

Absa Group Limited

Financial results
for the reporting period ended
31 December 2025

Your story matters



Report overview

This Booklet covers the financial results for the reporting period ended 31 December 2025, released alongside Absa Group Limited's ("Absa Group" or "the Group") financial results announcement on 10 March 2026. Additional disclosures, including the Group's Stock Exchange News Service of the JSE Limited ('JSE') ('SENS') announcement and the annual financial results presentation supplement this Booklet. The full set of documents is available on www.absa.africa.

Correction of prior period error

- As part of the Group's ongoing review of its financial reporting classification, management identified a misclassification between customer fixed deposits and negotiable certificates of deposit within its Africa regions. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the comparative information has been restated to correct for the misclassification.
- This correction impacts only the classification within the liability line items on the face of the statement of financial position and does not affect the recognition, measurement, nor the total liabilities, profit or loss, or equity for the comparative period.
- Also during the current year, the Group's wholesale business shifted to a fully customer-centric operating model, using customer profits and losses (P&L) as the primary performance metric to strengthen solutioning, sales, and overall customer experience. This shift resulted in a reallocation of revenue and costs between the affected segments, namely Corporate and Investment Banking and Business Banking.
- In addition to the aforementioned, income and expense items have been reallocated from Head Office to the relevant business units to align with how the Group evaluates the performance of those units. These reallocations led to adjustments to the related intergroup asset and liability balances, specifically loans to and from Group companies, which eliminate on consolidation of the Group but impact the segment report.

Change in naming convention and presentation

- During the current financial year, the Group refined the naming conventions used for labelling borrowed funds in the financial results to enhance clarity and align with market practice. Consequently, the line previously presented as 'Borrowed funds' has been renamed 'Subordinated debt'.
- The Group has also revised the presentation of its funding-related liabilities by combining the previously separate line items and respective notes for deposits and debt securities in issue into a single line item on the face of the statement of financial position and in the consolidated note, referred to now as 'Deposits and debt funding'.
- These changes represent a presentation only change and does not affect the recognition, measurement, or classification of the underlying funding liabilities, and therefore has no impact on profit or loss, other comprehensive income, equity, or cash flows.
- In accordance with IAS 1 Presentation of Financial Statements, the Group has applied these changes retrospectively to ensure consistency of presentation and comparability of information between periods.

Business portfolio changes

- The Group has undergone a restructuring of the reportable segments, which resulted in the integration of Product Solutions Cluster, Everyday Banking and Private Wealth Banking (previously part of Relationship Banking) into a single business unit – Personal and Private Banking (PPB). As a result of this restructuring, the comparative period has been retrospectively restated to accurately represent the integration of these segments into PPB.
- Furthermore, Relationship Banking and Absa Regional Operations – Retail and Business Banking have been renamed to Business Banking and Africa Regions – Personal and Private Banking & Business Banking, respectively.

Financial director statement

These financial results for the reporting period ended 31 December 2025 were prepared by Absa Group Financial Control under the direction and supervision of the Group Financial Director, D Raju CA (SA) CFA. The Group Financial Director, who leads finance, reports directly to the Group Chief Executive Officer, K Fihla.

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

Board approval

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

The Board, along with the GACC, has reviewed and approved the financial results announcement released on 10 March 2026.

Absa Group Limited (1986/003934/06).

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

Absa Group Financial Control prepared these financial results for the reporting period ended 31 December 2025, under the supervision of the Group Financial Director, Deon Raju CA (SA) CFA.

Final dividend per share

850 cents

Key dates

Dividend payment: Tuesday, 28 April 2026
Interim financial results announcement: Monday, 17 August 2026
Financial year-end results announcement: Tuesday, 9 March 2027

Shareholders communications

Shareholder information: page 136
Contact details: page 145

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

Icons used with this report



Positive



Negative



Unchanged



Marginal

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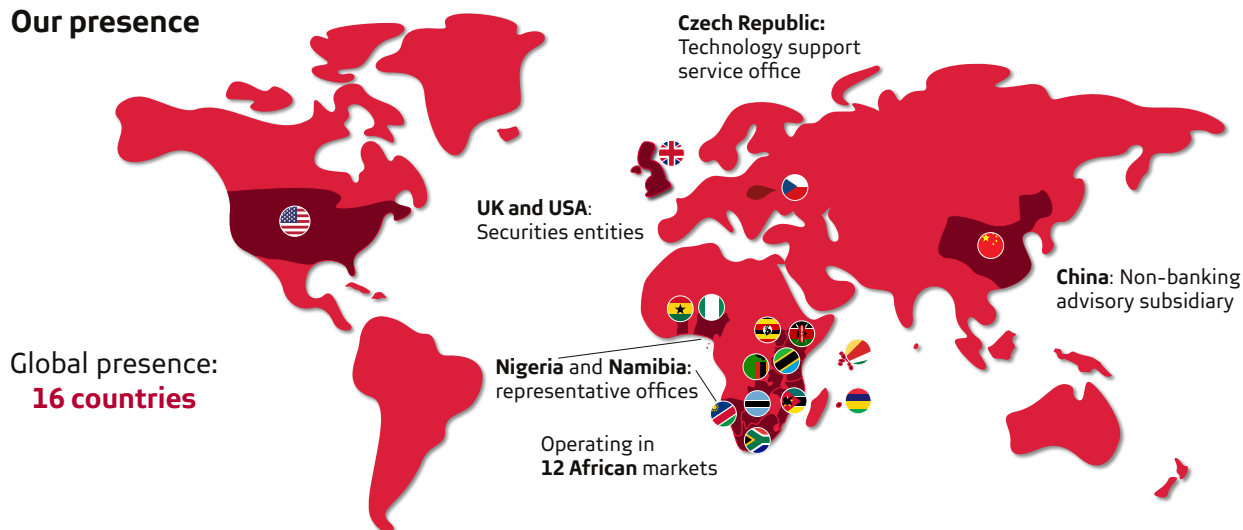
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Absa Group at a glance

Our story

Absa is a purpose-driven, pan-African financial services group with over 130 years of operating history on the continent. We have a primary listing on JSE Limited since 1986, and a secondary listing on A2X. Guided by our purpose, **Empowering Africa's tomorrow, together... one story at a time**, we deliver financial solutions across Africa. Our ambition is to be a leading pan-African bank partnering with individuals, corporates and governments, enabling inclusive growth, financial resilience, and sustainable development across the continent.

Our presence



R214.1bn
Market
capitalisation



R1 854bn
Deposits and
debt funding



R1 489bn
Gross loans
and advances



R2.2tn
Total Assets



12.7%
CET1 Ratio



13.1m
Customers



5.4m
Digitally-active
customers



1 035
Outlets



6 240
ATMs



37 033
Employees



26 565
South Africa



10 258
Africa regions



210
International
operations
outside Africa

Our core banking activities, products and services

Underpinned by our strategy and market presence, our fully integrated business offering is delivered across three business lines: **Corporate and Investment Banking, Personal and Private Banking, and Business Banking**. Our businesses execute through client-led, digitally enabled solutions, integrated financial services ecosystems, and lifestyle and value-chain offerings, delivered through **five core business propositions**.

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

Absa Group at a glance *continued***Our strategy**

We continue to sharpen our focus, building on market confidence. Our refreshed strategy is anchored in winning with our customers, building trust among all stakeholders, and scaling for growth – with a clear emphasis on simplicity, actionability, and disciplined execution.

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

OUR AMBITION To be a leading pan-African bank

OUR STRATEGIC PILLARS

CUSTOMER LED
GROWTH

DIVERSIFIED, PAN-
AFRICAN BUSINESS

DRIVE
EXCELLENCE

NEW GROWTH
OPPORTUNITIES

ENABLED BY

DEEPEN TALENT AND
SUCCESSION

STRONG LEADERSHIP AND
ORGANISATIONAL RESILIENCE

CULTURE FOR
COMPETITIVE ADVANTAGE

Disciplined sequencing: clear priorities for today, scaling opportunities for tomorrow, and investments for future growth

RoE 16 – 19%
medium term (2027 – 2030)

Our strategy is built on four pillars that guide all decisions and investments:

- **Customer-led Growth:** Building trust and loyalty through consistent, intuitive, and value-driven experiences
- **Diversified Pan-African Business:** Strengthening in key geographies while expanding in high-potential markets
- **Driving Excellence:** Modernising, simplifying, and reducing costs to enable faster decisions and improved efficiency
- **New Growth Opportunities:** Expanding beyond traditional banking through digital platforms and value-added services

Our strategy is underpinned by disciplined execution and focused capital allocation. We are simplifying the Group, strengthening cost and capital discipline, and directing resources toward businesses with sustainable competitive advantage. This approach enhances operating leverage, improves resilience, and supports delivery of sustainable returns within our medium-term RoE target of 16–19%.

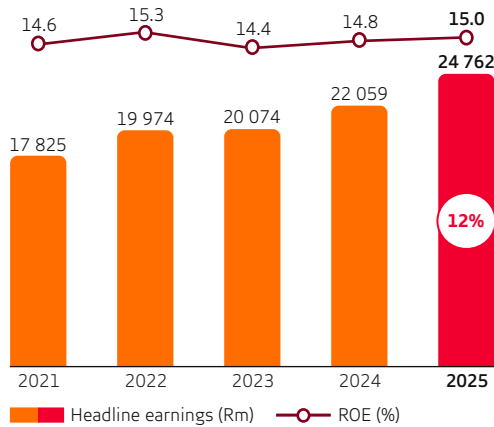
Group performance

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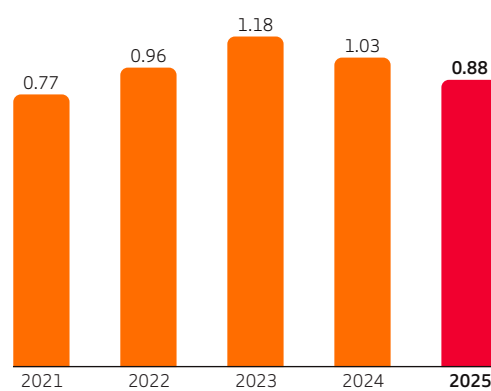
Group performance overview

for the reporting period ended

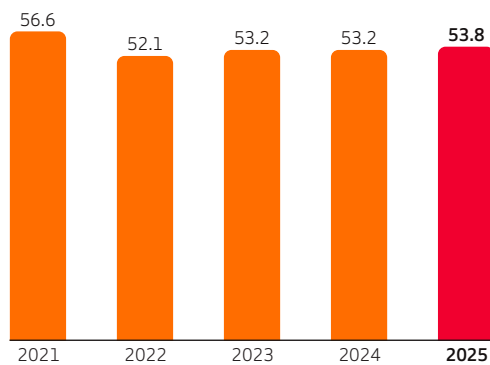
Headline earnings (Rm), RoE and change (%)



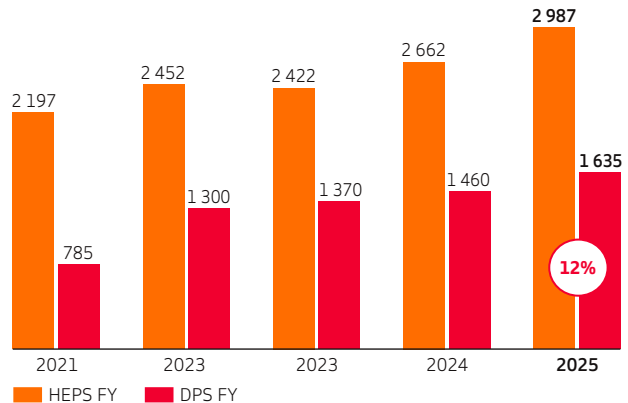
Credit loss ratio (%)



Cost-to-income ratio (%)



Headline earnings per share (cents) and dividends per share (cents)

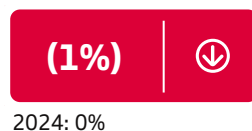


Key metrics

Pre-provision profit



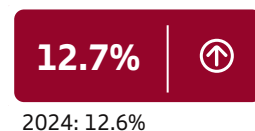
JAWS



NAV per share



Common Equity Tier 1



Consolidated salient features

for the reporting period ended 31 December

	Note	2025 Rm	2024 Rm	Change %
Statement of comprehensive income (Rm)				
Income		115 697	109 949	5
Operating expenses		(62 235)	(58 508)	6
Pre-provision profit		53 462	51 441	4
Credit impairment charges		(13 410)	(14 304)	(6)
Profit attributable to ordinary equity holders		22 214	21 537	3
Headline earnings	1	24 762	22 059	12
Statement of financial position				
Net asset value (NAV) (Rm)		172 411	160 174	8
Gross loans and advances (Rm)	8	1 488 685	1 402 568	6
Total assets (Rm)		2 239 479	2 068 695	8
Deposits and debt funding (Rm)		1 854 348	1 718 218	8
Gross loans to deposits and debt funding ratio (%)		80.3	81.6	(2)
Average loans to deposits and debt funding ratio (%)		79.0	80.9	(2)
Financial performance (%)				
Return on equity (RoE)		15.0	14.8	
Return on average assets (RoA)		1.13	1.11	
Return on risk-weighted assets (RoRWA)		2.06	2.02	
Stage 3 loans ratio on gross loans and advances		5.63	6.11	
Operating performance (%)				
Net interest margin on average interest-bearing assets		4.53	4.63	
Credit loss ratio on loans and advances		0.88	1.03	
Non-interest as a percentage of total income		36.1	35.3	
Cost-to-income ratio		53.8	53.2	
Jaws		(1)	0	
Effective tax rate		26.2	25.0	
Share statistics (million)				
Number of ordinary shares in issue		894.4	894.4	
Number of shares in issue (excluding treasury shares)		828.8	829.5	
Weighted average number of ordinary shares in issue		829.0	828.6	
Diluted weighted average number of ordinary shares in issue		837.8	830.0	
Share statistics (cents)				
Basic earnings per ordinary share (EPS)		2 679.6	2 599.2	3
Diluted basic earnings per ordinary share (DEPS)		2 651.5	2 594.8	2
Headline earnings per ordinary share (HEPS)	1	2 987.0	2 662.2	12
Diluted headline earnings per ordinary share (DHEPS)	1	2 955.5	2 657.7	11
NAV per ordinary share		20 802	19 310	8
Tangible NAV per ordinary share		19 058	17 380	10
Dividend per ordinary share		1 635	1 460	12
Dividend payout ratio (%)		55	55	0
Capital adequacy (%)				
Absa Group Limited		15.8	15.8	
Absa Bank Limited		16.2	17.1	
Common Equity Tier 1 (%)				
Absa Group Limited		12.7	12.6	
Absa Bank Limited		11.9	12.6	

Salient features by segment

for the reporting period ended 31 December

	2025 Rm	2024 Rm	Change %
Headline earnings (Rm)			
Personal and Private Banking	7 535	7 037	7
Business Banking	3 865	4 211	(8)
Africa Regions-Personal and Private Banking & Business Banking	2 519	1 663	51
Corporate and Investment Banking	13 008	11 423	14
Head Office, Treasury and other operations	(2 165)	(2 275)	(5)
Return on average risk-weighted assets (%)			
Personal and Private Banking	2.67	2.54	
Business Banking	2.69	2.97	
Africa Regions-Personal and Private Banking & Business Banking	2.05	1.47	
Corporate and Investment Banking	2.62	2.60	
Return on equity (%)			
Personal and Private Banking	17.6	17.0	
Business Banking	21.5	23.9	
Africa Regions-Personal and Private Banking & Business Banking	17.1	12.1	
Corporate and Investment Banking	21.1	20.7	
Credit loss ratio (%)			
Personal and Private Banking	1.69	1.89	
Business Banking	0.55	0.49	
Africa Regions-Personal and Private Banking & Business Banking	1.41	1.81	
Corporate and Investment Banking	0.21	0.27	
Gross loans and advances (Rm)			
Personal and Private Banking	565 288	549 787	3
Business Banking	152 444	145 049	5
Africa Regions-Personal and Private Banking & Business Banking	98 091	98 865	(1)
Corporate and Investment Banking	652 705	589 659	11
Head Office, Treasury and other operations	20 157	19 208	5
Deposits and debt funding (Rm)			
Personal and Private Banking	367 515	355 561	3
Business Banking	260 747	242 811	7
Africa Regions-Personal and Private Banking & Business Banking	147 962	147 925	0
Corporate and Investment Banking	718 404	637 828	13
Head Office, Treasury and other operations	359 720	334 093	8

Return metrics for the segments have shifted from return on regulatory capital to return on equity, as the Group has revised the capitalisation rate from 11% to 12%, making these two metrics equivalent.

Profit commentary

The following commentary reflects the year-on-year (YoY) change in the Group's financial results for the year ended 31 December 2025 versus the year ended 31 December 2024. Any forward-looking financial information included is the sole responsibility of the Board and has not been reviewed or reported on by the Group's external auditors.

Salient features

- Diluted headline earnings per share (DHEPS) increased 11% to 2 955.5 cents.
- Declared a 12% higher ordinary dividend per share (DPS) of 1 635 cents.
- In terms of divisional headline earnings, Personal and Private Banking (PPB) increased 7% to R7 535m, Business Banking (BB) declined 8% to R3 865m, while Africa Regions – Personal and Private Banking & Business Banking (AR PPB & BB) grew 51% to R2 519m and Corporate and Investment Banking (CIB) rose 14% to R13 008m. The loss in Head Office, Treasury and other operations reduced 5% to R2 165m.
- Return on equity (RoE) improved to 15.0% from 14.8%.
- Revenue grew 5% to R115.7bn and operating expenses rose 6% to R62.2bn, producing a slightly higher cost-to-income ratio of 53.8%.
- Pre-provision profit increased 4% to R53.5bn.
- Credit impairment charges declined 6% to R13.4bn, resulting in a 0.88% credit loss ratio from 1.03%.
- The Group's common equity tier 1 (CET1) capital ratio increased to 12.7% from 12.6%, to remain above regulatory requirements and the top end of the Board's target range of 11.0% to 12.5%.
- The Group's net asset value (NAV) per ordinary share grew 8% to 20 802 cents.

Basis of preparation of constant currency financial information

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

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

31 December 2024. The CCY pro forma financial information is the responsibility of the directors. KPMG's unmodified auditor's report on the constant currency financial information is available on <https://www.absa.africa/wp-content/uploads/2026/03/Unmodified-auditors-report-on-the-constant-currency-financial-information-2025.pdf> and the following JSE cloudlink: <https://senspdf.jse.co.za/documents/2026/jse/isse/ABGE/FY25Result.pdf>

Operating environment

The global economy entered 2025 on an uncertain footing, as the new US administration engaged in a flurry of highly consequential domestic and global policy announcements, including dramatic increases in tariffs on goods entering the US. Geopolitical tensions also remained tense as conflicts in Ukraine and Gaza continued.

Despite the headline turmoil, fears of higher US inflation and unemployment or lower US, Chinese or global growth look to have been largely overblown. Global economic growth in 2025 looks to have been around 3%, broadly in line with recent years. The US Federal Reserve reduced interest rates thrice for a total of 75bps, while the Euro area cut rates by 100bps. Many other major economies also reduced rates, with Japan the only notable exception.

In South Africa, data suggests that the economic performance was relatively strong during 2025. GDP data through the third quarter show that the economy grew for four consecutive quarters, as the positive impacts of structural reforms, strong commodity prices and lower interest rates more than offset the negative impact of US tariffs, at an economy wide level. Disappointingly, business and consumer confidence remained weak in the year, likely impacted both by periods of tension within the government of national unity and also tensions with the US. The expectation is for 1.4% GDP growth in 2025.

Consumer inflation averaged 3.2% in 2025, the lowest for more than two decades. This favourable performance, alongside agreement mid-year that the inflation target would be reduced going forward, created the space for the SA Reserve Bank to reduce the policy rate four times for a total of 100bps.

Economic growth was mixed across our other African markets in 2025. Ghana's economy strengthened further, with strong gold export revenues supporting the sharp rally in the Cedi, resulting in rapidly decelerating inflation and a large reduction in rates. Zambia's economy also showed a strong rebound from earlier drought and benefitted from a surge in copper prices and output, while the diversified economies of East Africa continued to perform strongly. Conversely, the weak diamond market put pressure on Botswana's economy, while in Mozambique insecurity, fiscal concerns and foreign exchange availability continued to weigh on growth. On a GDP-weighted basis, we project that the Africa regions economies grew 4.9%.

Profit commentary

Overview of results

The Group's headline earnings grew 12% to R24 762m and DHEPS increased 11% to 2 955.5 cents. The ordinary DPS rose 12% to 1 635 cents, a payout ratio of 55%. The Group's RoE improved to 15.0% from 14.8% and its return on average assets rose to 1.13% from 1.11%.

Revenue grew 5% to R115 697m, as net interest income rose 4% to R73 941m and non-interest income increased 7% to R41 756m. The Group's net interest margin on average interest-bearing assets declined to 4.53% from 4.63%, predominantly due to deposit margin compression. Net loans and advances grew 7% to R1 439bn, while deposits and debt funding rose 8% to R1 854bn. Operating expenses increased 6% to R62 235m, resulting in a slightly higher cost-to-income ratio of 53.8% from 53.2%. Pre-provision profit grew 4% to R53 462m. Credit impairment charges declined 6% to R13 410m, producing a 0.88% credit loss ratio from 1.03%.

PPB headline earnings increased 7% to R7 535m, while BB declined 8% to R3 865m. AR PPB & BB's headline earnings grew 51% to R2 519m and CIB increased 14% to R13 008m. The loss in Head Office, Treasury and other operations decreased 5% to R2 165m.

On a geographic basis, South African headline earnings increased 7% to R16 996m, while Africa regions grew 25% to R7 766m. Africa regions contributed 31% of both Group revenue and earnings.

Group performance

Statement of financial position

Total assets rose 8% to R2 239bn, driven by 7% higher net loans and advances, a 14% increase in cash, cash balances and balances with central banks, and 27% growth in trading portfolio assets.

Loans and advances

Total net loans and advances grew 7%, to R1 439bn, reflecting 6% higher net loans and advances to customers to R1 354bn, while net loans and advances to banks increased 17% to R85bn. Excluding 23% higher reverse repurchase agreements, total net loans grew 5% to R1 334bn. PPB net loans and advances to customers rose 3% to R525bn, as Home Loans grew 2% to R316bn and Vehicle and Asset Finance (VAF) increased 7% to R127bn. BB net loans and advances to customers grew 6% to R148bn, driven by growth in commercial property finance and commercial asset finance. AR PPB & BB net loans and advances to customers were flat at R91bn or up 10% in CCY, as Rand appreciation offset strong growth in retail mortgages. CIB net loans and advances to customers increased 10% to R585bn. CIB SA net loans and advances to customers grew 11% to R490bn, while CIB AR net loans and advances to customers grew 2% or 10% in CCY to R95bn.

Funding

Total deposits and debt funding rose 8% to R1 854bn, with deposits due to customers up 6% or 8% in CCY to R1 441bn. Total deposits from banks grew 23% to R184bn and total debt funding rose 10% to R229bn. Excluding 32% higher reverse repurchase agreements, total deposits and debt funding increased 6% to R1 718bn. Total deposits constituted 88% of Group funding. PPB customer deposits grew 3% to R368bn, with fixed deposits decreasing 4% to R88bn and savings and transmission deposits 7% higher at R205bn, while cheque account deposits grew 3% to R41bn. BB customer deposits rose 7% to R261bn, as savings and transmission deposits grew 9% to R107bn, fixed deposits were flat at R36bn and cheque account deposits rose 11% to R84bn. AR PPB & BB customer deposits were flat or up 8% in CCY, to R148bn. Total CIB deposits rose 12%, to R669bn, with customer deposits up 6% to R534bn, while bank deposits grew 42% to R136bn. CIB SA customer deposits grew 7% to R412bn, while CIB AR customer deposits rose 6% to R122bn, or 13% in CCY.

