.

Model development and implementation progress update reports are produced by the business units, to be tabled at the Model Risk Committee.

A report on the status of resolution of material control gaps and the existing dispensations, waivers and breaches is also tabled at the Model Risk Committee.

9. Remuneration

9.1 Remuneration policy	146
9.1.1 Oversight of remuneration	146
9.1.2 Design and structure of remuneration	146
9.1.3 Risk and remuneration	146
9.1.4 Linking performance and reward	146
9.1.5 Adjustment to reward taking account of longer-term performance	146
9.1.6 Variable remuneration	147
9.2 Remuneration awarded during the financial year	148
9.3 Special payments	148
9.4 Deferred remuneration	149

9. Remuneration

9.1 Remuneration policy [REMA]

The Group's remuneration policy, which describes the key features of the remuneration framework, will be outlined in the 2025 Remuneration Report. This will be published with the Group's Integrated Reporting Suite on 30 March 2026.

The salient features are set out below:

9.1.1 Oversight of remuneration

The Group Remuneration Committee (RemCo), a committee of the Board, oversees the Group remuneration policy and its implementation. The remuneration policy and the RemCo's mandate cover all elements of remuneration and benefits, including for all subsidiaries, and with a specific focus on executive and senior management remuneration.

Deloitte is the independent advisor to the RemCo and provided advice on the remuneration frameworks and executive remuneration.

Other firms are engaged by management to provide remuneration advisory services and market benchmarking data, including RemChannel, McLagan, Mercer, KornFerry, and Bowmans.

In the following tables, senior managers are defined as members of the Group Executive Committee (ExCo) and other individuals with management responsibility for a material portion of the Group's business. Other material risk takers are identified in accordance with the Group's material risk taker methodology, which was approved by the RemCo. Material risk takers are those who:

- Define the Group's strategy.
- Define the strategy of the individual material businesses.
- Provide oversight on the Group's risk profile.
- Approve significant transactions or recommend these to the Board for approval.

In 2025, a total of 15 individuals were classified as senior managers and 77 individuals as other material risk takers. There were no material changes in 2025 to the methodology to classify material risk takers.

The Pillar 3 reporting includes all individuals who held material risk taker roles during the year, which includes pro-rating and possible overlap in roles. Also included are additions to or removals from the list of roles deemed to be material risk takers, based on the application of our material risk taker approach from time to time.

9.1.2 Design and structure of remuneration processes

The Group's remuneration principles, which guide the development and implementation of remuneration practices are consistent with those applied in prior years. These are:

- Support the realisation of the Group's stakeholder aspirations.
- Align the long-term interests of executives and shareholders.
- Attract, retain and engage high calibre individuals.
- Drive the Group's culture.
- Pay for performance.
- Deliver fair and responsible remuneration.
- Build confidence and trust in remuneration outcomes.

Remuneration for most employees consists of fixed remuneration (salary and benefits) and eligibility for a short-term incentive based on performance. Senior managers and executives in roles that have strategic impact, and those who are regarded as key to the future performance of the organisation (including key talent, and holders of scarce and critical skills) may be eligible to receive a long-term incentive. The Group's short-term incentive and long-term incentive scorecards consist of a mix of financial and non-financial performance targets, aligned respectively to the Board-approved scorecards. These, and the Group's approach to the assessment of outcomes, will be in the Group's 2025 Remuneration Report.

The RemCo conducts reviews of the remuneration policy at least annually. There were no changes made to the policy in 2025.

In terms of remuneration of control function employees and material risk takers:

- Remuneration of Compliance, Internal Audit, and Risk employees is considered independently by the head of the function and is based on the employee's performance and the performance of the function.
- Board committees assess the independent control functions' performance, particularly evaluating the performance of the Chief Internal Auditor, the Chief Compliance Officer, and the GCRO.
- Final remuneration outcomes for control function heads and remuneration outcomes for senior control function employees in the population subject to RemCo oversight are subject to RemCo approval.
- Remuneration of material risk takers with total remuneration above a predefined threshold are subject to RemCo approval.