Net asset value

The Group's NAV increased 8% to R172bn and NAV per share grew 8% to 20 802 cents. Other reserves increased 32% to R12bn, given substantial growth in the cash flow hedging reserve. During the period the group generated R22bn of profit and paid dividends of R13bn.

Capital to risk-weighted assets (RWA)

Group RWA grew 6% to R1 233bn, driven by 6% higher credit risk RWA, while market risk rose 51% although it remains small at 5% of the total. The Group remains well capitalised, comfortably above minimum regulatory capital requirements. The Group CET1 ratio increased to 12.7% from 12.6%, slightly above the top end of the Board target range of 11.0% to 12.5%, and well above regulatory requirements. The Group Tier 1 ratio declined to 14.3% from 14.4%, while the total capital adequacy ratio was flat at 15.8%.

Statement of comprehensive income

Net interest income

Net interest income increased 4% to R73 941m, with average interest-bearing assets up 6% to R1 632bn. The Group's net interest margin decreased to 4.53% from 4.63%, predominantly due to deposit margin compression. South Africa's net interest margin reduced to 3.80% from 3.87% and Africa regions declined to 7.38% from 7.82%.

Customer loans and advances had a 1bp negative impact on the Group margin, as tighter pricing in Transactional Banking SA and BB, plus higher suspended interest in BB was offset by positive loan mix (2bps) given faster growth from Africa Regions and slower growth in SA secured lending.

Profit commentary

Group performance

Statement of comprehensive income *continued*

Customer deposits reduced the overall margin by 16bps, reflecting pricing pressure, particularly in Transactional Banking and lower policy rates in Africa regions. Deposit composition improved the margin by 2bps, given the reduced proportion of wholesale funding in Group Treasury SA and a favourable deposit mix shift in Transactional Banking and PPB in Africa regions. Lower policy rates produced a negative 6bps impact from deposit endowment.

South Africa's equity endowment reduced the margin by 3bps, given lower rates. AR's equity endowment added 4bps due to higher equity. In South Africa, the structural hedge released a R228m charge to the income statement, 9bps less than its R1 655m charge in 2024. The average structural rate earned on the programme increased 13bps to 7.32%. The after-tax cash flow hedging reserve relating to the programme was a credit balance of R2.8bn as at 31 December 2025, from a credit of R0.1bn as at 31 December 2024. The total endowment impact after hedging in South Africa was neutral YoY.

Non-interest income

Non-interest income increased 7% in reported and CCY to R41 756m, accounting for 36% of Group revenue from 35%. Net fee and commission income grew 3% to represent 64% of total non-interest income. Fee and commission income rose 5%, as transactional fees and commissions increased 4% on increased customer numbers. Merchant income grew 16% to R3 796m given pricing initiatives and an interchange fee reclassification, with turnover increasing 5%. Fee and commission expense increased 19%, driven by cash in transit and service charge reclassifications.

Net trading income excluding the impact of hedge accounting increased 30% to R10 481m. Global Markets total income rose 31%, or 29% in CCY, to R11 263m, with Markets SA increasing 41% to R5 741m and Markets AR growing 23% to R5 522m or 19% in CCY. In aggregate, the net insurance income decreased 3% to R3 235m, with the insurance service result declining 3%. Insurance SA decreased 2% to R2 490m, with Life Insurance down 5%, while Non-Life Insurance grew 17%. AR Insurance total non-interest income declined 55% reflecting the sale of three entities. Lastly, other operating income grew 2% to R886m.

Credit impairment charges

Credit impairment charges declined 6% to R13 410m, as lower credit charges in PPB, AR PPB & BB and CIB outweighed the increase in BB. The credit loss ratio improved to 88bps, the mid-point of the through-the-cycle target range.

PPB credit impairments fell 8% to R9 443m, improving its credit loss ratio to 1.69% from 1.89%. Within this, Home Loans decreased 9% to R1 112m, resulting in a credit loss ratio of 0.34%. The improvement reflects improved trends in the pre-legal book. VAF credit impairments dropped 19% to R1 621m, due to revised credit policies, exiting specific higher risk segments and enhanced collection. VAF's credit loss ratio improved to 1.26% from 1.62%. Unsecured Lending credit impairments declined 1% to R6 297m, resulting in a 7.34% credit loss ratio, driven by proactive risk management, strengthened collections and late stage portfolio sales.

BB credit impairments grew 18% to R817m, largely due to a single name charge in the first half of 2025. The increase produced a 0.55% credit loss ratio from 0.49%, although it remains within its through-the-cycle target range.

AR PPB & BB credit impairments decreased 17% or 18% in CCY to R1 401m, largely due to strong collections in Business Banking and improved impairment models in PPB. Its credit loss ratio fell to 1.41% from 1.81%, improving to below its through-the-cycle target range.

CIB credit impairments fell 14% to R1 269m, driven by lower stage 3 charges in South Africa and reduced performing book provisions in the Africa regions. Its credit loss ratio improved to 0.21%, at the bottom of its through-the-cycle target range of 20bps to 30bps, from 0.27%. CIB SA credit impairments fell 16% to R983m, resulting in a 0.19% credit loss ratio from 0.26%. CIB AR credit impairments decreased 9% to R286m charge, producing a credit loss ratio of 0.28% from 0.33%.

Group non-performing loans (NPLs) decreased 2% to R84bn, constituting 5.63% of gross loans and advances from 6.11% (and 5.90% as at 30 June 2025), driven by lower NPLs across the board, particularly BB and PPB.

Profit commentary

Group performance

Statement of comprehensive income *continued*

Total Group coverage declined to 3.72% from 4.13%, and 3.99% as at 30 June 2025. Stage 1 coverage was largely unchanged at 0.61% from 0.62%, mostly due to PPB's improved new business performance. Stage 2 coverage decreased to 5.30% from 5.98%, driven by PPB (across all portfolios) and BB. Stage 3 coverage declined to 45.75% from 47.37% because of several large write-offs with high coverage in CIB, which offset higher BB and flat PPB coverage given pressure on late stage NPLs in the secured retail books.

Operating expenses

Operating expenses grew 6% to R62 235m, increasing the cost-to-income ratio to 53.8%. Staff costs rose 8% to R36 373m, or 58% of total operating expenses, largely reflecting 6% growth in salaries. Deferred cash and share-based payments grew 16%, while bonuses rose 15%.

Non-staff costs grew 4% to R25 862m. Within this, IT costs increased 3% to R7 078m, given continued investment in new digital capabilities and increased cybersecurity spend. Amortisation of intangible assets grew 4% to R2 839m. However, excluding the impact of separation from Barclays PLC, amortisation rose 16% due to further investment in digital, automation and data capabilities. Goodwill and intangible assets declined 10% to R14.5bn, after computer software assets impairments of R2 391m. Total IT spend, including staff, amortisation and depreciation, increased 6% to R16 665m, or 27% of Group expenses. Professional fees grew 6% to R3 329m given higher legal and credit bureau spend, and continued investment on strategic technology projects. Marketing costs rose 8% to R2 298m with higher brand, campaigns and sponsorship spend.

Property costs increased 1% to R1 982m and depreciation rose 2% to R3 200m as continued optimisation of the Group's property portfolio offset investment in retail branch upgrades. Equipment costs grew by 22%, primarily due to higher rentals costs for merchant devices in the Acquiring business. Cash transportation costs reduced 22% to R966m, due to lower charges and a reclassification to non-interest income.

As part of the Group's productivity programme, gross cost benefits of R1.7bn were delivered during the period versus R1.4bn in 2024, taking the cumulative benefits to R3.1bn of the total gross productivity commitment of R5bn by 2027. Savings came from optimisation of back office and channels, third party supplier spend and technology infrastructure.

Other expenses

Other expenses increased 36% to R5 686m, due to the substantially higher impairment of intangible assets, partially offset by no longer applying hyperinflationary accounting to the results of Absa Bank Ghana and 2% lower indirect taxation.

Taxation

The taxation expense increased 9% to R9 082m, exceeding the 4% growth in profit before tax, mainly due to higher withholding tax in Africa regions. The resulting effective tax rate rose to 26.2% from 25.0%.

Segment performance

The Group's operating segments changed during the period, with Product Solutions Cluster, Everyday Banking and Private Wealth Banking (previously part of Relationship Banking) combined into Personal and Private Banking. Relationship Banking and Absa Regional Operations – Retail and Business Banking were renamed Business Banking and Africa Regions – Personal and Private Banking & Business Banking, respectively. Moreover, central costs were allocated to the business units, including the Group's broad-based black economic empowerment and staff incentivisation transaction, as well as depositor insurance costs. These costs were previously reported in Head Office, Treasury and other operations. In addition, business unit and geographic returns are calculated using a 12% capitalisation rate versus 11% previously. During the period the Group's wholesale business shifted to a fully customer-centric operating model, using customer P&L as the primary performance metric. This shift resulted in reallocating revenue and costs between Corporate and Investment Banking and Business Banking. Consequently, the prior year segmental financial results were restated.

Profit commentary

Segment performance *continued*

Corporate and Investment Banking

Headline earnings grew 14%, or 13% in CCY, to R13 008m, driven by 11% pre-provision profit growth and 14% lower credit impairments. Revenue increased 9% to R36 699m. Net interest income grew 5%, with customer loans and advances and deposits up 10% and 6% respectively, partially offset by 12bps net interest margin compression. Non-interest income rose 16%, driven by 31% higher Global Markets revenue outweighing lower equity investment realisations. Net fee and commission income was flat due to pricing pressure and netting of cash in transit costs against revenue. Operating expenses grew 7% to R16 841m, resulting in a cost-to-income ratio of 45.9% from 46.9%. The cost growth reflected inflationary pressure across key markets and continued investment in people and technology. Credit impairments fell 14% to R1 269m, reducing the credit loss ratio to 0.21% from 0.27%, due to lower stage 3 charges in SA and reduced performing book charges in Africa regions. CIB's RoE increased to 21.1% from 20.7%. It contributed 48.3% of Group headline earnings, excluding Head Office, Treasury and other operations.

Within CIB, Investment Bank headline earnings grew 26% to R9 329m, as pre-provision profit grew 21% on 16% revenue growth and credit impairments decreased 16%. Transactional Banking (previously Corporate Banking) headline earnings fell 9% to R3 679m, as pre-provision profit decreased 6%, partially offset by 8% lower credit impairments.

CIB SA headline earnings grew 12% to R7 467m, given 7% pre-provision profit growth and 16% lower credit impairments. CIB AR headline earnings rose 16%, or 13% in CCY, to R5 541m, reflecting 16% growth in pre-provision profit and 9% lower credit impairments.

Personal and Private Banking

Headline earnings increased 7% to R7 535m, due to credit impairments decreasing 8% to R9 443m. Pre-provision profit declined 2% to R20 844m. Revenue rose 2% to R43 721m, driven by 3% higher non-interest income, with net fee and commission income up 3%. Net interest income increased 1% due to 3% growth in net customer loans and slight margin compression. Operating expenses grew 5% to R22 877m reflecting continued investment in digital capabilities and technology, increasing the cost-to-income ratio to 52.3% from 50.6%. PPB generated an RoE of 17.6% from 17.0% and contributed 28.0% of Group headline earnings excluding Head Office, Treasury and other operations.

Within PPB, Transactions and Deposits headline earnings increased 5% to R3 093m, as 40% lower credit impairments outweighed 3% lower pre-provision profits. Home Loans headline earnings grew

10% to R1 773m, as credit impairments fell 9% and pre-provision profit increased 2%. Vehicle and Asset Finance headline earnings grew 52% to R959m, driven mostly by 19% lower credit impairments, while pre-provision profit increased 1%. Unsecured Lending headline earnings decreased 6% to R884m, as negative operating leverage offset 1% lower credit impairments. Within Unsecured Lending, Card headline earnings grew 29% to R797m and Personal Loans decreased 76% to R85m. Insurance SA headline earnings declined 7% to R1 010m, reducing its RoE to 18.2%. Life profits decreased 8% to R885m, reflecting strengthened assumptions and modelling changes, while Non-Life profits grew 29% to R396m mostly due to an improved underwriting margin.

Business Banking

Headline earnings decreased 8% to R3 865m, due to higher credit impairments and 5% lower pre-provision profit. Revenue grew 2% to R15 282m. Net interest income rose 3% as margin compression dampened 6% net customer loan growth and 7% customer deposit growth. Non-interest income declined 2%, reflecting 5% lower transactional revenue due to PayShap adoption, lower cash volumes and a once-off cash revenue adjustment. Operating expenses grew 8% to R8 760m, resulting in a 57.3% cost-to-income ratio. Credit impairments rose 18%, largely due to a single name charge in the first half of 2025, resulting in a 0.55% credit loss ratio. BB generated an RoE of 21.5% from 23.9% and contributed 14.4% of Group headline earnings excluding Head Office, Treasury and other operations.

Africa Regions – Personal and Private Banking & Business Banking

Headline earnings grew 51% to R2 519m, up 45% in CCY. Within this, Banking operation headline earnings rose 59% or 53% in CCY to R2 496m, given 24% higher pre-provision profit. Banking revenue rose 14% or 11% in CCY, with net interest income up 14%, reflecting balance sheet growth and margin expansion. Non-interest income also increased 14%, driven largely by fees and commissions as transactionally active customers grew 14%. Operating expenses grew 7% or 5% in CCY, resulting in a cost-to-income ratio of 61.6%. Credit impairments decreased 17%, due to strong Business Banking collections and improved impairment models in PPB. AR Insurance headline earnings dropped 77% to R22m, reflecting the sale of three entities in the first half of 2025. AR PPB & BB generated an RoE of 17.1% from 12.1% and contributed 9.4% of Group headline earnings excluding Head Office, Treasury and other operations.

Profit commentary

Head Office, Treasury and other operations

The headline earnings loss reduced 5% to R2 165m, due to discontinuing hyperinflationary accounting in Ghana during the period, compared to a R633m loss the previous year. Higher earnings in Treasury South Africa partially offset increased withholding taxes in AR and lower yields on liquid assets in AR markets, while AR sovereign credit impairments increased by R320m.

Geographic split

South Africa

Headline earnings increased 7% to R16 996m, although pre-provision profit was flat at R35 659m. Revenue grew 4% to R79 512m, constituting 69% of Group revenue. Net interest income increased 3% as slight margin compression dampened 7% growth in both customer loans and deposits. Non-interest revenue increased 6%, mostly due to significant growth in Markets SA. Operating expenses rose 7% to R43 853m, resulting in a 55.2% cost-to-income ratio from 53.6%. Credit impairments declined 7% to R11 251m, producing a credit loss ratio of 0.91% from 1.04%, as reductions in PPB and CIB outweighed BB's higher charge. South Africa contributed 69% of Group earnings and its RoE improved to 15.1% from 14.9%.

Africa regions

Headline earnings increased 25% to R7 766m, including a 6% uplift from the weaker average Rand. Pre-provision profit grew 12% to R17 803m, as revenue increased 9% or 6% in CCY, to R36 185m. Net interest income grew 7% despite noticeable margin compression due to the impact of lower policy rates on AR Treasury. Non-interest income rose 13%, driven by 16% growth in CIB AR. Expenses grew 5% or 4% in CCY, to R18 382m, producing a 50.8% cost-to-income ratio from 52.3%. Credit impairments were flat at R2 159m, reducing its credit loss ratio to 0.73% from 0.96%. Africa regions contributed 31% of Group earnings and its RoE improved to 16.3% from 15.1%.

Prospects

The global economic environment remains very difficult to predict as US economic and diplomatic policy is expected to remain volatile, and the uncertain nature of the armed conflicts in the Middle East and in Ukraine pose significant economic and market challenges of their own. A sustained period of higher global energy prices, for example, would likely see some reduction in the IMF's early year forecast that global GDP growth would average 3.2% this year, and some increase in their forecast for global inflation, while the space for major central banks to reduce policy rates further is likely to shrink.

For South Africa, our forecast made ahead of the recent military action against Iran is for 1.9% GDP, with inflation averaging in the low 3%, and that the Reserve Bank would likely deliver a further 50bps in interest rate reductions during 2026, at the same time as the Rand experienced some modest weakening against the US dollar. In that environment, we anticipate some further recovery of household balance sheets, a more robust employment market and for gradually strengthening consumer and business confidence. However, a prolonged bout of military action in the Middle East could see energy prices higher and for global risk appetite to wane, which for South Africa, would likely translate into a weaker path for the Rand, somewhat higher inflation, a more cautious approach to interest rate cuts by the Reserve Bank, and somewhat weaker economic growth. We see the bar for the MPC to reverse course on rates as quite high and think it very unlikely that the global environment would trigger the onset of a rate hiking cycle.

For Absa's Africa regions, current events pose similar risks to our baseline economic forecasts. That baseline is for GDP-weighted economic growth to rise to 5.3% in 2026. Botswana's economy is expected to return to modest positive growth, Mozambique and Zambia's economic recoveries are expected to gather pace, while Ghana's fast pace of economic expansion cools slightly, and for other countries the growth trajectory is little changed from 2025. Policy rates in 2026 are expected to be flat to lower for all, except Botswana. Given the current global risk of disrupted energy markets and higher oil prices, the risk to the Africa regions view is for inflation to be higher, for more modest policy rate moves in impacted countries, and more pressure on fiscal sustainability should energy subsidies return.

Based on these assumptions, and excluding further major unforeseen political, macroeconomic, or regulatory developments, our guidance for 2026 is largely unchanged and as follows:

We expect mid-single digit revenue growth, with non-interest income growth above net interest income. We expect mid- to high single digit growth in both customer loans and customer deposits. The Group's credit loss ratio is expected to improve slightly, into the bottom half of our 75bps to 100bps through-the-cycle target range. We expect low to mid-single digit growth in operating expenses, producing positive operating JAWS and mid-single digit pre-provision profit growth. Consequently, we expect an RoE of around 16%. Other reserves have increased our equity more than we expected, reducing our RoE while supporting our NAV. We expect the Group CET1 ratio to finish 2026 at the top end of our Board target range of 11.0% to 12.5%. We expect to maintain a dividend payout ratio of 55% for 2026. We expect Rand appreciation to be a headwind to group revenue and earnings in 2026.

Finally, we reiterate our medium-term targets, including an RoE target range of 16% to 19% for the period 2027 to 2030. We aim to improve our RoE to well within that range by 2028, with a key driver being reducing our cost-to-income ratio to approach 50% by 2028.

Basis of presentation

IFRS reporting

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

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

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

During the reporting period ended 31 December 2025, the Ghanaian economy ceased to be considered hyperinflationary in terms of the requirements of IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29). As a result, the Group discontinued accounting for the effects of hyperinflation from 1 January 2025. No loss on net monetary position has therefore been recognised in the statement of comprehensive income during the current period.

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

Accounting policies

The accounting policies applied in preparing the Group's final financial results are consistent with those in place for the Group's annual consolidated financial statements for the reporting period ended 31 December 2025.

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

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

New standards and interpretations not yet adopted

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

Amendments resulting from annual improvements for the following standards

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

Basis of presentation

Amendments resulting from annual improvements for the following standards *continued*

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

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

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

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

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

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

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

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

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

To allow companies to better reflect the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs), amendments

have been made to IFRS 9 and IFRS 7. These amendments provide guidance on the 'own-use' exemption for purchasers of electricity under PPAs, hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs and new disclosure requirements to enable investors to better understand the effects of PPAs. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

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

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

The Group has initiated an assessment of IFRS 18's impact on its financial statement presentation and disclosures. A multidisciplinary team has been established and is working through the requirements included in the standard to determine the Group's state of readiness for adoption. IFRS 18 is expected to only affect the presentation and disclosure, rather than recognition or measurement of transactions. The impact of adoption is anticipated to include:

- Presentation of new subtotals in the statement of profit or loss;
- Review and alignment of income and expense classifications with business activity criteria; and
- Additional disclosures for MPMs.

Work is ongoing to evaluate system and reporting changes required for compliance.

Basis of presentation

Events after the reporting period

The Group has assessed the impact of the announcement made during the current financial year regarding the introduction of a new Pan-African operating model, marking the next phase in strengthening the Group's organisational design. The new model is intended to streamline operations across the region, enhance clarity of accountability, and leverage technology and data to improve outcomes for clients across the continent. The changes are effective from 1 January 2026. Accordingly, the announcement does not affect the Group's segment reporting or related disclosures for the financial period ended 31 December 2025. The impact of the new Pan-African operating model on segment reporting for the reporting period ended 31 December 2026 will be assessed as implementation progresses.

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.

While the impacts to the Group have yet to materialise, these developments arose after year-end and are considered non-adjusting events under IAS 10 Events after the Reporting Period. Accordingly, no adjustments have been made to the amounts recognised in the consolidated financial statements for the reporting period ended 31 December 2025.

Other than the aforementioned, the directors are not aware of any events (as defined per IAS 10 Events after the Reporting Period) after the reporting date of 31 December 2025 and the date of authorisation of these financial results.

On behalf of the Board

René van Wyk
Group Chairman

Johannesburg
10 March 2026

D Raju
Group Financial Director

Dividend announcement

Declaration of final ordinary dividend number 77

Shareholders are advised that an ordinary dividend of 850 cents per ordinary share was declared on 10 March 2026, for the final reporting period ended 31 December 2025. The ordinary dividend is payable to shareholders recorded in the register of members of the Company at the close of business on Friday, 24 April 2026. The directors of Absa Group Limited confirm that the Group will satisfy the solvency and liquidity test immediately after completion of the dividend distribution, and for the next 12 months.

The dividend will be subject to local dividends withholding tax at a rate of 20%. In accordance with paragraph 7.23(a) – (k) of the JSE Listings Requirements, the following additional information is disclosed:

- The dividend has been declared out of income reserves.
- The local dividend tax rate is 20%.
- The gross local dividend amount is 850 cents per ordinary share for shareholders exempt from the dividend tax.
- The net local dividend amount is 680 cents per ordinary share for shareholders liable to pay the dividend tax.
- Absa Group Limited currently has 894 376 907 ordinary shares in issue (includes 65 597 829 treasury shares).
- Absa Group Limited's income tax reference number is 9150116714.

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

Last day to trade cum dividend	Tuesday, 21 April 2026
Shares commence trading ex-dividend	Wednesday, 22 April 2026
Record date	Friday, 24 April 2026
Payment date	Tuesday, 28 April 2026

Share certificates may not be dematerialised or rematerialised between Wednesday, 22 April 2026 and Friday, 24 April 2026, both dates inclusive. On Tuesday, 28 April 2026, the dividend will be electronically transferred to the bank accounts of certificated shareholders. The accounts of those shareholders who have dematerialised their shares (which are held at their participant or broker) will also be credited on Tuesday, 28 April 2026.

On behalf of the Board

N R Drutman
Company Secretary

Johannesburg
10 March 2026

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

Consolidated statement of comprehensive income

for the reporting period ended 31 December

	Note	2025 Rm	2024 Rm	Change %
Net interest income	2	73 941	71 105	4
Interest and similar income		161 086	167 856	(4)
Effective interest income		158 482	164 957	(4)
Other interest income		2 604	2 899	(10)
Interest expense and similar charges		(87 145)	(96 751)	(10)
Non-interest income	3	41 756	38 844	7
Net fee and commission income	3.1	26 752	25 901	3
Fee and commission income		31 230	29 659	5
Fee and commission expense		(4 478)	(3 758)	19
Insurance service result		2 071	2 131	(3)
Insurance revenue	3.2	11 678	11 852	(1)
Insurance service expenses		(9 019)	(9 242)	(2)
Net expense from reinsurance contracts		(588)	(479)	23
Net finance expense from insurance contracts		(347)	(220)	58
Net finance expense from reinsurance contracts		(36)	–	100
Changes in investment contract liabilities		(2 058)	(1 083)	90
Gains and losses from banking and trading activities	3.3	10 853	8 719	24
Gains and losses from investment activities	3.4	3 635	2 527	44
Other operating income	3.5	886	869	2
Total income		115 697	109 949	5
Credit impairment charges	4	(13 410)	(14 304)	(6)
Operating income before operating expenditure		102 287	95 645	7
Operating expenditure	5	(62 235)	(58 508)	6
Other expenses		(5 686)	(4 196)	36
Other impairments		(3 157)	(914)	>100
Indirect taxation	6	(2 529)	(2 592)	(2)
Loss on net monetary position		–	(690)	(100)
Share of post-tax results of associates and joint ventures		318	282	13
Operating profit before income tax		34 684	33 223	4
Taxation expense	7	(9 082)	(8 320)	9
Profit for the reporting period		25 602	24 903	3
Profit attributable to:				
Ordinary equity holders		22 214	21 537	3
Non-controlling interest – ordinary shares		1 995	1 858	7
Non-controlling interest – preference shares		342	408	(16)
Other equity: Additional Tier 1 capital		1 051	1 100	(4)
		25 602	24 903	3
Earnings per share:				
Basic earnings per share (cents)	1	2 679.6	2 599.2	3
Diluted earnings per share (cents)	1	2 651.5	2 594.8	2

Consolidated statement of comprehensive income

for the reporting period ended 31 December

	2025 Rm	2024 Rm	Change %
Profit for the reporting period	25 602	24 903	3
Other comprehensive income			
Items that will not be reclassified to profit or loss	13	(219)	<(100)
Movement on equity instruments designated at fair value through other comprehensive income (FVOCI)	(3)	(36)	(92)
Fair value movements	12	(36)	<(100)
Deferred tax	(15)	–	100
Movement on liabilities designated at FVTPL due to changes in own credit risk	(144)	(200)	(28)
Fair value movements	(197)	(274)	(28)
Deferred tax	53	74	(28)
Movement in retirement benefit fund assets and liabilities	160	17	>100
Increase/(Decrease) in retirement benefit surplus	115	(42)	<(100)
Decrease in retirement benefit deficit	95	56	70
Deferred tax	(50)	3	<(100)
Items that are or may be subsequently reclassified to profit or loss	1 401	5 968	(77)
Movement in foreign currency translation reserve	(3 005)	1 774	<(100)
Differences in translation of foreign operations	(3 046)	1 774	<(100)
Release to profit or loss	41	–	100
Movement in cash flow hedging reserve	2 388	1 795	33
Fair value movements	3 020	827	>100
Amounts transferred within other comprehensive income	(122)	11	<(100)
Release to profit or loss	373	1 621	(77)
Deferred tax	(883)	(664)	33
Movement in fair value of debt instruments measured at FVOCI	1 875	2 223	(16)
Fair value movements	2 292	2 508	(9)
Release to profit or loss	12	(2)	<(100)
Deferred tax	(429)	(283)	52
Movement in Insurance finance reserve	143	176	(19)
Finance income from insurance contracts	337	283	19
Finance (expense) from reinsurance contracts	(43)	(47)	(9)
Deferred tax	(45)	5	<(100)
Current tax	(130)	(65)	100
Release to profit or loss	24	–	100
Total comprehensive income for the reporting period	27 016	30 652	(12)
Total comprehensive income attributable to:			
Ordinary equity holders	24 585	26 395	(7)
Non-controlling interest – ordinary shares	1 038	2 749	(62)
Non-controlling interest – preference shares	342	408	(16)
Other equity: Additional Tier 1 capital	1 051	1 100	(4)
	27 016	30 652	(12)

Consolidated statement of financial position

as at 31 December

	Note	2025 Rm	Restated 2024 Rm	Change %
Assets				
Cash, cash balances and balances with central banks		141 415	124 557	14
Investment securities		268 530	270 444	(1)
Trading portfolio assets		287 136	226 182	27
Hedging portfolio assets		709	4 055	(83)
Other assets		29 778	23 195	28
Current tax assets		577	689	(16)
Non-current assets held for sale		3 753	2 111	78
Loans and advances	8	1 438 559	1 349 588	7
Insurance contract assets		1 229	793	55
Reinsurance contract assets		525	1 003	(48)
Investments linked to investment contracts		27 218	23 370	16
Investments in associates and joint ventures		2 929	2 990	(2)
Investment property		314	225	40
Property and equipment		16 055	16 250	(1)
Goodwill and intangible assets		14 455	16 010	(10)
Deferred tax assets		6 297	7 233	(13)
Total assets		2 239 479	2 068 695	8
Liabilities				
Trading portfolio liabilities		84 533	66 020	28
Hedging portfolio liabilities		3 196	1 258	>100
Other liabilities		38 751	40 291	(4)
Provisions		6 818	5 807	17
Current tax liabilities		1 946	706	>100
Non-current liabilities held for sale		3 370	1 064	>100
Deposits and debt funding	9	1 854 348	1 718 218	8
Liabilities under investment contracts		27 744	23 547	18
Insurance contract liabilities		4 324	6 630	(35)
Reinsurance contract liabilities		249	312	(20)
Subordinated debt	10	22 562	21 188	6
Deferred tax liabilities		229	378	(39)
Total liabilities		2 048 070	1 885 419	9
Equity				
Capital and reserves				
Attributable to ordinary equity holders:				
Share capital	10	1 657	1 658	(0)
Share premium	10	10 437	10 562	(1)
Retained earnings		148 758	139 199	7
Other reserves		11 559	8 755	32
		172 411	160 174	8
Non-controlling interest – ordinary shares		8 900	8 784	1
Non-controlling interest – preference shares		–	4 644	(100)
Other equity: Additional Tier 1 capital		10 098	9 674	4
Total equity		191 409	183 276	4
Total liabilities and equity		2 239 479	2 068 695	8

The statement of financial position has been restated. Refer to the reporting changes overview in note 13 for further details.

Consolidated statement of changes in equity

for the reporting period ended 31 December

2025

	Number of ordinary shares '000	Share capital Rm	Share premium Rm	Retained earnings Rm	Total other reserves Rm	General credit risk reserve Rm
Balance at the beginning of the reporting period	829 458	1 658	10 562	139 199	8 755	1 538
Total comprehensive income	–	–	–	22 227	2 358	–
Profit for the period	–	–	–	22 214	–	–
Other comprehensive income	–	–	–	13	2 358	–
Dividends paid during the reporting period	–	–	–	(12 957)	–	–
Distributions paid during the reporting period	–	–	–	–	–	–
Redemption of preference shares	–	–	–	31	–	–
Issuance of Additional Tier 1 capital	–	–	–	–	–	–
Redemption of Additional Tier 1 capital	–	–	–	–	–	–
Purchase of Group shares in respect of equity-settled share-based payment arrangements	–	–	(809)	(52)	–	–
Elimination of the movement in treasury shares held by Group entities	(679)	(1)	(125)	–	–	–
Movement in share-based payment reserve	–	–	809	–	756	–
Transfer from share-based payment reserve	–	–	809	–	(809)	–
Value of employee services	–	–	–	–	1 422	–
Deferred tax	–	–	–	–	143	–
Movement in general credit risk reserve	–	–	–	(105)	105	105
Share of post-tax results of associates and joint ventures	–	–	–	(330)	330	–
Transfers between reserves	–	–	–	745	(745)	–
Balance at the end of the reporting period	828 779	1 657	10 437	148 758	11 559	1 643

Consolidated statement of changes in equity

for the reporting period ended 31 December

2025

Fair value through other comprehensive income reserve Rm	Cash flow hedging reserve Rm	Foreign currency translation reserve Rm	Foreign insurance subsidiary regulatory reserve Rm	Insurance finance reserve Rm	Share based payment reserve Rm	Associates and joint ventures reserve Rm	Capital and reserves attributable to ordinary equity holders Rm	Non-controlling interest - ordinary shares Rm	Non-controlling interest - preference shares Rm	Other equity: Additional Tier 1 Capital Rm	Total equity Rm
874	516	1 496	44	64	2 002	2 221	160 174	8 784	4 644	9 674	183 276
1 801	2 388	(2 029)	–	198	–	–	24 585	1 038	342	1 051	27 016
–	–	–	–	–	–	–	22 214	1 995	342	1 051	25 602
1 801	2 388	(2 029)	–	198	–	–	2 371	(957)	–	–	1 414
–	–	–	–	–	–	–	(12 957)	(922)	(342)	–	(14 221)
–	–	–	–	–	–	–	–	–	–	(1 051)	(1 051)
–	–	–	–	–	–	–	31	–	(4 644)	–	(4 613)
–	–	–	–	–	–	–	–	–	–	3 009	3 009
–	–	–	–	–	–	–	–	–	–	(2 585)	(2 585)
–	–	–	–	–	–	–	(861)	–	–	–	(861)
–	–	–	–	–	–	–	(126)	–	–	–	(126)
–	–	–	–	–	756	–	1 565	–	–	–	1 565
–	–	–	–	–	(809)	–	–	–	–	–	–
–	–	–	–	–	1 422	–	1 422	–	–	–	1 422
–	–	–	–	–	143	–	143	–	–	–	143
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	330	–	–	–	–	–
(558)	–	(129)	(16)	–	(42)	–	–	–	–	–	–
2 117	2 904	(662)	28	262	2 716	2 551	172 411	8 900	–	10 098	191 409

Consolidated statement of changes in equity

for the reporting period ended 31 December

2024

	Number of ordinary shares '000	Share capital Rm	Share premium Rm	Retained earnings Rm	Total other reserves Rm	General credit risk reserve Rm
Balance at the beginning of the reporting period	829 054	1 657	10 464	130 308	2 157	895
Total comprehensive income	–	–	–	21 327	5 068	–
Profit for the period	–	–	–	21 537	–	–
Other comprehensive income	–	–	–	(210)	5 068	–
Dividends paid during the reporting period	–	–	–	(11 366)	–	–
Distributions paid during the reporting period	–	–	–	–	–	–
Issuance of Additional Tier 1 capital	–	–	–	–	–	–
Redemption of Additional Tier 1 capital	–	–	–	–	–	–
Purchase of Group shares in respect of equity-settled share-based payment arrangements	–	–	(755)	(145)	–	–
Elimination of the movement in treasury shares held by Group entities	404	1	98	–	–	–
Movement in share-based payment reserve	–	–	755	–	559	–
Transfer from share-based payment reserve	–	–	755	–	(755)	–
Value of employee services	–	–	–	–	1 289	–
Deferred tax	–	–	–	–	25	–
Non-vested shares due to market condition	–	–	–	–	44	–
Movement in general credit risk reserve	–	–	–	(643)	643	643
Share of post-tax results of associates and joint ventures	–	–	–	(282)	282	–
Balance at the end of the reporting period	829 458	1 658	10 562	139 199	8 755	1 538

Consolidated statement of changes in equity

for the reporting period ended 31 December

2024							Capital and reserves attribu- table to ordinary equity holders Rm	Non- controlling interest - ordinary shares Rm	Non- controlling interest - preference shares Rm	Other equity: Additional Tier 1 Capital Rm	Total equity Rm
Fair value through other compre- hensive income reserve Rm	Cash flow hedging reserve Rm	Foreign currency translation reserve Rm	Foreign insurance subsidiary regulatory reserve Rm	Insurance finance reserve Rm	Share based payment reserve Rm	Associates and joint ventures reserve Rm					
(1 200)	(1 279)	501	44	(140)	1 399	1 939	144 586	6 905	4 644	8 262	164 397
2 074	1 795	995	–	204	–	–	26 395	2 749	408	1 100	30 652
–	–	–	–	–	–	–	21 537	1 858	408	1 100	24 903
2 074	1 795	995	–	204	–	–	4 858	891	–	–	5 749
–	–	–	–	–	–	–	(11 366)	(870)	(408)	–	(12 644)
–	–	–	–	–	–	–	–	–	–	(1 100)	(1 100)
–	–	–	–	–	–	–	–	–	–	3 090	3 090
–	–	–	–	–	–	–	–	–	–	(1 678)	(1 678)
–	–	–	–	–	–	–	(900)	–	–	–	(900)
–	–	–	–	–	–	–	99	–	–	–	99
–	–	–	–	–	559	–	1 314	–	–	–	1 314
–	–	–	–	–	(755)	–	–	–	–	–	–
–	–	–	–	–	1 289	–	1 289	–	–	–	1 289
–	–	–	–	–	25	–	25	–	–	–	25
–	–	–	–	–	44	–	44	–	–	–	44
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	282	–	–	–	–	–
874	516	1 496	44	64	2 002	2 221	160 174	8 784	4 644	9 674	183 276

Consolidated statement of cash flows

for the reporting period ended 31 December

	Note	2025 Rm	2024 Rm
Cash flow from operating activities			
Profit before tax		34 684	33 223
Adjustment of non-cash items			
Depreciation and amortisation	5	6 039	5 853
Other impairments		3 157	914
Share of post-tax results of associates and joint ventures		(318)	(282)
Loss on net monetary position		–	690
Other non-cash items included in profit before tax		1 624	1 122
Adjustment of dividends received from investing activities		(141)	(249)
Cash flow from operating activities before changes in operating assets and liabilities		45 045	41 271
Net increase in operating assets		(208 683)	(139 621)
Net increase in operating liabilities		220 954	168 586
Income taxes paid		(7 230)	(7 673)
Net cash generated from operating activities		50 086	62 563
Cash flow from investing activities			
Proceeds from sale of non-current assets held for sale		1 859	126
Dividends received from investment activities		625	260
Purchase of property and equipment		(3 318)	(4 320)
Purchase of investment properties		(90)	(1)
Proceeds from disposal of properties and equipment		674	1 519
Purchase of intangible assets		(3 916)	(4 832)
Proceeds on the acquisition of business		–	4 472
Proceeds from disposal of intangible assets		174	336
Investments in associates and joint ventures		–	(24)
Net cash (utilised in) investing activities		(3 992)	(2 464)
Cash flow from financing activities			
(Purchase)/Sale of own shares		(126)	99
Purchase of Group shares in respect of equity settled share-based payment schemes		(861)	(900)
Redemption of preference shares		(4 598)	–
Issue of Additional Tier 1 capital		3 009	3 090
Redemption of Additional Tier 1 capital		(2 585)	(1 678)
Proceeds from subordinated debt	10	5 045	5 304
Repayment of subordinated debt	10	(2 761)	(3 120)
Repayment of lease liabilities		(1 427)	(1 212)
Distributions paid to Tier 1 Capital holders		(1 051)	(1 100)
Dividends paid		(14 221)	(12 644)
Net cash (utilised in) financing activities		(19 576)	(12 161)
Net increase in cash and cash equivalents		26 518	47 938
Cash and cash equivalents at the beginning of the reporting period		137 797	90 347
Effect of exchange rate movement/hyperinflation on cash and cash equivalents		(305)	(488)
Cash and cash equivalents at the end of the reporting period		164 010	137 797

Borrowed funds has been renamed to subordinated debt. Refer to the reporting changes overview in note 13 for further details.

As part of operating activities, interest income amounting to **R155 665m** (2024: R160 925m); and interest expense amounting to **R85 015m** (2024: R94 101m) were received and paid in cash respectively.

Notes to the consolidated statement of cash flows

1. Net increase in operating assets

	2025 Rm	2024 Rm
Trading and hedging portfolio assets	(55 462)	(31 227)
Loans and advances	(100 738)	(63 199)
Other assets	(47 065)	(12 503)
Investment securities	(1 563)	(30 390)
Insurance and reinsurance contract assets	(11)	23
Investments linked to investment contracts	(3 844)	(2 325)
	(208 683)	(139 621)

2. Net increase in operating liabilities

	2025 Rm	2024 Rm
Trading and hedging portfolio liabilities	20 333	2 531
Liabilities under investment contracts	4 192	2 300
Insurance and reinsurance contract liabilities	890	368
Other liabilities	56 102	10 542
Deposits and debt funding	139 437	152 845
	220 954	168 586

The change in presentation relating to deposits and debt funding has resulted in the reclassification of amounts within the 'Net increase in operating liabilities' note. As a result, the 'Deposits' balance has been restated from R152 339m to Rnil, the 'Other liabilities' balance has been restated from R11 048m to R10 542m, and consequently, 'Deposits and debt funding' has been restated from Rnil to R152 845m. However, this has not resulted in any changes to the statement of cash flows as the net impact is Rnil.

3. Cash and cash equivalents

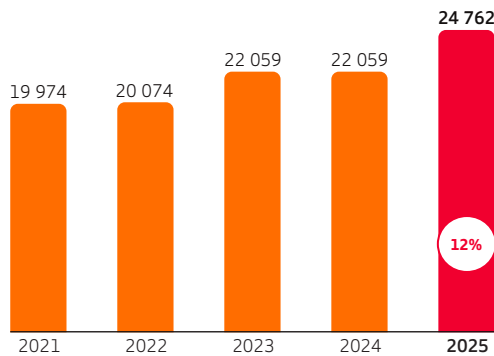
	2025 Rm	2024 Rm
Mandatory reserve and other balances with the SARB and other central banks	106 892	89 282
Coins and bank notes	12 050	12 425
Loans and advances to banks	32 075	25 907
Money market assets	2 171	3 377
Mobile money balances	3 566	2 207
Investment securities	7 256	4 599
	164 010	137 797

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

1. Headline earnings and earnings per ordinary share

Headline earnings (Rm and change %)



		2025		2024		
	Note	Gross Rm	Net Rm	Gross Rm	Net Rm	Net Change %
Headline earnings is determined as follows:						
Profit attributable to ordinary equity holders of the Group			22 214		21 537	3
Total headline earnings adjustment:			2 548		522	>100
IFRS 3 – Gain on bargain purchase		–	–	(69)	(69)	–
IFRS 5 – Profit on disposal of non-current assets held for sale		(30)	(29)	(46)	(35)	(17)
IFRS 5 – Loss on disposal of non-current assets held for sale		61	61	–	–	100
IFRS 5 – Re-measurement of non-current assets held for sale		9	9	10	10	(10)
IFRS 10 – Profit on disposal of Subsidiary		–	–	(25)	(25)	(100)
IAS 16 – Profit on disposal of property and equipment	3.5	(12)	(12)	(150)	(102)	(88)
IAS 16 – Loss on disposal of property and equipment	3.5	5	4		–	100
IAS 28 – Dilution loss on change in shareholding of associate		13	13	–	–	100
IAS 36 – Impairment of property and equipment		626	442	631	511	(14)
IAS 36 – Impairment of other non-financial assets		94	94	10	10	–
IAS 36 – Impairment of intangible assets		2 395	1 884	185	153	>100
IAS 36 – Impairment of goodwill		36	36	68	68	
IAS 38 – Loss on disposal of intangible assets	3.5	7	5	2	1	>100
IAS 21 – Recycle of FCTR Reserve to P&L		41	41	–	–	100
Headline earnings/diluted headline earnings			24 762		22 059	12
Headline earnings per ordinary share (cents)			2 987.0		2 662.2	12
Diluted headline earnings per ordinary share (cents)			2 955.5		2 657.7	11

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

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

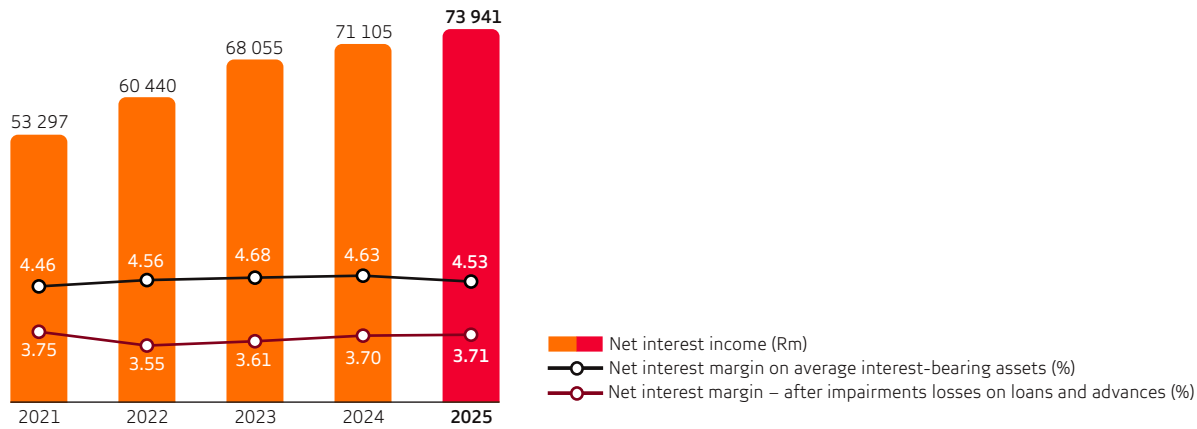
	2025 Rm	2024 Rm	Change %
Basic earnings per ordinary share			
Basic earnings attributable to ordinary equity holders (Rm)	22 214	21 537	3
Weighted average number of ordinary shares in issue (million)	829.0	828.6	0
Issued shares at the beginning of the reporting period (million)	894.4	894.4	–
Treasury shares held by group entities (million)	(65.4)	(65.8)	(0.6)
Basic earnings per ordinary share (cents)	2 679.6	2 599.2	3
Diluted basic earnings per ordinary share			
Diluted basic earnings attributable to ordinary equity holders (Rm)	22 214	21 537	3
Diluted weighted average number of ordinary shares in issue (million)	837.8	830.0	0.9
Weighted average number of ordinary shares in issue (million)	829.0	828.6	0
Adjustments for share options issued at no value (million)	8.8	1.4	>100
Diluted basic earnings per ordinary share (cents)	2 651.5	2 594.8	2
Headline earnings per ordinary share			
Headline earnings attribute to ordinary equity holders (Rm)	24 762	22 059	12
Weighted average number of ordinary shares in issue (million)	829.0	828.6	0
Headline earnings per ordinary share (cents)	2 987.0	2 662.2	12
Diluted headline earnings per ordinary share			
Headline earnings attribute to ordinary equity holders (Rm)	24 762	22 059	12
Diluted weighted average number of ordinary shares in issue (million)	837.8	830.0	1
Diluted Headline earnings per ordinary share (cents)	2 955.5	2 657.7	11

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

2. Net interest income

Net interest income and net interest margin



	2025			2024		
	Average balance Rm	Average rate %	Interest income/ (expense) Rm	Average balance Rm	Average rate %	Interest income/ (expense) Rm
Assets						
Cash, cash balances and balances with central banks	27 319	0.03	9	32 338	0.02	5
Investment securities	251 079	8.27	20 771	222 477	9.26	20 601
Loans and advances to banks and customers	1 353 112	10.37	140 306	1 279 322	11.51	147 250
Interest-bearing assets	1 631 510	9.87	161 086	1 534 137	10.94	167 856
Non-interest-bearing assets	556 955		–	460 149		–
Total assets	2 188 465	–	161 086	1 994 286	–	167 856
Liabilities						
Deposits and debt funding	1 399 630	(6.11)	(85 513)	1 332 151	(7.13)	(95 048)
Subordinated debt	21 095	(7.74)	(1 632)	19 375	(8.79)	(1 703)
Interest-bearing liabilities	1 420 725	(6.13)	(87 145)	1 351 526	(7.16)	(96 751)
Non-interest-bearing liabilities	568 818		–	444 676		–
Total liabilities	1 989 543	–	(87 145)	1 796 202		(96 751)
Net interest margin on average interest-bearing assets		4.53			4.63	

Average balances are calculated based on daily weighted average balances.