9.1.3 Risk and remuneration

The RemCo considers the Group short-term incentive performance pool in the context of the quality of the Group's earnings (with inputs from the GACC) and whether any further risk adjustment is required. No adjustments were deemed necessary for 2025 performance.

The RemCo conducted an assessment in terms of the Banks Act Regulation 39(16)(a), confirming that effective governance was in place in respect of compensation/remuneration policies, processes, practices, procedures; and that these were aligned with approved tolerance for risk or risk appetite and appropriate capital management.

For 2025, the Group had a Remuneration Review Panel, a sub-committee of the ExCo, chaired by the Chief Compliance Officer. This panel makes recommendations on adjustments to individual awards and malus adjustments and clawbacks in the event of conduct, compliance, control, regulatory or ethical issues arising that impact on, or are impacted by, remuneration. In the event of senior executives possibly being implicated in any matter of concern, this would be escalated to the Group Chief Executive and, when required, to the Directors' Affairs Committee, and the RemCo would consider the remuneration implications. There were no such instances in 2025.

9. Remuneration

9.1.4 Linking performance and reward

The Group performance short-term incentive pool is determined by the RemCo based on a scorecard of measures aligned to the Board-approved STP. This takes account of the Group's performance against the scorecard metrics and relative market performance. This will be described in detail in our 2025 Remuneration Report.

The pool is distributed to the various businesses and functions based on performance relative to scorecards and the market, and contribution to Group performance.

Individual awards are differentiated in favour of higher performers, aligned with our pay for performance philosophy and the principles of fair and responsible remuneration.

9.1.5 Adjustment to reward taking account of longer-term performance

Long-term incentives vest subject to achievement of Group predetermined performance conditions which are set over a three-year performance period. Awards made to executive directors, prescribed officers and other participants in strategic impact roles are subject entirely to Group performance conditions. Vesting of performance awards may occur in a range of 0% of the value of the award for underperformance to 150% for significant outperformance. For the awards made to other participants, 50% is subject to Group predetermined performance conditions (Share Incentive Plan Performance Awards) and 50% is subject to the requirement that the participant has met or exceeded the performance requirement of their role for all the three performance years, and to continued employment (Share Incentive Plan Retention Awards). Long-term incentives are awarded in Absa Group shares (or phantom shares in certain AR/IO markets where legislatively required), thus linking the awards to the Group share price. These vest over three years for all participants.

Share-based short-term incentive deferrals do not have future performance conditions; however, outcomes are linked to the performance of the Group share price over the vesting period. Vesting occurs in three equal tranches over three years.

Deferred remuneration (short-term and long-term) is subject to malus and clawback provisions. Details of these arrangements will be set out in the 2025 Remuneration Report.

9.1.6 Variable remuneration

Variable remuneration arrangements include:

- Cash short-term incentives (all employees).
- Deferred short-term incentives for employees, for the portion of the award above the deferral threshold of R1m. Short-term incentive deferrals vest in three equal tranches over three years.
- Long-term incentives, for eligible employees, vesting at the end of three years from the award date based on the outcome of the measurement of the predetermined performance conditions.
- Employees in specifically designated sales roles may participate in formulaic incentive schemes, which may include pay-out frequencies of monthly, quarterly, half-yearly or annually.

The proportion of the total remuneration mix that is variable and therefore subject to performance generally increases for more senior employees, with a substantial proportion of total remuneration being "at risk" for the most senior employees. At bargaining unit levels, variable remuneration will typically be a smaller component of total remuneration.