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

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

	2025 bps	2024 bps
Net interest margin at the end of the previous reporting period	463	468
Loans and advances to customers (i)	(1)	(3)
Change in rates (pricing)	(3)	(2)
Change in composition	2	(1)
Deposits due to customers (ii)	(16)	(10)
Change in rates (pricing)	(12)	(9)
Change in composition	2	1
Liquidity Endowment	(6)	(2)
Equity endowment (iii)	1	1
SA	(3)	(2)
Africa Regions	4	3
Interest rate risk management (hedging strategy) (iv)	9	–
Other (v)	(3)	7
Change in net interest margin	(10)	(5)
Net interest margin at the end of the current reporting period	453	463

Performance

The Group reported a net interest margin of **453bps** (2024: 463bps), 10bps lower than the previous reporting period with margin compression evident across both South Africa **380bps** (2024: 387bps) and Africa regions **738bps** (2024: 782bps). This reduction was primarily driven by deposit margin compression, tighter loan pricing in selected portfolios and the impact of lower policy rates on endowment balances. This was partially offset by favourable mix effects, balance sheet growth in higher-margin geographies and the contribution from the Group's hedging programme. Net interest income increased by **4%** to **R73.9bn**, supported by **6%** growth in average-interest-bearing assets to **R1 632bn**. The detailed year-on-year movement reflected the following drivers:

(i) Loans and advances to customers

- Negative pricing impact mainly reflects competitive pricing pressure in Transactional Banking SA and Business Banking SA (which was also impacted by higher suspended interest).
- Small favourable composition changes is mainly reflective of faster growth from Africa Regions and relatively slower growth from lower margin secured lending portfolio in SA. This was partially offset by a lower contribution from the high margin Personal Loans following the strategic repositioning of the loan book.

(ii) Deposits due to customers

- Negative pricing mainly reflects competitive pricing pressure across Transactional Banking as well as a lower interest rate environment in Africa regions (affecting AR PPB & BB and CIB AR).
- Small favourable composition impact on margin is primarily driven by the reduced reliance on wholesale funding in Group Treasury SA and a favourable deposit mix shift across key markets in Transactional Banking AR and AR PPB. This was partially offset by faster growth in low margin investments deposits in Transactional Banking SA and Business Banking.
- The liability endowment impact in SA was -6 bps, reflecting lower average endowment balances and the impact of lower average prime interest rates.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

2. Net interest income

Performance *continued*

(iii) Equity endowment

- The impact of endowment on equity in SA was slightly negative (**-3bps**), driven by lower average prime interest rates (-4bps) (2025: 10.74%, 2024: 11.65%), partially offset by the increase in average equity balances (+1bps).
- The impact of endowment on equity in AR was positive (**+4bps**) driven by higher regulatory capital relative to the prior reporting period.

(iv) Hedging strategy and equity endowment

Hedging impact on net interest margin¹ (%)

- Absa Bank Limited employs a governed interest rate strategy (hedging programme) through the interest rate cycle to reduce margin volatility associated with structural balances (i.e. rate insensitive liabilities as well as the endowment associated with equity).
- Qualification criterion for balances to be treated as structural is well defined and tested. Structural balances represent **11%** (2024: 11%) of Absa Bank Limited's total capital and liabilities.
- Cash flow hedge accounting is applied to account for the interest rate swaps executed as part of the hedging programme in South Africa. The after-tax 'cash flow hedging reserve' relating to the hedging programme reflected a credit balance of **R2.8bn** (2024: R0.1bn credit). The structural hedge released a charge of **R228m** to the income statement, compared to R1 655m charge in 2024, resulting in a +9bps impact year-on-year.
- The average structural rates earned on the programme was up **c.13bps** (2025: **7.32%**; 2024: 7.19%).
- The impact of total endowment after hedging in South Africa year-on-year was neutral. (Liability endowment -6bps, Equity endowment -3bps, Hedging +9bps).

(v) Other

- Other items had a cumulative **-3bps** impact mainly from:
 - The negative impact of reset on margin due to cumulative 100 bps cuts of the repo rate in 2025 versus 50bps cuts in 2024;
 - The negative impact of lower interest rates on the FVOCI investment balances in AR; partially offset by
 - The positive impact of the 3-month average prime JIBAR basis.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

Business unit net interest margin analysis

Key business units	2025 Net interest margin %	2024 Net interest margin %
Personal and Private Banking	2.90	2.94
Transactions and Deposits	2.03	2.04
Unsecured Lending	9.50	9.58
Home Loans	1.71	1.70
Vehicle and Asset Finance	3.12	3.12
Business Banking	3.63	3.74
Africa Regions – Personal and Private Banking & Business Banking	9.25	8.74
Corporate and Investment Banking	2.53	2.65
Transactional Banking	2.42	2.64
Investment Bank	2.66	2.66
	4.53	4.63

The Group margin contracted by **10bps** year-on-year, reflecting margin compression across most business units:

(i) Personal and Private Banking SA

- Net interest margin for PPB SA contracted by **4bps** to **2.90%** (2024: 2.94%) largely driven by:
 - Unsecured Lending which contracted **8bps** to **9.50%** (2024: 9.58%) due to strategic downsizing of the loan book, changes in the customer mix and a deliberate focus on onboarding higher-quality customers.
 - Transactions and Deposits NIM remained broadly stable, decreasing by **1bp** to **2.03%** following margin optimisation initiatives.
 - Margins within Home Loans remained stable at **1.71%** (2024: 1.70%) benefiting from reduced funding costs, offset by higher interest in suspense due to NPL growth.
 - Vehicle Asset Finance margins were stable at **3.12%** (2024: 3.12%), with a continued improvement in flow margins driven by a strategic shift toward value creation and profitability implemented in the second half of 2024.

(ii) Business Banking SA

- Net interest margin for BB SA contracted **11bps** to **3.63%** (2024: 3.74%) driven by a combination of:
 - Deposit mix effects due to faster growth in Absa Investment Tracker (21%) and Liquidity Plus (12%), which offer attractive rates for clients,
 - Pricing as BB SA reflected competitive pricing pressure on overdraft margins and higher interest in suspense due single name flows into stage 3.

(iii) Africa Regions – Personal and Private Banking & Business Banking

- Net interest margin for AR PPB & BB expanded materially by **51bps** to **9.25%** (2024: 8.74%) driven by:
 - Mix effects due to an increase in balance sheet contribution from countries with higher margin lending products,
 - Increased contribution from fixed-interest rate customer loans, which supported margins in a lower interest rate environment; and
 - A shift to less expensive deposits improving funding margins.

(iv) Corporate and Investment Banking

- Net interest margin for CIB contracted by **12bps** to **2.53%** (2024: 2.65%) with outcomes differing by business:
 - Transactional banking which contracted **22bps** to **2.42%** (2024: 2.64%), reflecting declining interest rates in key markets as well as growth in low margin deposits and pricing pressures, despite loan and deposit book growth.
 - Investment Bank remained stable at **2.66%** (2024: 2.66%) as competitive pricing in the lending businesses was offset by higher net interest income in Global Markets.

1 Absa Bank Limited hedging strategy:

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

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

3. Non-interest income

3.1. Net fee and commission income

	2025 Rm	2024 Rm	Change %
Consulting and administration fees	567	501	13
Insurance commission received	930	952	(2)
Investment, markets execution and investment banking fees	426	542	(21)
Merchant income	3 796	3 262	16
Other fee and commission income	622	558	11
Transactional fees and commissions	24 088	23 173	4
Cheque accounts	5 373	5 246	2
Credit cards (includes card issuing fees)	3 599	3 336	8
Electronic banking	6 478	6 926	(6)
Service charges	5 994	5 165	16
Other (includes exchange commissions and guarantees)	1 507	1 378	9
Savings accounts	1 137	1 122	1
Trust and other fiduciary services fees	801	671	19
Fee and commission income	31 230	29 659	5
Fee and commission expense	(4 478)	(3 758)	19
	26 752	25 901	3
Segment split			
Personal and Private Banking	14 269	13 858	3
Business Banking	4 261	4 230	1
Africa Regions-Personal and Private Banking & Business Banking	3 871	3 332	16
Corporate and Investment Banking	4 670	4 678	(0)
Head Office, Treasury and other operations	(319)	(197)	62
	26 752	25 901	3

Transactional fees and commissions – Other includes exchange commission of **R901m** (2024: R898m) and guarantee fees received of **R606m** (2024: R481m).

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

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

3. Non-interest income *continued*

3.2. Insurance revenue

	2025 Rm	2024 Rm	Change %
Life insurance contracts	6 121	6 091	0
Contracts not measured under the Premium Allocation Approach	5 211	5 071	3
Contracts measured under the Premium Allocation Approach	910	1 020	(11)
Non-life insurance contracts	5 557	5 761	(4)
	11 678	11 852	(1)
Segment split			
Personal and Private Banking	9 460	9 074	4
Business Banking	34	43	(21)
Africa Regions–Personal and Private Banking & Business Banking	2 130	2 690	(21)
Corporate and Investment Banking	54	45	20
	11 678	11 852	(1)

The segment split numbers have been restated. Refer to the reporting changes overview note 13.

Contracts not measured under the Premium Allocation Approach include contracts measured under the Variable Fee Approach of **R64m** (2024: R71m).

3.3. Gains and losses from banking and trading activities

	2025 Rm	2024 Rm	Change %
Net gains on investments	324	527	(39)
Debt instruments designated at fair value through profit or loss	126	160	(21)
Equity instruments at fair value through profit or loss	210	365	(42)
Unwind from reserves for debt instruments at fair value through other comprehensive income	(12)	2	<(100)
Net trading result	10 531	8 211	28
Net trading income excluding the impact of hedge accounting	10 481	8 055	30
Ineffective portion of hedges	50	156	(68)
Cash flow hedges	88	64	38
Fair value hedges	(38)	92	<(100)
Other losses	(2)	(19)	(89)
	10 853	8 719	24
Segment split			
Business Banking	(1)	18	<(100)
Africa Regions–Personal and Private Banking & Business Banking	1 014	890	14
Corporate and Investment Banking	9 598	7 523	28
Head Office, Treasury and other operations	242	288	(16)
	10 853	8 719	24

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

3. Non-interest income *continued*

3.4. Gains and losses from investment activities

	2025 Rm	2024 Rm	Change %
Net gains on investments from insurance activities	3 605	2 491	45
Insurance contracts	818	693	18
Investment contracts	2 228	1 219	83
Shareholder funds	559	579	(3)
Other	30	36	(17)
	3 635	2 527	44
Segment split			
Personal and Private Banking	3 234	2 147	51
Africa Regions-Personal and Private Banking & Business Banking	396	366	8
Head Office, Treasury and other operations	5	14	(64)
	3 635	2 527	44

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

3.5. Other operating income

	2025 Rm	2024 Rm	Change %
Property-related income	51	191	(73)
Income from investment properties	3	2	50
Change in fair value	3	–	100
Rentals	0	2	(100)
Property-related income arising from contracts with customers	48	189	(75)
(Loss)/ profit on disposal of property and equipment	6	150	(96)
Profit on sale of developed properties	–	5	(100)
Rental income	42	34	24
Other operating income	835	678	23
Foreign exchange differences, including recycle from other comprehensive income	(24)	(23)	4
Derecognition gain on financial instruments measured at amortised cost	239	–	100
Income from maintenance contracts	4	–	100
Loss on disposal of intangible assets	(7)	(2)	>100
Sundry income	623	703	(11)
	886	869	2
Segment split			
Property-related income	51	190	(73)
Personal and Private Banking	8	5	60
Business Banking	1	3	(67)
Africa Regions-Personal and Private Banking & Business Banking	24	108	(78)
Corporate and Investment Banking	11	69	(84)
Head Office, Treasury and other operations	7	5	40
Other operating income	835	679	23
Personal and Private Banking	248	340	(27)
Business Banking	123	206	(40)
Africa Regions-Personal and Private Banking & Business Banking	29	82	(65)
Corporate and Investment Banking	122	149	(18)
Head Office, Treasury and other operations	313	(98)	<(100)
	886	869	2

Sundry income includes income from unallocated funds of **R221m** (2024: R480m).

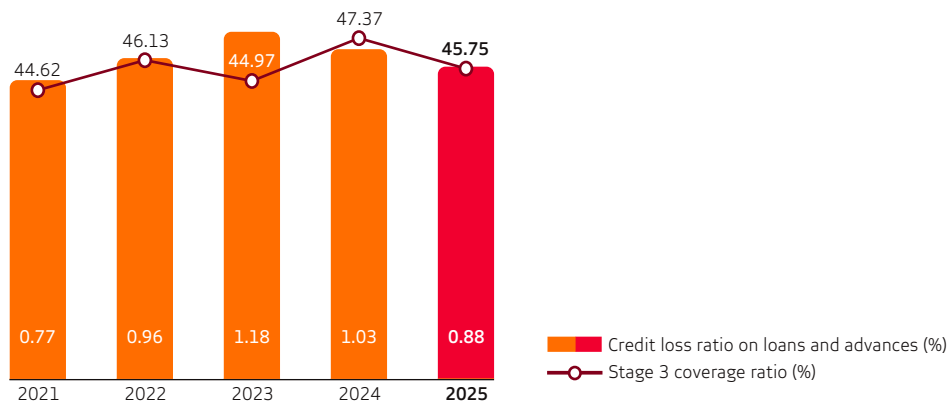
The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges

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



Charge to the statement of comprehensive income by market segment	2025 Rm	2024 Rm	Change %
Personal and Private Banking			
Transactions and Deposits	413	692	(40)
Unsecured Lending	6 297	6 381	(1)
Personal Loans	2 112	2 018	5
Card	4 185	4 363	(4)
Home Loans	1 112	1 223	(9)
Vehicle and Asset Finance	1 621	1 993	(19)
Total charge	9 443	10 289	(8)
Credit loss ratio (%)	1.69	1.89	
Business Banking	817	693	18
Credit loss ratio (%)	0.55	0.49	
Africa Regions – Personal and Private Banking & Business Banking	1 401	1 680	(17)
Credit loss ratio (%)	1.41	1.81	
Corporate and Investment Banking			
Corporate and Investment Banking SA	983	1 168	(16)
Corporate and Investment Banking AR	286	313	(9)
Total charge	1 269	1 481	(14)
Credit loss ratio (%)	0.21	0.27	
Head Office, Treasury and other operations			
Total charge	480	161	>100
Total charge to the statement of comprehensive income	13 410	14 304	(6)

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges

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

	2025 Rm	2024 Rm	Change %
Charge to the statement of comprehensive income by product type			
Comprising			
Credit impairment charges raised	14 023	14 306	(2)
Loans and advances to customers and undrawn facilities	13 561	14 364	(6)
Loans and advances to banks	21	(20)	<(100)
Other financial instruments subject to credit impairment	469	60	>100
Guarantees and letters of credit	(28)	(98)	(71)
Recoveries of financial instruments subject to credit impairment previously written off	(933)	(881)	6
Modifications	320	879	(64)
Total charge to the statement of comprehensive income	13 410	14 304	(6)

4.2 ECL analysis by market segment and class of credit exposure

	2025			
	Carrying amount of financial assets measured at fair value through profit or loss Rm	Stage 1		
		Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage %
Personal and Private Banking	–	462 705	4 089	0.88
Transactions and Deposits	–	9 511	263	2.77
Unsecured Lending	–	64 178	2 280	3.55
Personal Loans	–	17 095	742	4.34
Card	–	47 083	1 538	3.27
Home Loans	–	276 948	638	0.23
Vehicle and Asset Finance	–	112 068	908	0.81
Retail Other	–	–	–	–
Business Banking	–	134 879	582	0.43
Africa Regions – Personal and Private Banking & Business Banking	–	83 920	1 195	1.42
Corporate and Investment Banking	118 407	430 451	1 343	0.31
Corporate and Investment Banking SA	118 407	347 993	898	0.26
Corporate and Investment Banking AR	–	82 458	445	0.54
Head Office, Treasury and other operations	–	4 188	(120)	–
Loans and advances to customers	–	4 188	–	–
Reclassification to provisions	–	–	(120)	–
Loans and advances to customers	118 407	1 116 143	7 089	0.64
Loans and advances to banks	22 018	60 434	40	0.07
Total loans and advances	140 425	1 176 577	7 129	0.61

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges

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

2025

Stage 2			Stage 3			Net carrying amount Rm
Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage %	Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage %	
42 130	3 168	7.52	53 777	25 965	48.28	525 390
1 388	161	11.60	1 387	733	52.85	11 129
7 622	1 460	19.16	12 962	9 734	75.10	71 288
2 658	318	11.96	4 236	3 192	75.35	19 737
4 964	1 142	23.01	8 726	6 542	74.97	51 551
20 166	509	2.52	30 174	10 207	33.83	315 934
12 954	1 038	8.01	9 202	5 239	56.93	127 039
–	–	–	52	52	100.00	–
9 642	435	4.51	7 550	2 768	36.66	148 286
6 393	676	10.57	7 337	4 670	63.65	91 109
27 302	452	1.66	15 128	4 953	32.74	584 540
18 654	245	1.31	8 312	2 493	29.99	489 730
8 648	207	2.39	6 816	2 460	36.09	94 810
–	(75)	–	–	(21)	–	4 404
–	–	–	–	–	–	4 188
–	(75)	–	–	(21)	–	216
85 467	4 656	5.45	83 792	38 335	45.75	1 353 729
2 424	6	0.25	–	–	–	84 830
87 891	4 662	5.30	83 792	38 335	45.75	1 438 559

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges

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

	Carrying amount of financial assets measured at fair value through profit or loss Rm	2024		
		Stage 1		
		Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage %
Personal and Private Banking	–	445 611	4 049	0.91
Transactions and Deposits	–	9 312	321	3.45
Unsecured Lending	–	62 179	2 125	3.42
Personal Loans	–	16 754	627	3.74
Card	–	45 425	1 498	3.30
Home Loans	–	271 464	634	0.23
Vehicle and Asset Finance	–	102 656	969	0.94
Retail Other	–	–	–	–
Business Banking	–	127 393	618	0.49
Africa Regions – Personal and Private Banking & Business Banking	–	84 383	1 105	1.31
Corporate and Investment Banking	103 374	391 628	1 133	0.29
Corporate and Investment Banking SA	103 374	312 689	597	0.19
Corporate and Investment Banking AR	–	78 939	536	0.68
Head Office, Treasury and other operations	–	4 038	(117)	–
Loans and advances to customers	–	4 038	–	–
Reclassification to provisions	–	–	(117)	–
Loans and advances to customers	103 374	1 053 053	6 788	0.64
Loans and advances to banks	15 434	52 180	24	0.05
Total loans and advances	118 808	1 105 233	6 812	0.62

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges

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

Stage 2			2024 Stage 3			Net carrying amount Rm
Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage %	Gross carrying amount Rm	ECL Allowance Rm	ECL Coverage %	
42 760	3 640	8.51	55 106	26 584	48.24	509 204
1 110	177	15.95	1 399	829	59.26	10 494
8 178	1 720	21.03	15 301	11 540	75.42	70 273
3 202	479	14.96	5 730	4 414	77.03	20 166
4 976	1 241	24.94	9 571	7 126	74.45	50 107
20 244	618	3.05	28 859	9 199	31.88	310 116
13 228	1 125	8.50	9 495	4 964	52.28	118 321
–	–	–	52	52	100.00	–
8 061	473	5.87	8 720	2 895	33.20	140 188
5 911	871	14.74	7 897	5 155	65.28	91 060
31 131	597	1.92	14 044	6 008	42.78	532 439
18 519	273	1.47	8 935	3 396	38.01	439 251
12 612	324	2.57	5 109	2 612	51.13	93 188
4	(47)	–	–	(18)	–	4 224
4	–	–	–	–	–	4 042
–	(47)	–	–	(18)	–	182
87 867	5 534	6.30	85 767	40 624	47.37	1 277 115
4 893	10	0.20	–	–	–	72 473
92 760	5 544	5.98	85 767	40 624	47.37	1 349 588

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges *continued*

4.3 Reconciliation of ECL allowance

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

2025

	Personal and Private Banking Rm	Business Banking Rm	Africa Regions - Personal and Private Banking & Business Banking Rm	Corporate and Investment Banking SA Rm	Corporate and Investment Banking AR Rm	Head Office, Treasury and other operations Rm	Total expected credit losses Rm
Loans and Advances	33 222	3 785	6 541	3 674	3 118	(214)	50 126
Stage 1	4 089	582	1 195	935	451	(123)	7 129
Stage 2	3 168	435	676	246	207	(70)	4 662
Stage 3	25 965	2 768	4 670	2 493	2 460	(21)	38 335
Undrawn Facilities	–	–	25	–	78	216	319
Stage 1	–	–	18	–	60	117	195
Stage 2	–	–	7	–	18	78	103
Stage 3	–	–	–	–	–	21	21
Total loans and advances and undrawn facilities	33 222	3 785	6 566	3 674	3 196	2	50 445

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges

4.3 Reconciliation of ECL allowance *continued*

2024							
	Personal and Private Banking Rm	Business Banking Rm	Africa Regions - Personal and Private Banking & Business Banking Rm	Corporate and Investment Banking SA Rm	Corporate and Investment Banking AR Rm	Head Office, Treasury and other operations Rm	Total expected credit losses Rm
Loans and Advances	34 273	3 986	7 131	4 298	3 473	(181)	52 980
Stage 1	4 049	618	1 105	619	537	(116)	6 812
Stage 2	3 640	473	871	283	324	(47)	5 544
Stage 3	26 584	2 895	5 155	3 396	2 612	(18)	40 624
Undrawn Facilities	–	–	43	–	79	183	305
Stage 1	–	–	20	–	54	118	192
Stage 2	–	–	23	–	25	47	95
Stage 3	–	–	–	–	–	18	18
Total loans and advances and undrawn facilities	34 273	3 986	7 174	4 298	3 552	2	53 285

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges

4.3 Reconciliation of ECL allowance *continued*

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

Loans and advances at amortised cost and undrawn facilities	2025					
	Personal and Private Banking					
	Transactions and Deposits Rm	Unsecured Lending Personal Loans Rm	Card Rm	Home Loans Rm	Vehicle and Asset Finance Rm	Retail Other Rm
Balances at the beginning of the reporting period	1 327	5 520	9 865	10 451	7 058	52
Stage 1	321	627	1 498	634	969	–
Stage 2	177	479	1 241	618	1 125	–
Stage 3	829	4 414	7 126	9 199	4 964	52
Transfers between stages	–	–	–	–	–	–
Stage 1 net transfers	41	25	108	446	59	–
Transfers to stage 1	93	150	839	549	257	–
Transfers (to) stage 2	(13)	(44)	(572)	(51)	(123)	–
Transfers (to) stage 3	(39)	(81)	(159)	(52)	(75)	–
Stage 2 net transfers	(102)	(29)	(946)	171	82	–
Transfers (to) stage 1	(85)	(113)	(744)	(171)	(177)	–
Transfers to stage 2	37	278	940	633	568	–
Transfers (to) stage 3	(54)	(194)	(1 142)	(291)	(309)	–
Stage 3 net transfers	61	4	838	(617)	(141)	–
Transfers (to) stage 1	(9)	(36)	(95)	(378)	(80)	–
Transfers (to) stage 2	(24)	(234)	(368)	(582)	(445)	–
Transfers to stage 3	94	274	1 301	343	384	–
Credit impairment charges raised	494	2 107	4 007	1 238	1 641	–
Stage 1	(99)	90	(68)	(442)	(120)	–
Stage 2	86	(132)	847	(280)	(169)	–
Stage 3	507	2 149	3 228	1 960	1 930	–
Stage 3 write offs	(753)	(4 141)	(5 030)	(1 453)	(2 291)	–
Stage 3 net change in interest	89	766	380	1 118	777	–
Foreign exchange movements	–	–	–	–	–	–
Stage 1	–	–	–	–	–	–
Stage 2	–	–	–	–	–	–
Stage 3	–	–	–	–	–	–
Balances at the end of the reporting period	1 157	4 252	9 222	11 354	7 185	52
Stage 1	263	742	1 538	638	908	–
Stage 2	161	318	1 142	509	1 038	–
Stage 3	733	3 192	6 542	10 207	5 239	52

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

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges

4.3 Reconciliation of ECL allowance *continued*

2025

Business Banking Rm	Africa Regions - Personal and Private Banking & Business Banking Rm	Corporate and Investment Banking SA Rm	Corporate and Investment Banking AR Rm	Head Office, Treasury and other operations Rm	Total expected credit losses Rm
3 986	7 174	4 298	3 552	2	53 285
618	1 125	619	591	2	7 004
473	894	283	349	–	5 639
2 895	5 155	3 396	2 612	–	40 642
–	–	–	–	–	–
194	128	32	(16)	(2)	1 015
268	171	44	(10)	(1)	2 360
(49)	(16)	(11)	(6)	(1)	(886)
(25)	(27)	(1)	–	–	(459)
(226)	(332)	(48)	7	3	(1 420)
(243)	(148)	(44)	10	2	(1 713)
89	22	19	6	–	2 592
(72)	(206)	(23)	(9)	1	(2 299)
32	204	16	9	(1)	405
(25)	(24)	–	–	–	(647)
(40)	(5)	(8)	–	–	(1 706)
97	233	24	9	(1)	2 758
1 027	1 732	1 025	307	4	13 582
(230)	56	284	(64)	7	(586)
188	175	11	(131)	22	617
1 069	1 501	730	502	(25)	13 551
(1 623)	(2 292)	(1 955)	(604)	(3)	(20 145)
395	469	306	177	(6)	4 471
–	(517)	–	(236)	5	(748)
–	(96)	–	(38)	25	(109)
–	(54)	–	(17)	–	(71)
–	(367)	–	(181)	(20)	(568)
3 785	6 566	3 674	3 196	2	50 445
582	1 213	935	511	(6)	7 324
435	683	246	225	8	4 765
2 768	4 670	2 493	2 460	–	38 356

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges

4.3 Reconciliation of ECL allowance *continued*

Loans and advances at amortised cost and undrawn facilities	2024					
	Personal and Private Banking					
	Transactions and Deposits Rm	Unsecured Lending Personal Loan Rm	Card Rm	Home Loans Rm	Vehicle and Asset Finance Rm	Retail Other Rm
Balances at the beginning of the reporting period	1 269	6 232	9 093	9 260	7 160	52
Stage 1	316	806	1 407	505	1 025	–
Stage 2	298	923	1 484	822	1 118	–
Stage 3	655	4 503	6 202	7 933	5 017	52
Transfers between stages	–	–	–	–	–	–
Stage 1 net transfers	6	(8)	267	573	132	–
Transfers to stage 1	72	208	985	626	344	–
Transfers (to) stage 2	(23)	(80)	(552)	(27)	(121)	–
Transfers (to) stage 3	(43)	(136)	(166)	(26)	(91)	–
Stage 2 net transfers	(82)	(284)	(1 375)	127	183	–
Transfers (to) stage 1	(65)	(174)	(885)	(296)	(230)	–
Transfers to stage 2	47	323	962	723	717	–
Transfers (to) stage 3	(64)	(433)	(1 452)	(300)	(304)	–
Stage 3 net transfers	76	292	1 108	(700)	(315)	–
Transfers (to) stage 1	(7)	(34)	(100)	(330)	(114)	–
Transfers (to) stage 2	(23)	(243)	(410)	(696)	(596)	–
Transfers to stage 3	106	569	1 618	326	395	–
Credit impairment charges raised	763	1 924	4 037	1 278	1 901	–
Stage 1	(1)	(171)	(176)	(444)	(188)	–
Stage 2	(39)	(160)	1 132	(331)	(176)	–
Stage 3	803	2 255	3 081	2 053	2 265	–
Stage 3 write offs	(783)	(3 708)	(3 763)	(989)	(2 839)	–
Stage 3 net change in interest	78	1 072	498	902	836	–
Foreign exchange and hyperinflation movements	–	–	–	–	–	–
Stage 1	–	–	–	–	–	–
Stage 2	–	–	–	–	–	–
Stage 3	–	–	–	–	–	–
Balances at the end of the reporting period	1 327	5 520	9 865	10 451	7 058	52
Stage 1	321	627	1 498	634	969	–
Stage 2	177	479	1 241	618	1 125	–
Stage 3	829	4 414	7 126	9 199	4 964	52

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

In addition, 'Credit impairment charges raised' and 'Foreign exchange and hyperinflation movements' in the above table has been broken down into movements per ECL staging. In the prior year, only the total impairment charge and total Foreign exchange and hyperinflation movements was disclosed.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges

4.3 Reconciliation of ECL allowance *continued*

2024

Business Banking Rm	Africa Regions - Personal and Private Banking & Business Banking Rm	Corporate and Investment Banking SA Rm	Corporate and Investment Banking AR Rm	Head Office, Treasury and ther operations Rm	Total expected credit losses Rm
4 465	6 076	3 540	2 792	22	49 961
554	1 103	735	562	17	7 030
748	923	438	173	5	6 932
3 163	4 050	2 367	2 057	–	35 999
–	–	168	–	–	168
317	152	(1)	26	–	1 464
412	270	50	33	–	3 000
(64)	(68)	(22)	(6)	–	(963)
(31)	(50)	(29)	(1)	–	(573)
(381)	(540)	(172)	(28)	–	(2 552)
(387)	(223)	(50)	(33)	–	(2 343)
84	77	23	6	–	2 962
(78)	(394)	(145)	(1)	–	(3 171)
64	388	341	2	–	1 256
(25)	(47)	–	–	–	(657)
(21)	(9)	–	–	–	(1 998)
110	444	341	2	–	3 911
903	1 945	1 223	389	(19)	14 344
(253)	(228)	(115)	(11)	(15)	(1 602)
106	433	17	196	(5)	1 172
1 050	1 741	1 321	204	1	14 774
(1 753)	(1 607)	(1 018)	(20)	–	(16 480)
371	132	385	307	–	4 581
–	628	–	84	(1)	711
–	98	–	14	(1)	111
–	78	–	8	–	87
–	451	–	62	–	513
3 986	7 174	4 298	3 552	2	53 285
618	1 125	619	591	2	7 004
473	894	283	349	–	5 639
2 895	5 155	3 396	2 612	–	40 642

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges *continued*

4.4 Forward-looking assumptions

Macroeconomic scenarios

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

A range of factors are considered when developing macroeconomic scenarios, including trends in economic growth or contraction, geopolitical uncertainties (such as anticipated tariffs), projected inflation rates, sector-specific impacts, business confidence levels, property market dynamics, household consumption patterns, currency fluctuations, unemployment rates, and significant

monetary and fiscal policy responses by governments and regulatory authorities. Careful consideration is also given to ongoing political and economic instability across the AR jurisdictions.

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

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

	2025														
	Baseline					Mild Upside					Mild Downside				
	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029
Real GDP (%)	1.3	1.7	1.8	2.1	2.2	1.6	2.2	2.3	2.6	2.7	0.8	0.5	0.9	1.2	1.5
CPI (%)	3.3	3.7	3.6	3.4	3.2	3.2	3.1	3.1	3.1	3.0	3.3	4.9	4.7	4.6	4.4
Average repo rate (%)	7.3	6.8	6.3	6.0	6.0	7.2	6.3	5.5	5.3	5.3	7.3	8.0	7.8	7.8	7.8

	2024														
	Baseline					Mild Upside					Mild Downside				
	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Real GDP (%)	1.0	2.2	2.2	2.3	2.3	1.6	2.8	2.8	2.9	2.9	(0.5)	(0.2)	1.1	1.2	1.3
CPI (%)	4.5	3.8	4.2	4.5	4.5	4.4	3.3	3.6	3.9	3.8	4.7	5.6	5.7	5.8	5.8
Average repo rate (%)	8.1	7.1	7.0	7.0	7.0	8.1	6.5	6.0	6.0	6.0	8.2	8.6	8.5	8.5	8.5

Sensitivity of expected credit losses

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

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Credit impairment charges

4.4 Forward-looking assumptions *continued*

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

	2025	
	Rm	% Change
ECL allowance on stage 1 and stage 2 loans and advances	11 791	–
Baseline	11 576	(2)
Upside	10 598	(10)
Downside	13 188	12
	2024	
	Rm	% Change
ECL allowance on stage 1 and stage 2 loans and advances	12 356	–
Baseline	12 027	(3)
Upside	11 050	(11)
Downside	14 248	15

In addition, as at 31 December 2025, the Group assessed what the impact on expected credit losses would be, if 5% of the gross carrying amount of loans and advances to customers in stage 1 experience a SICR and move to stage 2. The ECL changes below include the effect on undrawn committed facilities and guarantees which are reflected as 'provisions' in the statement of financial position. This impact has been presented below:

	2025	
	Stage 2	
	Increase in gross carrying amount Rm	Increase in expected credit loss Rm
Personal and Private Banking	23 135	1 536
Business Banking	6 744	275
Africa Regions – Personal and Private Banking & Business Banking	4 196	384
Corporate and Investment Banking SA	17 400	183
Corporate and Investment Banking AR	4 123	76
	2024	
	Stage 2	
	Increase in gross carrying amount Rm	Increase in expected credit loss Rm
Personal and Private Banking	22 275	1 693
Business Banking	6 370	343
Africa Regions – Personal and Private Banking & Business Banking	4 197	527
Corporate and Investment Banking SA	15 634	200
Corporate and Investment Banking AR	3 947	75

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

5. Operating expenses

Breakdown of operating expenses	2025 Rm	2024 Rm	Change %
Amortisation of intangible assets	2 839	2 729	4
Auditors' remuneration	614	596	3
Cash transportation	966	1 242	(22)
Depreciation	3 200	3 124	2
Equipment costs	622	510	22
Information technology	7 078	6 848	3
Marketing costs	2 298	2 125	8
Other operating costs (includes net fraud losses, travel and entertainment costs)	1 138	851	34
Printing and stationery	394	359	10
Professional fees	3 329	3 127	6
Property costs	1 982	1 969	1
Staff costs	36 373	33 654	8
Bonuses	4 054	3 528	15
Deferred cash and share-based payments	1 914	1 643	16
Other Staff Costs	1 244	1 115	12
Salaries and current service costs on post-retirement benefit funds	28 579	26 844	6
Training costs	582	524	11
Straight line lease expenses on short term leases and low value assets	235	189	24
Telephone and postage	1 167	1 185	(2)
	62 235	58 508	6

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

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

Breakdown of IT-related spend included in operating expenses	2025 Rm	2024 Rm	Change %
Amortisation of intangible assets and depreciation of IT equipment	3 577	3 469	3
Information technology	7 078	6 848	3
Staff costs	4 493	4 075	10
of which staff costs pre the capitalisation of project-related resource costs	4 922	4 553	8
Other IT-related spend	1 517	1 400	8
	16 665	15 792	6

Operating costs increased by **6%** (CCY 6%) to **R62 235m** (2024: R58 508m) reflecting an increase in staff costs of **8%** (CCY 8%) whilst non-staff costs increased by **4%** (CCY 4%). Staff cost growth mainly reflects salary inflation and investments in the Africa regions. Non-staff cost growth was well-contained as continued investment into digital capabilities was partially offset by technology infrastructure cost optimisation, as well as lower cash transportation costs and low growth on depreciation and property costs.

- Amortisation of intangible assets increased by **4%** (CCY 4%) to **R2 839m** as the impact of the amortisation of Separation assets was lower in the current year **R153m** (2024: R475m). Excluding the impact of Separation, underlying amortisation increased by **16%** (CCY 19%) to **R2 686m** (2024: R2 254m). Goodwill and intangible assets have decreased to **R14 455m** (2024: R16 010m) reflecting impairments of computer software assets during the year of R2 391m.
- Cash transportation costs decreased by **22%** (CCY 22%) to **R966m** and reflect lower charges, in part supported by cash optimisation initiatives.
- Depreciation of **R3 200m** increased by **2%** (CCY 2%) as investment into retail branch and corporate property upgrades was offset by continued optimisation of the property portfolio.
- Equipment costs increase of **22%** (CCY 21%) to **R622m** mainly reflects higher rentals costs for merchant devices in the Acquiring business.
- Information technology costs increased by **3%** (CCY 3%) to **R7 078m** and mainly reflect continuing investment into new digital capabilities including cybersecurity, cloud and data, which were partially offset by optimisation of infrastructure costs.
- Marketing costs increased by **8%** (CCY 8%) to **R2 298m** reflecting increased brand, campaigns and sponsorship spend.
- Other operating costs increased by **34%** (CCY 24%) to **R1 138m** and growth mainly reflects higher frauds and losses as well as expense reclassifications during the period.
- Professional fees increased by **6%** (CCY 7%) to **R3 329m** as higher legal and credit bureau spend, and continued investment in technology initiatives, was partly offset by a reduction in business specialist advisory and consultancy costs.
- Property costs increased by **1%** (CCY 1%) to **R1 982m** and mainly reflect ongoing optimisation efforts in both corporate and retail properties.
- Staff costs increased by **8%** (CCY 8%) to **R36 373m** (2024: R33 654m). Salaries and Other staff costs of **R29 823m** (December 2024: R27 959m) increased by **7%** (CCY 6%) and reflects salary inflation and investments in the Africa regions. Bonuses of **R4 054m** (2024: R3 528m) increased by **15%** (CCY 15%) reflective of Group full year performance. Deferred cash and share-based payments of **R1 914m** (2024: R1 643m) increased by **16%** (CCY 17%). Training costs increased by **11%** (CCY 11%) to **R582m** reflecting low prior year base spend.
- Telephone and postage costs decreased by **2%** (CCY 2%) to **R1 167m** reflecting lower communication costs, partially offset by higher market data subscription costs.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

6. Indirect taxation

	2025 Rm	2024 Rm	Change %
Training levy	270	253	7
Value-added tax net of input credits	2 259	2 339	(3)
	2 529	2 592	(2)

7. Taxation expense

	2025 Rm	2024 Rm	Change %
Reconciliation between operating profit before income tax and the taxation expense			
Operating profit before income tax	34 684	33 223	4
Share of post-tax results of associates and joint ventures	(318)	(282)	13
	34 366	32 941	4
Tax calculated at a tax rate of 27%	9 279	8 894	4
Effect of different rates in other countries	1 218	704	73
Expenses not deductible for tax purposes	1 144	769	49
Assessed losses	14	104	(87)
Dividend income	(1 559)	(1 539)	1
Non-taxable interest	(822)	(613)	34
Deductible expenditure not recognised in profit and loss	(284)	(297)	(4)
Other income not subject to tax	(20)	(10)	100
Other	(29)	13	<(100)
Items of a capital nature	141	295	(52)
	9 082	8 320	9

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

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

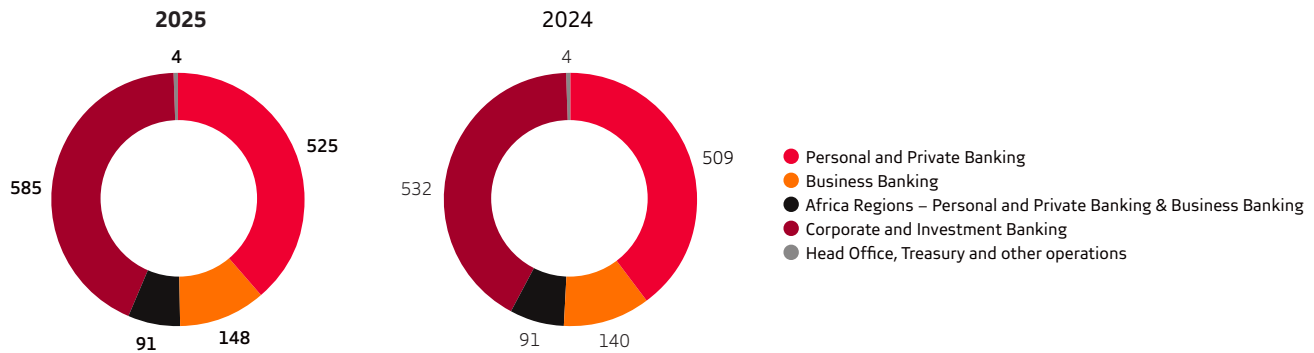
Non-taxable interest relates to interest earned from certain governments as well as interest earned on certain capital instruments, which is exempt from tax.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

8. Loans and advances

Loans and advances to customers by market segment (Rbn)



	2025 %	2024 %
Loans and advances to customers	94.0	94.5
Personal and Private Banking	36.5	37.7
Business Banking	10.3	10.4
Africa Regions – Personal and Private Banking & Business Banking	6.3	6.7
Corporate and Investment Banking	40.6	39.4
Head Office, Treasury and other operations	0.3	0.3
Loans and advances to banks	6.0	5.5
	100.0	100.0

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

8. Loans and advances *continued*

Loans and advances to customers by segment	2025 Rm	2024 Rm	Change %
Personal and Private Banking			
Credit cards	58 555	57 656	2
Instalment credit agreements	102 024	97 552	5
Loans to associates and joint ventures	23 896	21 228	13
Mortgages	326 764	319 427	2
Other loans and advances	9 108	6 671	37
Overdrafts	9 441	10 461	(10)
Personal and term loans	28 824	30 482	(5)
Gross loans and advances to customers	558 612	543 477	3
Credit impairment charges on loans and advances to customers	(33 222)	(34 273)	(3)
	525 390	509 204	3
Business Banking			
Credit cards	816	710	15
Instalment credit agreements	38 287	34 995	9
Loans to associates and joint ventures	3 822	3 981	(4)
Mortgages	25 787	24 607	5
Other loans and advances	2 299	2 176	6
Overdrafts	28 271	27 689	2
Personal and term loans	52 789	50 014	6
Gross loans and advances to customers	152 071	144 172	5
Credit impairment charges on loans and advances to customers	(3 785)	(3 985)	(5)
	148 286	140 187	6
Africa Regions – Personal and Private Banking & Business Banking			
Gross loans and advances to customers	97 650	98 191	(1)
Credit impairment charges on loans and advances to customers	(6 541)	(7 131)	(8)
	91 109	91 060	0
Corporate and Investment Banking			
Corporate and Investment Banking SA	493 366	443 517	11
Foreign currency loans	74 869	68 380	9
Credit linked notes	4 458	3 807	17
Mortgages	74 839	67 992	10
Term loans	147 971	141 441	5
Overdrafts	17 867	11 632	54
Overnight finance	28 892	22 074	31
Preference shares	38 969	34 955	11
Reverse repurchase agreements	84 855	72 560	17
Other loans and advances	20 646	20 676	(0)
Corporate and Investment Banking AR	97 922	96 660	1
Gross loans and advances to customers	591 288	540 177	9
Credit impairment charges on loans and advances to customers	(6 748)	(7 739)	(13)
	584 540	532 438	10

In 2024, Corporate and Investment Banking disclosed credit linked notes and foreign currency loans amounting to R72 187m within a single line item. To improve transparency, Corporate and Investment Banking now discloses these items separately as reflected in the table above.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

8. Loans and advances *continued*

	2025 Rm	2024 Rm	Change %
Loans and advances to customers by segment			
Head Office, Treasury and other operations			
Gross loans and advances to customers	4 188	4 042	4
Credit impairment charges on loans and advances to customers	216	182	19
	4 404	4 224	4
Total loans and advances			
Gross loans and advances to customers	1 403 809	1 330 061	6
Gross loans and advances to banks	84 876	72 507	17
Gross loans and advances	1 488 685	1 402 568	6
Credit impairment charges on loans and advances	(50 126)	(52 980)	(5)
Credit impairment charges on loans and advances to customers	(50 080)	(52 946)	(5)
Credit impairment charges on loans and advances to banks	(46)	(34)	35
Net loans and advances including reverse repurchase agreements	1 438 559	1 349 588	7
Less: Reverse repurchase agreements	(104 965)	(85 397)	23
Net loans and advances excluding reverse repurchase agreements	1 333 594	1 264 191	5

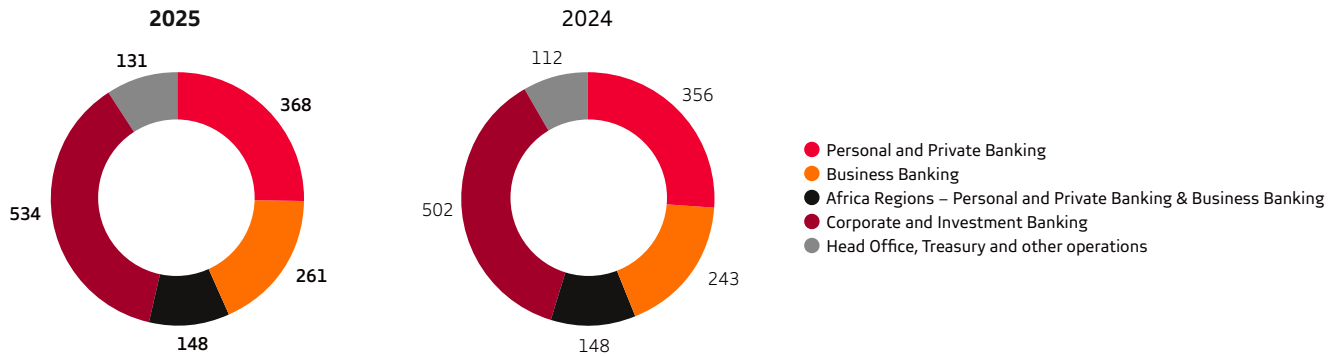
The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

9. Deposits and debt funding

Deposits due to customers by segment (Rbn)



Total funding mix	2025 %	2024 %
Deposits due to customers	77.7	79.1
Personal and Private Banking	19.8	20.7
Business Banking	14.1	14.1
Africa Regions – Personal and Private Banking & Business Banking	8.0	8.6
Corporate and Investment Banking	28.8	29.2
Head Office, Treasury and other operations	7.1	6.5
Deposits from banks	9.9	8.7
Debt funding	12.4	12.2
	100.0	100.0

The segment mix table and graphs have been restated. Refer to the reporting changes overview in note 13.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

9. Deposits and debt funding *continued*

Deposits and debt funding by segment	2025 Rm	2024 Rm	Change %
Personal and Private Banking	367 515	355 561	3
Call deposits	623	894	(30)
Cheque account deposits	40 842	39 581	3
Credit card deposits	1 950	1 920	2
Fixed deposits	88 469	92 397	(4)
Foreign currency deposits	1 254	1 432	(12)
Notice deposits	28 742	27 661	4
Other deposits	470	500	(6)
Saving and transmission deposits	205 165	191 176	7
Business Banking	260 742	242 806	7
Call deposits	14 885	14 940	(0)
Cheque account deposits	84 463	76 062	11
Credit card deposits	127	118	8
Fixed deposits	36 136	36 105	0
Foreign currency deposits	7 438	9 136	(19)
Notice deposits	10 331	8 166	27
Other deposits	128	38	>100
Saving and transmission deposits	107 234	98 241	9
Africa Regions – Personal and Private Banking & Business Banking	147 959	147 824	0
Corporate and Investment Banking	533 738	501 783	6
Corporate and Investment Banking SA deposits	412 131	386 588	7
Call deposits	73 140	65 498	12
Cheque account deposits	146 990	133 318	10
Credit card deposits	28	25	12
Fixed deposits	81 026	79 487	2
Foreign currency deposits	38 700	42 698	(9)
Notice deposits	27 070	25 271	7
Other deposits	128	416	(69)
Repurchase agreements	31 472	24 779	27
Saving and transmission deposits	13 577	15 096	(10)
Corporate and Investment Banking AR deposits	121 607	115 195	6
Head Office, Treasury and other operations	131 292	111 842	17
Total deposits due to customers including repurchase agreements	1 441 246	1 359 816	6
Total deposits from banks including repurchase agreements	183 684	149 492	23
Total deposits including repurchase agreements	1 624 930	1 509 308	8
Total debt funding	229 418	208 910	10
Commercial paper	5 873	5 244	12
Credit linked notes	40 354	33 409	21
Floating rate notes	74 960	50 632	48
Negotiable certificates of deposit	57 499	69 361	(17)
Other	2 692	1 700	58
Promissory notes	–	837	(100)
Senior notes	48 037	47 726	1
Structured notes and bonds	3	1	>100
Total deposits and debt funding including repurchase agreements	1 854 348	1 718 218	8
Less: Repurchase agreements	(136 724)	(103 392)	32
Total deposits and debt funding excluding repurchase agreements	1 717 624	1 614 826	6

During the current year, the Group elected to combine the disclosures for deposits and debt funding into a single note. Furthermore, a misclassification between negotiable certificates of deposits and customer fixed deposits was identified and corrected for 2024.