9. Remuneration

9.2 Remuneration awarded during the financial year [REM1]

			a	b
			31 December 2025	
Aggregate remuneration for senior managers and material risk takers			Senior managers Rm	Other material risk takers Rm
1	Fixed remuneration	Number of employees	15	77
2		Total fixed remuneration	94	381
3		Of which: cash based ¹	94	381
4		Of which: deferred	-	-
5		Of which: shares or other share linked instruments	-	-
6		Of which: deferred	-	-
7		Of which: other forms	-	-
8		Of which: deferred	-	-
9	Variable remuneration	Number of employees	15	77
10		Total variable remuneration	289	670
11		Of which: cash based ²	73	206
12		Of which: deferred	-	-
13		Of which: shares or other share linked instruments ^{3,4}	195	464
14		Of which: deferred	195	464
15		Of which: other forms ⁵	21	-
16		Of which: deferred	-	-
17	Total		383	1 051

9.3 Special payments [REM2]

		a	b	c	d	e	f
		31 December 2025					
		Guaranteed bonus		Sign – on awards		Severance payments ⁶	
		Number of employees	Total amounts Rm	Number of employees	Total amount Rm	Number of employees	Total amount Rm
1	Senior management	-	-	-	-	-	-
2	Other material risk-takers	-	-	-	-	-	-

¹ Total fixed remuneration for this disclosure includes the full value of leave encashments during the year, where applicable.

² This includes the cash short-term incentive payable in March 2026 in respect of performance for the 2025 financial year.

³ This includes the Share Incentive Plan awards made during the 2025 financial year and deferred short-term incentives in respect of the 2025 financial year to be made in April 2026. All awards are subject to continued service and malus and clawback provisions.

⁴ This includes the value of the Absa eKhaya Colleague Share Scheme awards outstanding on 31 December 2025.

⁵ This includes a cash buyout award made pursuant to joining the Group based on what would have been forfeited at a previous employer.

⁶ This includes only amounts paid in excess of contractual entitlements.

9. Remuneration

9.4 Deferred remuneration [REM3]

a b c d e

31 December 2025

Deferred and retained remuneration	Total amount of outstanding deferred remuneration	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments ¹	Total amount of amendment during the year due to ex post implicit adjustments ²	Total amount of deferred remuneration paid out in the financial year
	Rm	Rm	Rm	Rm	Rm
1 Senior management					
2 Cash ³	-	-	-	-	-
3 Shares ⁴	640	640	23	(26)	125
4 Cash linked instruments	-	-	-	-	-
5 Other	-	-	-	-	-
6 Other material risk takers					
7 Cash ⁴	25	25	-	-	3.2
8 Shares ⁵	1 367	1 367	45	(47)	257
9 Cash linked instruments	-	-	-	-	-
10 Other	-	-	-	-	-
11 Total	2 032	2 032	68	(73)	385

¹ Ex post explicit adjustments reflect dividend equivalents determined and paid on vesting for the Share Incentive Plan (deferred, performance, and retention awards).

² Ex post implicit adjustments were determined using each individual's award dates, award values, measurement of the pre-determined performance conditions for the performance period ending 31 December 2024 and the vesting date. The RemCo approved the performance conditions for the 2022 Share Incentive Plan Performance award measured for the three-year performance period ending December 2024. The amount reflected therefore represents the value of awards that lapsed in April 2025 due to partial fulfilment of the 2022 Share Incentive Plan performance conditions based on the share price on 1 April 2025 (vesting date).

³ Includes the vesting of a Joiner cash award made in lieu of an amount forfeited upon joining Absa, with vesting dates December 2025 and 2026 and Cash Retention awards to retain a group of employees working on a special project, to vest in February 2026 and 2027.

⁴ Includes the Share Incentive Plan (deferred, performance and retention awards), and Absa eKhaya Colleague Share Scheme awards.

⁵ Includes the vesting value for two employees who terminated their service during 2025.



10. Abbreviations and acronyms

10. Abbreviations and acronyms

A

AGCC	Absa Group Credit Committee
AFR	available financial resources
AIRB	advanced internal ratings-based approach
AMA	advanced measurement approach
AR	Africa Regions - Personal and Private Banking & Business Banking (AR PPB & BB)
ASF	available stable funding
AVM	automated valuation model

B

Bank	Absa Bank Limited
Basel	Basel Capital Accord
BCBS	Basel Committee on Banking Supervision
BIA	basic indicator approach
bps	basis points
BI	business indicator
BIC	business indicator component

C

CAR	capital adequacy requirement
CCF	credit conversion factor
CCP	central counterparty
CCR	counterparty credit risk
CET1	common equity tier 1
CF	commodities finance
CFP	contingent funding plan
CIB	Corporate and Investment Banking
CLR	credit loss ratio
CoE	cost of equity
ColVA	collateral valuation adjustment
CPA	critical process assessment
CRM	credit risk mitigation
CRMF	Credit Risk Management Framework
CRO	Chief Risk Officer
CVA	credit valuation adjustment

D

DTA	deferred tax assets
D-SIBs	domestic systemically important banks
dpd	days past due
DT	downturn

E

EAD	exposure at default
EaR	earnings-at-risk
EC	economic capital
ECL	expected credit loss
EEPE	effective expected positive exposure
EL	expected loss
ERC	Group Executive Risk Committee
ERMF	Enterprise Risk Management Framework
ESG	environmental, social and governance
EVE	economic value of equity
EWIs	early warning indicators
ExCo	Group Executive Committee

F

FIRB	foundation internal ratings-based
FX	foreign exchange
FRTB	fundamental review of the trading book
FVA	funding valuation adjustment
FVAL	fair value assets and liabilities
FVTPL	fair value through profit or loss

G

GACC	Group Audit and Compliance Committee
GCC	Group Credit Committee
GCRC	Group Credit Risk Committee
GCCO	Group Chief Credit Officer
GCRO	Group Chief Risk Officer
GMRP	Group model risk policy
GNTMR	Group Non-Traded Market Risk Committee
GRCMC	Group Risk and Capital Management Committee
Group	Absa Group Limited
G-SIBs	global systemically important banks

H

HQLA	high-quality liquid assets
HVCRE	high-volatility commercial real estate

I

IAA	internal assessment approach
ICAAP	internal capital adequacy assessment process
IFRS	International Financial Reporting Standards
ILM	internal loss multiplier
ILSM	internal liquidity stress metric
IMA	internal models approach
IMM	internal model method
IPRRE	income producing residential real estate
IRB	internal ratings-based
IRBA	internal ratings-based approach
IRRBB	interest rate risk in the banking book
ISDA	international swaps and derivatives association
IT	information technology
ITC	Information Technology Committee
IVU	independent validation unit

K

KCI	key control indicator
KPI	key performance indicator
KRA	key risk assessment
KRI	key risk indicator

L

LCR	liquidity coverage ratio
LGD	loss given default
LOD	line of defence
LR	long run

M

MC	Models Committee
MCC	model governance and control
MRPC	model risk processing centre

10. Abbreviations and acronyms

N

NGFS	Network for Greening the Financial System
NII	net interest income
NPL	non-performing loan
NSFR	net stable funding ratio

O

OF	object finance
ORC	Operational risk capital
ORRMC	Operational and Resilience Risk Management Committee
ORRMF	Operational and Resilience Risk Management Framework
ORX	operational risk data exchange
OTC	over-the-counter

P

PA	Prudential Authority
PD	probability of default
PF	project finance
PFE	potential future exposure
PIT	point-in-time
PMA	post-model adjustments
PnL	profit and loss
PSC	Product Solutions Cluster
PSEs	public sector entities
PVA	prudent valuation adjustments

Q

QCCP	qualifying central counterparty
QRRE	qualifying retail revolving

R

RBA	ratings-based approach
RC	regulatory capital
RDARR	risk data aggregation and risk reporting
RemCo	Group Remuneration Committee
RSF	required stable funding
RTO	risk type officer
RW	risk weight
RWA	risk-weighted assets

S

SA	standardised approach
SA-CCR	standardised approach for counterparty credit risk
SARB	South African Reserve Bank
SCR	solvency capital requirement
SEC	securitisation
SFA	supervisory formula approach
SFTs	securities financing transactions
SME	small and medium-sized enterprises
SSFA	simplified supervisory formula approach
STC	simple, transparent and comparable
STP	short-term plan
sVaR	stressed value at risk

T

TLAC	total loss-absorbing capacity
TMRC	Traded Market Risk Committee
TSA	the standard approach
TTC	through-the-cycle

V

VAF	vehicle and asset finance
VaR	value at risk

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