Additionally, the segment split numbers have been restated for 2024. Refer to the reporting changes overview in note 13, for further information on these restatements.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

10. Equity and subordinated debt

	2025 Rm	2024 Rm	Change %
Authorised			
950 000 000 (2024: 950 000 000) ordinary shares of R2.00 each	1 900	1 900	0
Issued			
894 376 907 (2024: 894 376 907) ordinary shares of R2.00	1 789	1 789	0
65 597 829 (2024: 64 918 470) treasury shares held by Group entities	(132)	(131)	1
	1 657	1 658	(0)
Total Issued capital			
Share capital	1 657	1 658	(0)
Share premium	10 437	10 562	(1)
	12 094	12 220	(1)
	2025 Number of shares (million)	2024 Number of shares (million)	
Number of ordinary shares in issue (after deductions of treasury shares)			
Ordinary shares of R2.00 each	894.4	894.4	0
Treasury shares held by the Group	(65.6)	(64.9)	1
	828.8	829.5	(0)

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

10. Equity and subordinated debt *continued*

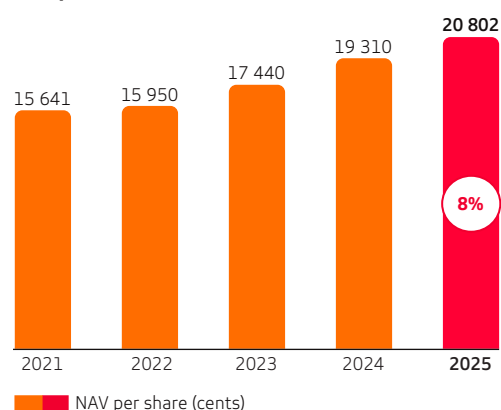
Subordinated Debt		2025 Rm	2024 Rm	Change %
Subordinated callable notes issued by Absa Group Limited				
Interest rate	Final Maturity date			
Three-month JIBAR + 2.10%	16 September 2032	1 916	1 916	–
Three-month JIBAR + 2.13%	17 May 2030	–	2 676	(100)
Three-month JIBAR + 1.72%	26 August 2033	2 158	2 158	–
Three-month JIBAR + 1.72%	06 August 2034	1 000	1 000	–
Three-month JIBAR + 1.75%	21 September 2034	2 019	2 019	–
Three-month JIBAR + 1.70%	16 October 2034	500	500	–
Three-month JIBAR + 1.62%	12 October 2034	1 700	1 700	–
Three-month JIBAR + 1.58%	10 September 2035	2 500	–	100
Foreign currency denominated notes				
USD 6.375%	n/a	6 866	6 866	–
USD 6.625%	08 June 2036	2 545	–	100
Subordinated callable notes issued by other subsidiaries				
National Bank of Commerce 7.5% fixed rate note	10 July 2029	–	85	(100)
Other				
Accrued interest		113	136	(17)
Fair value adjustments		(106)	(442)	(76)
Foreign exchange movements		1 351	2 574	(48)
		22 562	21 188	6

'Borrowed funds' has been renamed 'Subordinated debt'. Refer to note 13 for additional information.

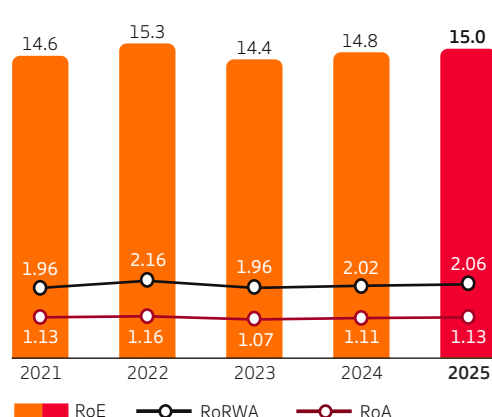
At 31 December 2025, non-derivative financial liabilities of **R11 850m** (2024: R12 051m) have yet to transition to an alternate benchmark rate as part of the market-wide benchmark reform.

Equity and subordinated debt funds

NAV per share (cents)



RoE, RoA and RoRWA (%)

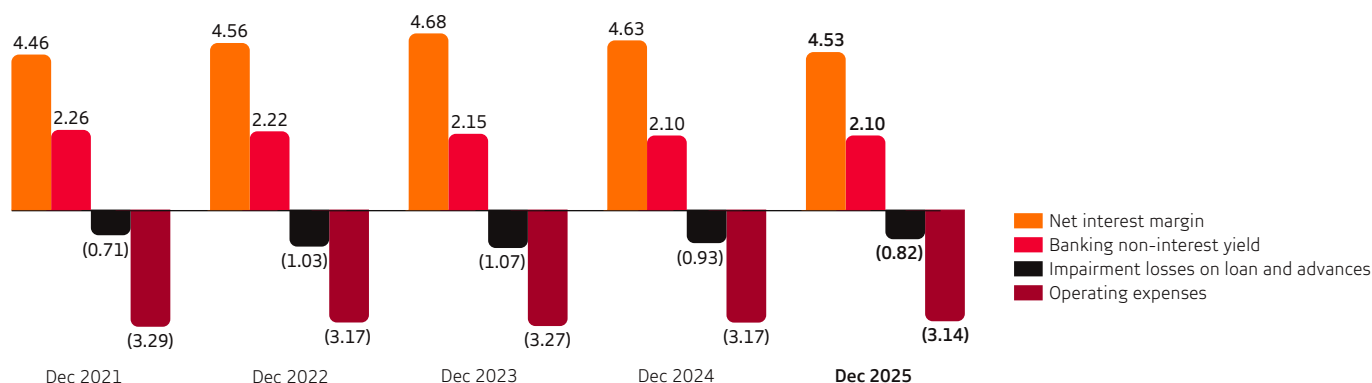


Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

11. RoE decomposition

Major drivers of RoE (%)



		2025 %	2024 %
	Net interest margin on average interest-bearing assets	4.53	4.63
Less:	Credit impairment charges/average interest-bearing assets	0.82	0.93
Equals:	Net interest margin on average interest-bearing assets – after credit impairment charges	3.71	3.70
Multiply:	Average interest-bearing assets/average banking assets	82.19	83.21
Equals:	Banking interest yield	3.05	3.08
Plus:	Banking non-interest yield	2.10	2.10
Equals:	Banking income yield	5.15	5.18
Less:	Operating expenses/average banking assets	3.14	3.17
Equals:	Net banking return	2.02	2.01
Less:	Other ¹	0.77	0.82
Equals:	Banking return	1.25	1.19
Multiply:	Average banking assets/total average assets	90.71	92.47
Equals:	RoA	1.13	1.11
Multiply:	Leverage	13.29	13.32
Equals:	RoE	15.0	14.8

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

12. Contingencies, commitments and similar items

	2025 Rm	2024 Rm	Change %
Guarantees	69 702	55 716	25
Irrevocable debt facilities	172 275	150 802	14
Letters of credit	15 300	16 167	(5)
	257 277	222 685	16
Authorised capital expenditure			
Contracted but not provided for	853	857	(0)

In 2024, the Group incorrectly disclosed a Letters of credit balance due to an error in the elimination of intergroup balances. As a result, the previously reported amount of R19 863m has been restated to R16 167m.

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

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

12. Contingencies, commitments and similar items *continued*

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

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

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

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

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

Legal proceedings

Legal matters

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

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

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

The Group has not disclosed the contingent liabilities associated with these matters either because they cannot reasonably be

estimated or because such disclosure could be prejudicial to the outcome of the matter. Provision is made for all liabilities which are expected to materialise.

Regulatory developments

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

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

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

Income taxes disclosed as contingencies

The Group operates in multiple tax jurisdictions and, in the ordinary course of business, engages in transactions where the final tax determination may be subject to interpretation and uncertainty. In line with IAS 12 and IFRIC 23, the Group recognises tax liabilities for uncertain tax positions, based on objective estimates of the amount of tax that may be due, which is calculated, where relevant, with reference to expert advice received. Where an obligation is considered possible but not probable, the exposure is disclosed as a contingent liability.

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

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

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

13. Reporting changes overview

The Group effected the following financial reporting changes during the current reporting period:

13.1 Correction of prior period error

13.1.1 Misclassification between fixed deposits and negotiable certificates of deposit

As part of the Group's ongoing review of its financial reporting classifications, management identified a misclassification between customer fixed deposits and negotiable certificates of deposit within Africa regions. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the comparative information has therefore been restated to correct for the misclassification. This misclassification is confined to only the 2024 financial year-end. The correction impacts only the classification within the liability line items on the face of the statement of financial position and does not affect the recognition, measurement, nor the total liabilities, profit or loss, or equity for the comparative period.

	2024		
	As previously published Rm	Misclassi- fication Rm	Restated Rm
Deposits due to customers			
Fixed deposits	315 481	2 381	317 862
Total deposits due to customers	1 357 435	2 381	1 359 816
Total deposits due to banks	149 492	–	149 492
Deposits	1 506 927	2 381	1 509 308
Debt securities in issue			
Negotiable certificates of deposit	71 742	(2 381)	69 361
Total debt securities in issue	211 291	(2 381)	208 910

13.2 Restatements to the statement of financial position

13.2.1 Change in naming convention: "Borrowed funds" to "Subordinated debt"

During the current financial year, the Group refined the naming conventions used for labelling borrowed funds in the financial statements to enhance clarity and align with market practice. As part of this update, the line item previously presented as 'Borrowed funds' has been renamed 'Subordinated debt'. This represents a change in naming in accordance with IAS 1 Presentation of Financial Statements and does not constitute a change in accounting policy. The amendment is limited to terminology and has no impact on the recognition and measurement, or classification of the underlying financial liabilities, nor on the amounts reported in the current or prior periods. Comparative information has been relabeled to ensure consistency of presentation.

13.2.2 Change in presentation: Deposits and debt funding

In the current reporting period, the Group revised the presentation of its funding-related liabilities by combining the previously separate line items and notes for deposits and debt securities in issue into a single line item on the face of the statement of financial position and in the consolidated note. This change has been adopted to be comparable to peers and aligns better with the purpose for which the instruments were issued. This represents a presentation only change and does not affect the recognition, measurement, or classification of the underlying funding liabilities, and therefore has no impact on profit or loss, other comprehensive income, equity, or cash flows. In accordance with IAS 1 Presentation of Financial Statements, the Group has applied this change retrospectively to ensure consistency of presentation and comparability of information between periods.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

13. Reporting changes overview *continued*

Statement of financial position	31 December 2024		
	As previously restated Rm	Change in presentation Rm	Restated Rm
Liabilities			
Deposits	1 509 308	(1 509 308)	–
Debt securities in issue	208 910	(208 910)	–
Deposits and debt funding	–	1 718 218	1 718 218

Statement of financial position	1 January 2024		
	As previously published Rm	Change in presentation Rm	Restated Rm
Liabilities			
Deposits	1 339 536	(1 339 536)	–
Debt securities in issue	211 128	(211 128)	–
Deposits and debt funding	–	1 550 664	1 550 664

13.3 Business portfolio changes impact

Integration of business units

On 5 December 2024, the Group announced the integration of Product Solutions Cluster, Everyday Banking, and Private Wealth Banking (previously part of Relationship Banking) into a single business unit – Personal and Private Banking (PPB). This restructuring has been implemented to enhance the Group's ability to deliver client value, particularly the distribution of value-added services and insurance products across a large customer base. As a result, Relationship Banking has been renamed to Business Banking, with a sharpened focus on serving SME and Commercial clients in targeted sectors. The impact of this restructuring on the individual business units has been depicted in the **'reportable segment change'** column in the tables below. To align with these updates, the segment formerly known as Absa Regional Operations – Retail and Business Banking has adopted the revised naming convention and is now called Africa Regions – Personal and Private Banking & Business Banking (AR PPB & BB).

Wholesale operating model change

During the current financial year, the Group's wholesale business shifted to a fully customer-centric operating model, using customer P&L as the primary performance metric to strengthen solutioning, sales, and overall customer experience. The new approach supports end-to-end product excellence and profitability by allocating product revenue, costs, impairments, and capital to the segment accountable for managing the customer relationship. This shift resulted in a reallocation of revenue and costs between the affected segments, namely CIB and BB. As the change reflects an internal reallocation, the Group's operating segments remain unaffected. The impact of this has been depicted in the 'movement in wholesale exposures' column in the tables below.

Reallocation of income, expenses, and intergroup balances

Income and expense line items have been reallocated from Head Office to the relevant business units to align with changes in how the Group evaluates the performance of those units. The reallocation primarily relates to depositor insurance costs and eKhaya (employee share scheme) expenses. These reallocations resulted in adjustments to the related intergroup asset and liability balances, specifically loans to and from Group companies, which eliminate on consolidation of the Group but impact the segment report. The impact of these items is reflected in the **'business portfolio changes'** column in the tables below.

Correction of prior period error

In addition, a consolidation adjustment relating to an inter-segment elimination was not processed in prior periods, resulting in certain internal transactions remaining within segment results and causing a gross-up of assets and liabilities within the affected segments amounting to R22 376m. This correction aligns prior period segmental results with the Group's consolidation principles and is reflected in the **'Correction of prior period error'** column in the tables below.

The afore-mentioned changes resulted in the restatement of the segments' financial results for the comparative periods without an impact on the overall financial position or net earnings of the Group. The below tables summarises the changes noted above in the consolidated statement of comprehensive income, consolidated statement of financial position, and notes to the consolidated financial results for the reporting period ended 31 December 2024.

13. Reporting changes overview**13.3 Business portfolio changes impact** *continued***13.3.1 Statement of comprehensive income**

31 December 2024

	As previously reported Rm	Reportable segment change Rm	Business portfolio changes Rm	Movement in wholesale exposures Rm	Restated Rm
Total income					
Product Solutions Cluster	14 375	(14 375)	–	–	–
Everyday Banking	29 049	(29 049)	–	–	–
Personal and Private Banking	–	44 155	(1 118)	–	43 037
Business Banking	16 058	(731)	31	(355)	15 003
Africa Regions – Personal and Private Banking & Business Banking	17 587	–	(267)	–	17 320
Corporate and Investment Banking	33 241	–	31	355	33 627
Head Office, Treasury and other operations	(361)	–	1 323	–	962
Profit for the reporting period					
Product Solutions Cluster	3 553	(3 553)	–	–	–
Everyday Banking	4 400	(4 400)	–	–	–
Personal and Private Banking	–	8 036	(309)	–	7 727
Business Banking	4 631	(83)	(199)	184	4 533
Africa Regions – Personal and Private Banking & Business Banking	2 523	–	(112)	–	2 411
Corporate and Investment Banking	13 132	–	(154)	(184)	12 794
Head Office, Treasury and other operations	(3 336)	–	774	–	(2 562)
Headline earnings					
Product Solutions Cluster	3 276	(3 276)	–	–	–
Everyday Banking	4 004	(4 004)	–	–	–
Personal and Private Banking	–	7 346	(309)	–	7 037
Business Banking	4 292	(66)	(150)	135	4 211
Africa Regions – Personal and Private Banking & Business Banking	1 780	–	(117)	–	1 663
Corporate and Investment Banking	11 740	–	(182)	(135)	11 423
Head Office, Treasury and other operations	(3 033)	–	758	–	(2 275)

13.3.2 Statement of financial position

	31 December 2024					
	As previously reported Rm	Reportable segment change Rm	Business portfolio changes Rm	Movement in wholesale exposures Rm	Correction of prior period error Rm	Restated Rm
Total assets						
Product Solutions Cluster	529 412	(529 412)	–	–	–	–
Everyday Banking	443 746	(443 746)	–	–	–	–
Personal and Private Banking	–	994 192	(704)	–	(22 376)	971 112
Business Banking	332 335	(21 034)	(75)	8	–	311 234
Africa Regions – Personal and Private Banking & Business Banking	169 753	–	42	–	–	169 795
Corporate and Investment Banking	1 253 768	–	(50)	(8)	–	1 253 710
Head Office, Treasury and other operations	(660 319)	–	787	–	22 376	(637 156)
Total liabilities						
Product Solutions Cluster	520 360	(520 360)	–	–	–	–
Everyday Banking	437 773	(437 773)	–	–	–	–
Personal and Private Banking	–	979 098	(651)	–	(22 376)	956 071
Business Banking	326 903	(20 965)	(99)	(8)	–	305 839
Africa Regions – Personal and Private Banking & Business Banking	166 814	–	148	–	–	166 962
Corporate and Investment Banking	1 234 587	–	235	8	–	1 234 822
Head Office, Treasury and other operations	(801 018)	–	367	–	22 376	(778 275)

Segment performance

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Segment performance overview

for the reporting period ended 31 December

Segment reporting structure

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

The Group announced the integration of Product Solutions Cluster, Everyday Banking, and Private Wealth Banking (previously part of Relationship Banking) into a single business unit – Personal and Private Banking (PPB) – to improve the Group’s ability to deliver client value, particularly the distribution of value-added services and insurance product across a large customer base. Furthermore, Relationship Banking has been repositioned as Business Banking, with a sharpened focus on serving small- and medium-sized enterprises (SMEs) and commercial clients in targeted sectors. In alignment with these changes, the segment previously referred to as Absa Regional Operations – Retail and Business Banking is now called Africa Regions – Personal and Private Banking & Business Banking (AR PPB & BB).

Absa Group Limited

Personal and Private Banking

Transactions and Deposits

- Transactional
- Savings and Investments
- Advice and Investments
- Private Wealth Banking

Unsecured Lending

- Card
- Personal Loans

Home Loans

Vehicle and Asset

Finance

Insurance SA

- Life insurance
- Non-Life insurance

Business Banking

- General Business Solutions
- Payments
- Lending products

Africa Regions – Personal and Private Banking & Business Banking

- AR PPB & BB – Banking
- AR Insurance

Corporate and Investment Banking

Transactional Banking

- Transactional Banking SA
- Transactional Banking AR

Investment Bank

- Investment Bank SA
 - Global Markets
 - Investment Banking Division
 - Equity Investments
 - Real Estate Finance
- Investment Bank AR
 - Global Markets
 - Investment Banking Division
 - Real Estate Finance

Head office, Treasury and other operations

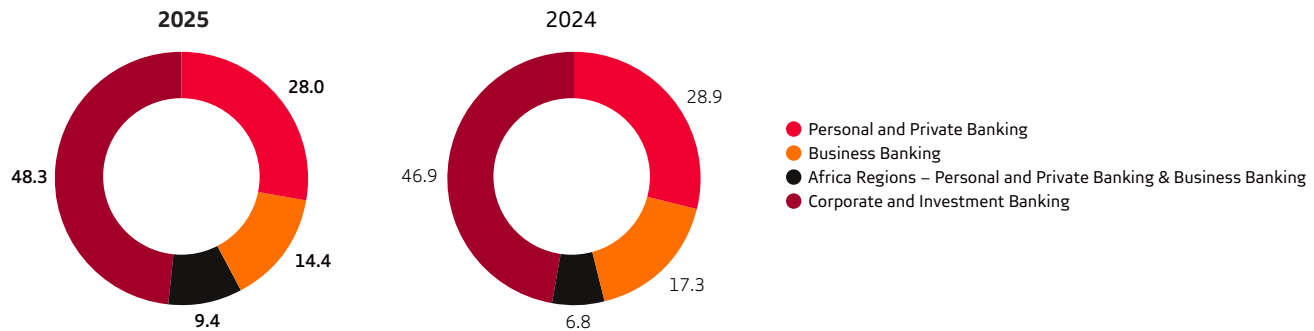
- Group Treasury (SA + AR)
- Enterprise Functions
- Consolidation Centre
- Investment Management (Terminating lines)
- Separation
- B-BBEE Transaction

Segment report per market segment

for the reporting period ended

Performance per market segment

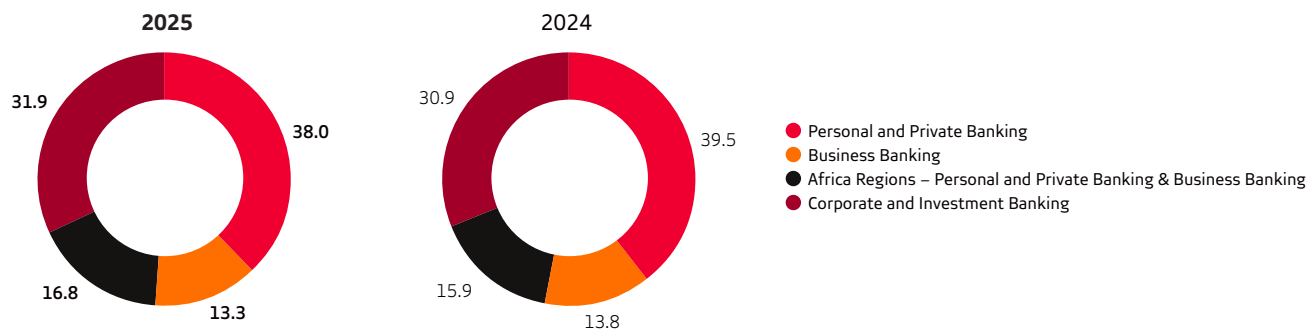
Headline earnings per market segment, excluding Head Office, Treasury and other operations (%)



Headline earnings	2025 Rm	2024 Rm	Change %
Personal and Private Banking	7 535	7 037	7
Business Banking	3 865	4 211	(8)
Africa Regions – Personal and Private Banking & Business Banking	2 519	1 663	51
Corporate and Investment Banking	13 008	11 423	14
Head Office, Treasury and other operations	(2 165)	(2 275)	(5)
	24 762	22 059	12

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

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



Income	2025 Rm	2024 Rm	Change %
Personal and Private Banking	43 721	43 037	2
Business Banking	15 282	15 003	2
Africa Regions – Personal and Private Banking & Business Banking	19 348	17 320	12
Corporate and Investment Banking	36 699	33 627	9
Head Office, Treasury and other operations	647	962	(33)
	115 697	109 949	5

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Segment report per market segment

for the reporting period ended 31 December

	Personal and Private Banking			Business Banking		
	2025	2024	Change %	2025	2024	Change %
Statement of comprehensive income (Rm)						
Net interest income	26 216	25 966	1	10 888	10 532	3
Non – interest income	17 505	17 071	3	4 394	4 471	(2)
Total income	43 721	43 037	2	15 282	15 003	2
Credit impairment charges	(9 443)	(10 289)	(8)	(817)	(693)	18
Operating expenses	(22 877)	(21 768)	5	(8 760)	(8 110)	8
Other expenses	(955)	(487)	96	(150)	(89)	69
Operating profit before income tax	10 446	10 493	(0)	5 555	6 111	(9)
Tax expenses	(2 786)	(2 766)	1	(1 474)	(1 578)	(7)
Profit for the reporting period	7 660	7 727	(1)	4 081	4 533	(10)
Profit attributable to:						
Ordinary equity holders	6 967	6 966	0	3 821	4 238	(10)
Non-controlling interest – ordinary shares	166	184	(10)	–	–	–
Non-controlling interest – preference shares	130	157	(17)	64	80	(20)
Other equity: Additional Tier 1	397	420	(5)	196	215	(9)
	7 660	7 727	(1)	4 081	4 533	(10)
Headline earnings	7 535	7 037	7	3 865	4 211	(8)
Operating performance (%)						
Net interest margin on average interest-bearing assets	2.90	2.94		3.63	3.74	
Credit loss ratio	1.69	1.89		0.55	0.49	
Non-interest income as % of income	40.0	39.7		28.8	29.8	
Cost-to-income ratio	52.3	50.6		57.3	54.1	
Statement of financial position (Rm)						
Loans and advances	532 066	515 514	3	148 660	141 062	5
Loans and advances to customers	525 390	509 204	3	148 286	140 187	6
Loans and advances to banks	6 676	6 310	6	374	875	(57)
Investment securities	33 780	33 117	2	8 165	7 091	15
Other assets	440 154	422 481	4	177 012	163 081	9
Total assets	1 006 000	971 112	4	333 837	311 234	7
Deposits and debt funding	367 515	355 561	3	260 747	242 811	7
Deposits	367 515	355 561	3	260 747	242 811	7
Deposits due to customers	367 515	355 561	3	260 742	242 806	7
Deposits due to banks	–	–	–	5	5	–
Debt funding	–	–	–	–	–	–
Other liabilities	622 699	600 510	4	68 304	63 028	8
Total liabilities	990 214	956 071	4	329 051	305 839	8
Financial performance (%)						
RoRWA	2.67	2.54		2.69	2.97	
RoA	0.79	0.75		1.23	1.43	
RoE	17.6	17.0		21.5	23.9	

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Segment report per market segment

for the reporting period ended 31 December

Africa Regions–Personal and Private Banking & Business Banking				Corporate and Investment Banking			
2025	2024	Change %	CCY %	2025	2024	Change %	CCY %
14 157	12 464	14	11	22 282	21 197	5	5
5 191	4 856	7	5	14 417	12 430	16	14
19 348	17 320	12	10	36 699	33 627	9	8
(1 401)	(1 680)	(17)	(18)	(1 269)	(1 481)	(14)	(13)
(11 980)	(11 212)	7	5	(16 841)	(15 771)	7	7
(720)	(792)	(9)	(10)	(1 061)	(521)	>100	>100
5 247	3 636	44	40	17 528	15 854	11	9
(1 878)	(1 225)	53	48	(3 568)	(3 060)	17	14
3 369	2 411	40	36	13 960	12 794	9	8
2 388	1 679	42	37	12 597	11 441	10	9
970	720	35	36	767	729	5	6
3	3	–	(3)	145	168	(14)	(14)
8	9	(11)	(2)	451	456	(1)	(1)
3 369	2 411	40	36	13 960	12 794	9	8
2 519	1 663	51	45	13 008	11 423	14	13
9.25	8.74			2.53	2.65		
1.41	1.81			0.21	0.27		
26.8	28.0			39.3	37.0		
61.9	64.7			45.9	46.9		
91 550	91 734	(0)	9	645 913	581 887	11	13
91 109	91 060	0	10	584 540	532 438	10	11
441	674	(35)	(31)	61 373	49 449	24	26
168	1 927	(91)	(74)	67 017	56 995	18	18
78 300	76 134	3	9	686 582	614 828	12	11
170 018	169 795	0	8	1 399 512	1 253 710	12	12
147 962	147 925	0	8	718 404	637 828	13	14
147 962	147 831	0	8	669 482	597 675	12	14
147 959	147 824	0	8	533 738	501 783	6	8
3	7	(57)	(59)	135 744	95 892	42	42
–	94	(100)	(100)	48 922	40 153	22	22
20 491	19 037	8	18	658 550	596 994	10	10
168 453	166 962	1	9	1 376 954	1 234 822	12	12
2.05	1.47			2.62	2.60		
1.46	1.05			0.94	0.97		
17.1	12.1			21.1	20.7		



Segment report per market segment

for the reporting period ended 31 December

Head Office, Treasury and other operations

Group

2025	2024	Change %	CCY %	2025	2024	Change %	CCY %
398	946	(58)	(70)	73 941	71 105	4	3
249	16	>100	>100	41 756	38 844	7	7
647	962	(33)	(48)	115 697	109 949	5	5
(480)	(161)	>100	>100	(13 410)	(14 304)	(6)	(6)
(1 777)	(1 647)	8	7	(62 235)	(58 508)	6	6
(2 482)	(2 025)	23	15	(5 368)	(3 914)	37	33
(4 092)	(2 871)	43	45	34 684	33 223	4	3
624	309	>100	>100	(9 082)	(8 320)	9	7
(3 468)	(2 562)	35	37	25 602	24 903	3	2
(3 559)	(2 787)	28	47	22 214	21 537	3	2
92	225	(59)	(61)	1 995	1 858	7	9
–	–	–	<(100)	342	408	(16)	(16)
(1)	–	(100)	(97)	1 051	1 100	(4)	(4)
(3 468)	(2 562)	35	37	25 602	24 903	3	2
(2 165)	(2 275)	(5)	1	24 762	22 059	12	11
n/a	n/a			4.53	4.63		
n/a	n/a			0.88	1.03		
n/a	n/a			36.1	35.3		
n/a	n/a			53.8	53.2		
20 370	19 391	5	14	1 438 559	1 349 588	7	8
4 404	4 224	4	4	1 353 729	1 277 115	6	7
15 966	15 167	5	17	84 830	72 473	17	21
159 400	171 314	(7)	(4)	268 530	270 444	(1)	2
(849 658)	(827 861)	3	2	532 390	448 663	19	20
(669 888)	(637 156)	5	4	2 239 479	2 068 695	8	10
359 720	334 093	8	9	1 854 348	1 718 218	8	9
179 224	165 430	8	12	1 624 930	1 509 308	8	9
131 292	111 842	17	17	1 441 246	1 359 816	6	8
47 932	53 588	(11)	(5)	183 684	149 492	23	25
180 496	168 663	7	7	229 418	208 910	10	10
(1 176 322)	(1 112 368)	6	5	193 722	167 201	16	18
(816 602)	(778 275)	5	4	2 048 070	1 885 419	9	10
n/a	n/a			2.06	2.02		
n/a	n/a			1.13	1.11		
n/a	n/a			15.0	14.8		

Segment report per geographical split

for the reporting period ended 31 December

	South Africa		Change %
	2025	2024	
Statement of comprehensive income (Rm)			
Net interest income	49 208	47 918	3
Non-interest income	30 304	28 691	6
Total income	79 512	76 609	4
Credit impairment charges	(11 251)	(12 146)	(7)
Operating expenses	(43 853)	(41 057)	7
Other expenses	(3 779)	(2 223)	70
Operating profit before income tax	20 629	21 183	(3)
Tax expenses	(4 028)	(4 222)	(5)
Profit for the reporting period	16 601	16 961	(2)
Profit attributable to:			
Ordinary equity holders	15 053	15 281	(1)
Non-controlling interest – ordinary shares	166	184	(10)
Non-controlling interest – preference shares	339	405	(16)
Additional Tier 1	1 043	1 091	(4)
	16 601	16 961	(2)
Headline earnings	16 996	15 865	7
Operating performance (%)			
Net interest margin on average interest-bearing assets	3.80	3.87	
Credit loss ratio	0.91	1.04	
Non-interest income as % of income	38.1	37.5	
Cost-to-income ratio	55.2	53.6	
Statement of financial position (Rm)			
Loans and advances	1 223 384	1 135 691	8
Loans and advances to customers	1 167 810	1 092 865	7
Loans and advances to banks	55 574	42 826	30
Investment securities	176 182	179 313	(2)
Other assets	440 850	361 728	22
Total assets	1 840 416	1 676 732	10
Deposits and debt funding	1 542 254	1 413 341	9
Deposits	1 313 972	1 206 000	9
Deposits due to customers	1 162 302	1 090 864	7
Deposits due to banks	151 670	115 136	32
Debt funding	228 282	207 341	10
Other liabilities	145 472	116 897	24
Total liabilities	1 687 726	1 530 238	10
Financial performance (%)			
RoRWA	2.18	2.16	
RoA	0.96	0.97	
RoE	15.1	14.9	

The market segment split has been restated, which has impacted the geographical split. Refer to the reporting changes overview in note 13.

Segment report per the geographical segment

for the reporting period ended 31 December

Africa regions				Group			
2025	2024	Change %	CCY %	2025	2024	Change %	CCY %
24 733	23 187	7	5	73 941	71 105	4	3
11 452	10 153	13	10	41 756	38 844	7	7
36 185	33 340	9	6	115 697	109 949	5	5
(2 159)	(2 158)	(0)	(0)	(13 410)	(14 304)	(6)	(6)
(18 382)	(17 451)	5	4	(62 235)	(58 508)	6	6
(1 589)	(1 691)	(6)	(15)	(5 368)	(3 914)	37	33
14 055	12 040	17	14	34 684	33 223	4	3
(5 054)	(4 098)	23	19	(9 082)	(8 320)	9	7
9 001	7 942	13	11	25 602	24 903	3	2
7 161	6 256	14	11	22 214	21 537	3	2
1 829	1 674	9	10	1 995	1 858	7	9
3	3	–	(3)	342	408	(16)	(16)
8	9	(11)	(2)	1 051	1 100	(4)	(4)
9 001	7 942	13	11	25 602	24 903	3	2
7 766	6 194	25	19	24 762	22 059	12	11
7.38	7.82			4.53	4.63		
0.73	0.96			0.88	1.03		
31.6	30.5			36.1	35.3		
50.8	52.3			53.8	53.2		
215 175	213 897	1	10	1 438 559	1 349 588	7	8
185 919	184 250	1	10	1 353 729	1 277 115	6	7
29 256	29 647	(1)	8	84 830	72 473	17	21
92 348	91 131	1	8	268 530	270 444	(1)	2
91 540	86 935	5	11	532 390	448 663	19	20
399 063	391 963	2	10	2 239 479	2 068 695	8	10
312 094	304 877	2	10	1 854 348	1 718 218	8	9
310 958	303 308	3	11	1 624 930	1 509 308	8	9
278 944	268 952	4	12	1 441 246	1 359 816	6	8
32 014	34 356	(7)	2	183 684	149 492	23	25
1 136	1 569	(28)	(67)	229 418	208 910	10	10
48 250	50 304	(4)	3	193 722	167 201	16	18
360 344	355 181	1	9	2 048 070	1 885 419	9	10
1.84	1.73			2.06	2.02		
1.84	1.71			1.13	1.11		
16.3	15.1			15.0	14.8		

Personal and Private Banking

for the reporting period ended 31 December

PPB delivered **headline earnings** growth of **7%** to **R7 535m** (2024: R7 037m), reflecting an **8%** reduction in credit impairments and a **2%** decline in pre-provision profits, the latter driven by the impact of slow topline growth.

Key financial performance highlights for the period include the following:



Net interest income increased by **1%** to **R26 216m** (2024: R25 966m), with the low growth reflecting credit risk measure cutbacks implemented in the prior year within Unsecured Lending, as well as modest growth across Secured Lending and Deposits. Net interest margins declined slightly, driven by shifts in the product mix, as Secured Lending balances grew at a faster rate than Unsecured lending and Investment Deposit volumes grew faster than Transactional Deposits.



Non-interest income increased by **3%** to **R17 505m** (2024: R17 071m), driven by net fee and commission income growth of **3%**, while net insurance income increased by **4%**. This was supported by growth in active transactional customers and increased usage, particularly on digital channels, however this growth was partially offset by lower volumes in traditional banking channels.



Cost-to-income increased by **1.7%** to **52.3%** (2024: 50.6%) reflecting negative JAWS of **3%**, operating expenditure grew by **5%**, while total income increased by **2%**.

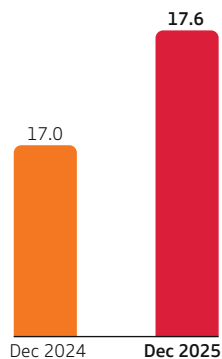


Credit loss ratio decreased to **1.69%** (2024: 1.89%) supported by an improved macro environment leading to some recovery in consumer confidence. Improved collections and new business lending criteria delivered additional benefits, with a notable improvement in Vehicle Asset Finance.

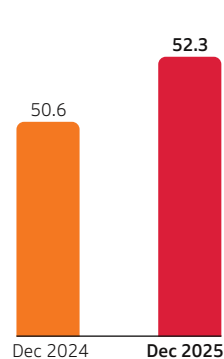


Return on equity (RoE) increased to **17.6%** (2024: 17.0%), underpinned by earnings growth of **7%** with average equity growing by **4%** year-on-year.

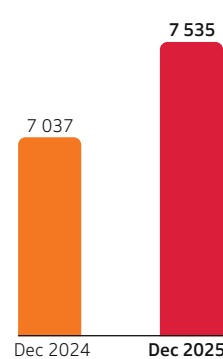
RoE (%)



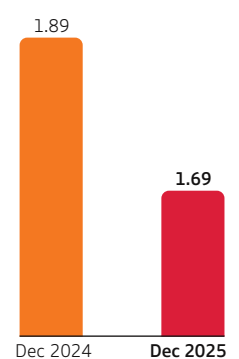
CTI (%)



Headline Earnings (Rm)



CLR (%)



Personal and Private Banking

for the reporting period ended 31 December

Salient features	2025	2024	Change %
Income (Rm)	43 721	43 037	2
Pre-provision profit (Rm)	20 844	21 269	(2)
Headline earnings (Rm)	7 535	7 037	7
Credit loss ratio (%)	1.69	1.89	
Cost-to-income ratio (%)	52.3	50.6	
RoRWA (%)	2.67	2.54	
RoA (%)	0.79	0.75	
RoA net of internal balances (%)	1.23	1.18	
RoE (%)	17.6	17.0	

Business profile

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

Key business areas

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

Personal and Private Banking

for the reporting period ended 31 December

	Transactions and Deposits			Unsecured Lending		
	2025	2024	Change %	2025	2024	Change %
Statement of comprehensive income (Rm)						
Net interest income	6 995	6 945	1	9 714	9 729	(0)
Non-interest income	10 915	10 689	2	3 763	3 476	8
Total income	17 910	17 634	2	13 477	13 205	2
Credit impairment charges	(413)	(692)	(40)	(6 297)	(6 381)	(1)
Operating expenses	(12 862)	(12 457)	3	(5 513)	(4 991)	10
Other expenses	(646)	(389)	66	(311)	(147)	>100
Operating profit before income tax	3 989	4 096	(3)	1 356	1 686	(20)
Tax expenses	(1 114)	(1 092)	2	(356)	(440)	(19)
Profit for the reporting period	2 875	3 004	(4)	1 000	1 246	(20)
Profit attributable to:						
Ordinary equity holders	2 754	2 871	(4)	716	927	(23)
Non-controlling interest – ordinary shares	–	–	–	166	184	(10)
Non-controlling interest – preference shares	30	36	(17)	29	37	(22)
Other equity – Additional Tier 1 capital	91	97	(6)	89	98	(9)
	2 875	3 004	(4)	1 000	1 246	(20)
Headline earnings	3 093	2 933	5	884	936	(6)
Operating performance (%)						
Net interest margin on average interest-bearing assets	2.03	2.04		9.50	9.58	
Credit loss ratio	2.41	3.95		7.34	7.43	
Non-interest income as % of income	60.9	60.6		27.9	26.3	
Cost-to-income ratio	71.8	70.6		40.9	37.8	
Statement of financial position (Rm)						
Loans and advances	15 995	14 539	10	71 413	70 430	1
Loans and advances to customers	11 129	10 494	6	71 288	70 273	1
Loans and advances to banks	4 866	4 045	20	125	157	(20)
Investment securities	1 549	731	>100	3 606	3 638	(1)
Other assets	375 766	364 462	3	14 067	13 530	4
Total assets	393 310	379 732	4	89 086	87 598	2
Deposits	364 041	352 149	3	2 003	1 948	3
Deposits due to customers	364 041	352 149	3	2 003	1 948	3
Other liabilities	25 495	23 387	9	84 551	82 977	2
Total liabilities	389 536	375 536	4	86 554	84 925	2
Financial performance (%)						
RoRWA	6.50	6.33		1.15	1.22	
RoA	0.86	0.83		1.00	1.07	

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.



Personal and Private Banking

for the reporting period ended 31 December

Home Loans			Vehicle and Asset Finance			Insurance SA		
2025	2024	Change %	2025	2024	Change %	2025	2024	Change %
5 549	5 388	3	4 063	3 940	3	(3)	6	<(100)
560	564	(1)	766	766	–	2 493	2 540	(2)
6 109	5 952	3	4 829	4 706	3	2 490	2 546	(2)
(1 112)	(1 223)	(9)	(1 621)	(1 993)	(19)	–	–	–
(2 348)	(2 259)	4	(1 968)	(1 873)	5	(996)	(951)	5
(96)	(36)	>100	111	95	17	(46)	(39)	18
2 553	2 434	5	1 351	935	44	1 448	1 556	(7)
(634)	(622)	2	(296)	(195)	52	(455)	(474)	(4)
1 919	1 812	6	1 055	740	43	993	1 082	(8)
1 732	1 612	7	956	633	51	993	1 082	(8)
–	–	–	–	–	–	–	–	–
47	54	(13)	24	29	(17)	–	–	–
140	146	(4)	75	78	(4)	–	–	–
1 919	1 812	6	1 055	740	43	993	1 082	(8)
1 773	1 611	10	959	632	52	1 010	1 082	(7)
1.71	1.70		3.12	3.12		n/a	n/a	
0.34	0.39		1.26	1.62		n/a	n/a	
9.2	9.5		15.9	16.3		100.1	99.8	
38.4	38.0		40.8	39.8		40.0	37.4	
316 134	310 358	2	127 039	118 321	7	1 043	1 434	(27)
315 934	310 116	2	127 039	118 321	7	–	–	–
200	242	(17)	–	–	–	1 043	1 434	(27)
16 283	17 094	(5)	6 516	6 142	6	5 786	5 297	9
10 853	10 997	(1)	6 799	6 089	12	31 721	26 977	18
343 270	338 449	1	140 354	130 552	8	38 550	33 708	14
1 429	1 433	(0)	31	21	48	–	–	–
1 429	1 433	(0)	31	21	48	–	–	–
340 448	335 604	1	138 174	128 778	7	33 010	28 520	16
341 877	337 037	1	138 205	128 799	7	33 010	28 520	16
1.85	1.72		1.63	1.12		n/a	n/a	
0.52	0.48		0.72	0.50		n/a	n/a	



Personal and Private Banking

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PPB Other			Personal and Private Banking		
2025	2024	Change %	2025	2024	Change %
(102)	(42)	>100	26 216	25 966	1
(992)	(964)	3	17 505	17 071	3
(1 094)	(1 006)	9	43 721	43 037	2
–	–	–	(9 443)	(10 289)	(8)
810	763	6	(22 877)	(21 768)	5
33	29	14	(955)	(487)	96
(251)	(214)	17	10 446	10 493	(0)
69	57	21	(2 786)	(2 766)	1
(182)	(157)	16	7 660	7 727	(1)
(184)	(159)	16	6 967	6 966	0
–	–	–	166	184	(10)
–	1	(100)	130	157	(17)
2	1	100	397	420	(5)
(182)	(157)	16	7 660	7 727	(1)
(184)	(157)	17	7 535	7 037	7
n/a	n/a		2.90	2.94	
n/a	n/a		1.69	1.89	
n/a	n/a		40.0	39.7	
n/a	n/a		52.3	50.6	
442	432	2	532 066	515 514	3
(1)	–	100	525 390	509 204	3
443	432	3	6 676	6 310	6
40	215	(81)	33 780	33 117	2
948	426	>100	440 154	422 481	4
1 430	1 073	33	1006 000	971 112	4
11	10	10	367 515	355 561	3
11	10	10	367 515	355 561	3
1 021	1 244	(18)	622 699	600 510	4
1 032	1 254	(18)	990 214	956 071	4
n/a	n/a		2.67	2.54	
n/a	n/a		0.79	0.75	

Personal and Private Banking

for the reporting period ended 31 December

Business performance

Operating environment

The operating environment in 2025 remained challenging for households but showed increasing signs of stabilisation, particularly in the second half of the year. Inflation eased meaningfully towards year-end, while the South African Reserve Bank adopted a more accommodative policy stance, delivering cumulative interest rate cuts of 100bps. Together, these developments lowered borrowing costs across key retail credit products, providing relief to customers and easing pressure on monthly debt repayments. However, the recovery in affordability remained gradual, constrained by elevated debt levels and modest wage growth.

Against this backdrop, the PPB business operated in a slightly more supportive macroeconomic environment, modestly improving customer confidence and affordability. Consumer behaviour remained value-focused, with ongoing prioritisation of essential spending and continued price sensitivity, though early signs of recovery in discretionary categories emerged toward the end of the year.

The strategic context

The PPB business was established in June 2025 through the consolidation of three previously separately managed businesses, Everyday Banking (EB), the Product Solutions Cluster (PSC), and Private Wealth Banking (PWB). This integration created a more unified operating model, enabling the business to better align with customer needs and expectations while simplifying how clients engage with the bank across products and segments.

Business and customer overview

During 2025, PPB focused on executing core strategic initiatives, by building momentum that supports growth and value creation across the franchise and into the broader Group.

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

- Strengthened the **Ultimate Banking proposition** by simplifying the transactional product continuum and introducing a non-credit option, to increase eligibility and drive deeper penetration in the middle market.
- **Transactional Banking** expanded its digital value-added services (VAS) portfolio, introducing offerings such as lifestyle vouchers and foreign currency delivery.
- **TravelStart in-app functionality** was launched on the Absa Rewards platform, enabling members to earn cashback on travel bookings and payments completed with an Absa card.
- **Absa introduced new financial coaching tools**, including Credit Coach and Savings Coach. Credit Coach provides credit education and real-time repayment insights, while Savings Coach offers gamified savings features and personalised goal-setting.

- **Absa Life** strengthened its product suite by launching *Eyenu Nonke* and *Enhanced Flexi Funeral* products on a modernised technology platform. This was complemented by the rollout of the Absa Wellness App, integrated into the banking app and by ongoing enhancements to onboarding, retention, and premium-collection capabilities.
- **Absa Insurance** has launched a strategic growth initiative to increase penetration within the Absa-banked customer base. The customer-led programme leverages data analytics to deliver targeted and tailored offerings, strengthening retention and profitability. The initiative deepens relationships with existing transactional banking customers by migrating their insurance needs to the Group, underpinned by a customer-centric proposition that creates value at a portfolio level rather than through individual products.
- **Absa Vehicle and Asset Finance** undertook a target operating model reset designed to reinforce strategic partnerships, integrate sales and service capabilities, enhance product management, and elevate operational excellence. The business also refined pricing and acquisition processes and introduced loyalty-based incentives to deepen customer relationships.
- **Digital** continued to enhance customer engagement and control by expanding in-app banking and payments functionality. Key developments included digital card view-and-control features, PayShap request capability, strengthened fraud and security measures, and the scaling of Artificial Intelligence (AI) enabled virtual assistance to support increased self-service and reduce friction across channels.
- **Across the portfolio**, digital and AI initiatives supported the modernisation of operations, driving efficiency and productivity through process automation and simplified experiences for customers and colleagues.
- **Advanced analytics** and **hyper-personalisation** capabilities were scaled, embedding behavioural insights into customer interactions, improving targeting precision, and delivering more relevant personalised offers.

External recognition received

The businesses received the following external recognition from the market:

- Decade of Excellence for Banking App – Global Banking and Finance Review.
- Best New Product Launch of the Year (Absa Pay) – The Digital Banker.
- Best New Product of the Year in Africa (Savings Coach) – The Digital Banker.
- Best Employer of Actuaries – Association of SA Black Actuarial Professionals (ASABA).
- Best Bank for Employee Experience (Middle East and Africa) – The Digital Banker.
- The Next 100 Global Companies to Watch – Global Banking and Finance Review.

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Client franchise

During the reporting period, the business sustained its focus on strengthening digital capabilities and deepening customer relationships, underpinned by an increasingly nuanced understanding of customer needs and behaviours as the business transitions to a customer-led, more holistically integrated operating model.

	2025	2024	Change %
PPB – South Africa			
Total customers (thousands)	9 701	9 588	1
Active transactional customers (thousands)	6 070	5 879	3
Product holding per customer (average number)	2.83	2.70	
Absa rewards membership base (thousands)	2 613	2 044	28
Customer Experience Index (out of 150)	111	110	
Digital adoption			
Digitally active customers (thousands)	3 580	3 216	11
Number of PPB app users (thousands)	2 857	2 512	14
Number of app downloads (thousands)*	2 229	1 151	94
Digital engagement and usage			
Total mobile logins (millions)*	676.0	631.7	7
Physical footprint			
Point of presence (including number of branches and sales centres)	566	556	2
Sales and Service branches	158	112	41
Number of ATMs and cash devices	5 016	5 138	(2)
Branch network floor space (000sqm)	278.1	285.5	(3)

Source: Internal MI

* This includes PPB and BB

The December 2024 numbers have been restated.

A primary strategic objective for the PPB business remains the cultivation of a high-quality customer franchise. While the total customer base remained stable at **9.7m**, the portfolio quality improved, reflecting strong growth, particularly in higher-income segments. This is demonstrated in several key performance indicators:

- The active transactional customer base grew by **3%** to **6.1m**, underscoring impactful early account activation strategies and sustained engagement throughout the lifecycle. Within the base, the Affluent segment grew by **6%** and the PWB segment by **7%**, supported by early activation initiatives and increased adoption of Absa Rewards.
- Absa Rewards continues to serve as a critical lever for driving customer behaviour and strengthening the depth and quality of customer relationships. Membership grew by **28%** to **2.6m**, underpinned by consistent frontline engagement at the point of origination. In addition, new strategic partnerships were added to the offering, notably with retailers, strengthening the overall value proposition for Absa Rewards customers. The number of unique customers moving up to higher rewards tiers increased by **15%** to **564k** during the year as customers continued to consolidate their banking with Absa. This was further underscored by the increase in the average product holding per customer from 2.70 in 2024 to **2.83** in 2025.
- Digital adoption sustained double-digit growth momentum, with digitally active customers increasing by **11%** to **3.6m** driven by the migration from physical channels. Growth was largely driven by the adoption of the banking app, which now serves **2.9m** PPB users, up **14%** year-on-year. New downloads increased by **94%**, underpinned by continuous feature enhancements and improved functionality and user experience. The bank delivered innovative solutions including Savings Coach, Credit Coach, Virtual Card and an in-app travel booking system.
- Digital mobile logins grew by **7%**, reflecting a continuing shift in consumer behaviour. In-app financial transactions have seen strong growth driven by payments and VAS.
 - Digital payments maintained strong growth momentum, with transaction volumes increasing by **15%**. This growth was driven by continued migration away from traditional payment methods, including ATMs (which declined by **8%**), as well as an expansion in the digitally active customer base. PayShap volumes increased by **33m** to **52m** year-on-year, reflecting its ongoing structural displacement of traditional real-time clearing (RTC) transactions, which declined by **56%** year-on-year. Overall instant clearing payment volumes grew by **28%**, while EFT volumes declined by **7%**.

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- VAS transaction value increased by **39%**, primarily supported by strong uptake in new digital lifestyle vouchers, with volumes increasing by **13m to 16m**. This growth was enabled by new strategic partnerships that enhanced the overall customer value proposition. Performance was further supported by **19%** growth in traditional VAS offerings, including Prepaid and Lotto, demonstrating their continued relevance alongside newer VAS propositions.
- The Customer Experience Index remained stable at **111** throughout 2025, achieving a shared leadership position.

In parallel, the distribution network continued to transform in support of a future-fit operating model:

- While the number of branches increased marginally to **566** in 2025, the overall real estate footprint was reduced by **3%** to **278.1** thousand square metres, and the ATM network was reduced by **2%** to **5 016** devices. Sales and service outlets grew by **41%** to **158**, while the full-service branches reduced by **9%**, reflecting a strategic pivot in the composition of the network. The transition to digital channels supports the evolution of the cash operating model, aimed at unlocking greater agility and cost efficiencies across the physical network.

Risk management overview

	2025			2024		
	Stage 1 Distribution %	Stage 2 Distribution %	Stage 3 (NPL) Distribution %	Stage 1 Distribution %	Stage 2 Distribution %	Stage 3 (NPL) Distribution %
Personal and Private Banking	82.8	7.5	9.6	82.0	7.9	10.1
Transactions and Deposits	77.4	11.3	11.3	78.8	9.4	11.8
Transactional Banking	73.4	13.6	13.0	72.0	12.0	16.0
Private Wealth Bank	80.2	9.7	10.2	83.7	7.5	8.8
Unsecured Lending	75.7	9.0	15.3	72.6	9.5	17.9
Personal Loans	71.3	11.1	17.7	65.2	12.5	22.3
Card	77.5	8.2	14.4	75.7	8.3	16.0
Home Loans	84.6	6.2	9.2	84.7	6.3	9.0
Vehicle and Asset Finance	83.5	9.7	6.9	81.9	10.6	7.6

Consumers continue to experience pressure on debt affordability, although there has been some relief from both interest rates and inflation. In response to these dynamics, risk management efforts have remained focused on attracting high-quality, new-to-bank customers while simultaneously prioritising the retention of existing customers. The most significant new business initiatives were implemented during the second half of 2023 and the first half of 2024. These initiatives have strengthened new business performance and are contributing to reduced loss rates and an improved portfolio construct, as reflected in the increased stage 1 contribution across most portfolios. The exceptions to this are within Home Loans and PWB, where growth in the stage 3 contribution is observed.

Collections strategies have continued to emphasise enhancements to pre-delinquency and payment strategies designed to prevent accounts from falling into arrears. Customers who have already fallen into arrears are supported through tailored repayment and rehabilitation solutions, although new forbearance arrangements entered have reduced as interest rates and inflation have eased. In situations where rehabilitation is not viable, particularly within

Unsecured Lending, recovery strategies, including debt sales, have been actively pursued. For Secured Lending portfolios, including Home Loans and Vehicle and Asset Finance, asset recovery efforts have centred on assisted sales processes. These approaches have proven faster and more effective, delivering higher recovery rates for customers and the bank. The impact of these initiatives is evident in the reduction in stage 3 contributions across most portfolios, except for Home Loans and PWB. The increased NPL ratio and the ageing of the Home Loans legal book are largely attributable to protracted legal recovery timelines, reinforcing the importance of assisted sales processes, which are faster and yield improved customer and bank recovery outcomes.

During the year, Absa experienced an increase in fraud attempts across its digital channels, in line with broader sector trends driven by increasingly sophisticated social engineering techniques and the use of malicious applications on customer devices. The Group continued to strengthen its preventive and detective controls, including in-app malware detection, enhanced call screening, advanced analytics, and real-time customer alerts. These measures were supported by ongoing customer awareness initiatives, recognising that social engineering remains the primary vector exploited by fraudsters.

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Financial performance

PPB delivered **headline earnings** growth of **7%** to **R7 535m** (2024: R7 037m). This performance was underpinned by an **8%** decrease in credit impairments, while pre-provision profits declined by **2%** due to slow topline growth. RoE increased to **17.6%** (2024: 17.0%), supported by earnings growth and a **4%** year-on-year increase in average equity.

Statement of financial position

	2025	2024
PPB Market share		
SA Retail Deposit market share (%)	20.8	21.1
SA Retail Advances market share (%)	21.8	22.4

Source: BA900, December 2025

Customer deposits increased moderately by **3%** to **R368bn** (2024: R356bn), with slower growth in the Investment Deposits portfolio, partially reflecting margin optimisation initiatives:

- Investment Deposits increased by **4%** to **R284bn** (2024: R273bn), mainly in demand products with slower growth evident in fixed deposits which decreased by **4%** to **R88bn**.
- Transactional Deposits increased by **1%** to **R56bn** (2024: R55bn), supported by the **3%** growth in the active Transactional Banking account base.

Gross loans and advances to customers increased by **3%** to **R559bn** (2024: R543bn). The modest growth reflects the impact of credit risk measures implemented within Unsecured Lending and increased competition in the mortgages market.

- Home Loans grew by **2%**, to **R327bn** (2024: R321bn) amid increased competition for low-risk customers.
- Vehicle and Asset Finance grew by **7%** to **R134bn** (2024: R125bn), reflecting strong growth with key partners and improved market growth.
- Unsecured Lending decreased by **1%** to **R85bn** (2024: R86bn), reflecting a deliberate strategic focus on repositioning the portfolio. Personal Loans declined by **7%**, while Credit Card grew modestly by **1%**.

Statement of comprehensive income

Net interest income increased by **1%** to **R26 216m** (2024: R25 966m), reflecting **3%** loan and deposits growth and a slight contraction of net interest margin (NIM) (**-4bps** to **2.90%**).

- Net interest income on loans and advances decreased by **1%**, primarily due to lower book growth coupled with margin contraction in the Unsecured Lending portfolio. Personal Loans NIM improved by (**+53bps**) to **12.69%**, supported by lower interest in suspense while Card NIM decreased by (**-19bps**) to **8.33%**. The NII and NIM reductions reflect the strategic repositioning of the loan book, changes in the customer book mix and a deliberate focus on onboarding higher-quality customers. In contrast, Secured Lending margins stabilised with Vehicle and Asset Finance NIM at **3.12%** (2024: 3.12%) and Home Loans NIM at **1.71%** (2024: 1.70%). This stabilisation was supported by a reduction in interest in suspense and benefits from lower funding costs, partially offset by competitive pressure on flow pricing, particularly in Home Loans.

- Net interest income on deposits increased by **3%**, driven by overall growth in deposit balances, while deposits margins remained largely stable, decreasing by (**-1bp**) to **2.03%**. Savings and Investments NIM also remained broadly stable, decreasing by (**-1bp**) to **0.97%**, as the benefit of improved product margins was offset by a shift in the product mix toward lower-margin offerings.
- Stronger NII growth was observed in the second half of 2025, increasing by **3%**, compared to the 1% decline recorded in the first half of 2025. This improvement was driven by enhanced lending momentum across both the Secured and Unsecured portfolios, as well as improved margins within the Deposits portfolio.

Non-interest income increased by **3%** to **R17 505m** (2024: R17 071m), driven by growth in Transactional Banking and Unsecured Lending, with net fee and commission income growth of **3%**, while net insurance income increased by **4%**.

- Transactions and Deposits non-interest income increased by **2%** to **R10 915m** (2024: R10 689m), supported by a **3%** expansion in the active transactional customer base. Revenues from digital channels grew by **15%** year-on-year, driven by increased adoption of digital payments and new value-added services. However, this growth was partially offset by lower volumes in traditional banking channels where branch volumes reduced by **36%** year-on-year.
- Unsecured Lending non-interest income increased by **8%** to **R3 763m** (2024: R3 476m), from greater customer usage and growth in transactional fees in Card.
- Insurance SA decreased by **2%** to **R2 493m** (2024: R2 540m), primarily due to the impact on the Life business from the strengthening of assumptions and modelling changes implemented during the second half of the reporting period, as well as a reduction in Unsecured Lending volumes, which resulted in a **5%** decrease in gross operating income. Non-Life Insurance increased by **17%**, supported by growth in gross written premium and digital business. Cost management initiatives and benign weather conditions led to an improvement in claims incurred.

Personal and Private Banking

for the reporting period ended 31 December

	Credit impairment charge (Rm)			Credit loss ratio (%)	
	2025	2024	Change %	2025	2024
Personal and Private Banking	9 443	10 289	(8)	1.69	1.89
Transactions and Deposits	413	692	(40)	2.41	3.95
Transactional Banking	387	572	(32)	6.86	8.35
Private Wealth Banking	26	120	(78)	0.37	1.83
Unsecured Lending	6 297	6 381	(1)	7.34	7.43
Personal Loans	2 112	2 018	5	8.49	7.49
Card	4 185	4 363	(4)	6.87	7.40
Home Loans	1 112	1 223	(9)	0.34	0.39
Vehicle and Asset Finance	1 621	1 993	(19)	1.26	1.62

Impairments

Credit impairments decreased by **8%** to **R9 443m** (2024: R10 289m), resulting in a **(-20bps)** reduction in the credit loss ratio (CLR) to **1.69%** (2024: 1.89%).

- VAF CLR improved by **(-36bps)** to **1.26%**, driven by enhanced collections capabilities and new business criteria focused on strategic partners.
- Unsecured Lending CLR improved by **(-9bps)** to **7.34%**, supported by changes to new business criteria, strengthened pre-delinquency and collections, as well as late-stage portfolio sales. Card CLR reduced to **6.87%** (2024: 7.40%); however Personal Loans increased to **8.49%** (2024: 7.49%), reflecting the non-recurrence of benefits from forward-looking assumptions in the base. Notwithstanding this, the portfolio has continued to demonstrate improving credit quality and default trends.
- Home Loans CLR improved slightly to **0.34%** (2024: 0.39%), with strong operational and collections trends in the pre-legal book, although pressure in the legal book remains.

Operating expenditure

Operating expenses increased by **5%** to **R22 877m** (2024: R21 768m). This increase reflects inflation and continued investment in strategic initiatives, particularly in digital capabilities and technology. To enhance operational efficiency and ensure long-term sustainability, a disciplined approach to cost management was maintained. The productivity programme has matured, resulting in cost reductions through the optimisation of the branch network and workforce. Additionally, ongoing investments in new technologies, the use of AI, digitising the colleague environment and back-office processes are expected to yield further benefits through operational streamlining and automation. Despite these efforts, the increase in operating expenditure and softer topline growth led to an increase in the cost-to-income ratio to **52.3%** (2024: 50.6%), reflecting negative JAWS of **3%**.

Returns

Measured progress was achieved in improving RoE during the reporting period, with particularly strong momentum evident within the VAF and Card portfolios. The business has continued to invest in the requisite skills and capabilities to support disciplined capital allocation, reinforcing its ability to deliver a sustainable and competitive market returns profile.

	Return on equity		Average equity	
	2025 %	2024 %	2025 Rbn	2024 Rbn
Transactions and Deposits	34.1	34.8	9.1	8.4
Unsecured Lending	10.1	10.5	8.8	8.9
Personal Loans	2.5	10.3	3.4	3.4
Card	14.9	11.6	5.4	5.3
Home Loans	14.8	13.7	12.0	11.7
VAF	13.1	8.9	7.4	7.1
Insurance SA	18.2	21.2	5.5	5.1
Life Insurance	39.9	58.5	2.3	1.6
Non-Life Insurance	21.3	17.4	1.9	1.8
Total Personal and Private Banking	17.6	17.0	42.8	41.3

Personal and Private Banking

for the reporting period ended 31 December

Looking ahead

Building on the foundation established during the second half of 2025, the focus for 2026 will be on further strengthening integration across the franchise to streamline customer interactions, enhance coordinated servicing, and ensure greater consistency in delivery. Key areas of focus include:

- **Drive customer-led growth** by improving customer acquisition quality, deepening digital engagement and personalisation, integrating propositions across lending, insurance and value-added services, and strengthening customer-level risk, pricing and credit decisioning.

- **Enhance operational excellence** and **capital discipline** through a more efficient, digitally enabled distribution model, branch service evolution, greater productivity via simplification and automation, and disciplined capital allocation.
- **Scale future-fit platforms** to enable sustainable growth by expanding value-added services and connectivity solutions, while advancing digital, data and analytics capabilities to support next-generation banking, improved decision-making and stronger returns over the medium term.

Together, these priorities support sustainable earnings growth, enhance capital efficiency, and support continued progress toward achieving a market-competitive returns profile over the medium term.

Transactions and Deposits

Financial performance

Overall, Transactions and Deposits headline earnings increased by **5%** to **R3 093m** (2024: R2 933m). This performance reflects a **3%** decline in pre-provision profits, driven by slow topline growth, offset by a **40%** reduction in credit impairments. RoE decreased slightly to **34.1%** (2024: 34.8%).

Customer deposits increased moderately by **3%** to **R364bn** (2024: R352bn), driven by targeted marketing efforts and notable improvements in digital acquisition channels, offset by a focus on margin optimisation initiatives, particularly in the second half of the year.

Gross loans and advances to customers increased by **4%** to **R12.3bn** (2024: R11.8bn), reflecting the impact of prudent credit risk strategies, including competitive pricing strategies and targeted marketing.

Salient features	2025 Rm	2024 Rm	%
Total income	17 910	17 634	2
Of which:			
Transactional	12 604	12 214	3
Savings and Investments	2 994	3 068	(2)
Advice and Investments	1 207	1 161	4
Private Wealth Banking	799	735	9

Net interest income increased by **1%** to **R6 995m** (2024: R6 945m). Performance was muted by margin compression, driven by a slowdown in the growth of higher-margin Savings and Investments deposits and increased depositor insurance costs year-on-year. In response to product mix pressures experienced during the year, the business deliberately shifted focus from volume growth to value optimisation, prioritising margin sustainability over balance sheet expansion. As a result, the NIM declined marginally by **(-1bp)** to **2.03%**, reflecting disciplined pricing and portfolio management.

Non-interest income increased by **2%** to **R10 915m** (2024: R10 689m), underpinned by continued customer base expansion, with the active transactional customer base growing by **3%** to **6.1m**. Digital channels were a key contributor, with digital revenue increasing by **15%**, supported by a **19%** year-on-year increase in digital payment revenues and a **24%** increase in revenue from newly implemented VAS. This growth was partially offset by lower Branch and ATM revenues, reflecting continued customer migration to digital channels.

Advice and Investments revenue increased by **4%** to **R1 207m** (2024: R1 161m), driven by a **12%** growth in Stockbroking and Portfolio Management (SPM), a **2%** growth in advice commissions, whereas Absa Trust was flat year-on-year due to delays at the Master's office.

PWB revenue increased by **9%** to **R799m** (2024: R735m). Net interest income increased by **8%**, supported by growth in deposit balances (up **4%**). Non-interest income increased by **9%**, driven by heightened activity levels, underpinned by increased volumes in both banking and non-banking transactions.

As a result, total revenue increased by **2%** to **R17 910m** (2024: R17 634m).

Transactions and Deposits credit impairments decreased by **40%** to **R413m** (2024: R692m) and the CLR improved to **2.41%** (2024: 3.95%). The improvement reflects strengthened credit origination strategies and enhanced collections actions within the Transactional Overdraft portfolio, as well as reduced losses in PWB.

Personal and Private Banking

for the reporting period ended 31 December

Unsecured Lending

Financial performance

Unsecured Lending headline earnings decreased to **R884m** (2024: R936m), mainly driven by a **3%** reduction in pre-provision profits following muted topline growth, as net interest income remained flat, driven by a contraction in customer balances, which were impacted by a deliberate strategic focus on enhancing credit quality. This was offset by strong non-interest income growth. Operating costs increased by **10%** following a prospective reclassification of acquisition costs into operating expenses, while credit impairments were largely flat. As a result, RoE decreased to **10.1%** (2024: 10.5%).

Gross loans and advances to customers decreased by **1%** to **R85bn** (2024: R86bn), reflecting a strategic shift towards prioritising credit quality over volume growth. The Personal Loans book declined by **7%**, driven by muted loan production, which was flat year-on-year. The Credit Card book grew modestly by **1%** to **R61bn** (2024: R60bn), supported by higher utilisation and increased customer engagement, partially offset by reduced limit production reflecting credit risk adjustments.

Net interest income was largely flat at **R9 714m** (2024: R9 729m) as average balances remained stable year-on-year. Unsecured Lending margins contracted marginally (**-8bps**), due to lower client margins from a shift in book mix toward higher-quality customers and a lower interest rate environment.

Non-interest revenue grew by **8%** to **R3 763m** (2024: R3 476m), supported by higher usage, following a **5%** increase in point-of-sale (POS) spend, higher currency conversion fees and growth in account transactional fees. A reclassification of acquisition costs into operating expenses contributed **2%** to this increase.

Credit impairment charges decreased by **1%**, reflecting slow loan growth and a reduction in early arrears and the CLR improved by (**-9bps**) to **7.34%** (2024: 7.43%). NPLs decreased to **15.3%** (2024: 17.9%), and overall coverage reduced from 18.0% in 2024 to **15.9%** in 2025, in alignment with portfolio construct improvements following better quality bookings and NPLs book optimisation.

Key divisions in Unsecured Lending business unit:

Personal Loans

Salient features	2025	2024	Change %
Net interest income (Rm)	3 471	3 575	(3)
Non-interest income (Rm)	354	399	(11)
Total income (Rm)	3 825	3 974	(4)
Headline earnings (Rm)	85	349	(76)
Gross loans and advances (Rm)	23 989	25 686	(7)
Net interest margin on average interest-bearing assets (%)	12.69	12.16	
Credit loss ratio (%)	8.49	7.49	
Cost-to-income ratio (%)	39.85	35.18	
RoE (%)	2.5	10.3	

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Personal Loans headline earnings decreased to **R85m** (2024: R349m), mainly reflecting a **5%** increase in credit impairments as pre-provision profits decreased by **11%** following a decline in topline year-on-year.

Net interest income decreased by **3%** to **R3 471m** (2024: R3 575m), due to strategic reductions in the loan book driven by selective risk management. However, lower levels of interest in suspense improved margins overall. This approach focused on acquiring higher-quality, lower-risk customers to improve portfolio quality at appropriate risk-margins while maintaining pricing competitiveness. Non-interest revenue declined by **11%**, consistent with reduced lending activity.

Credit impairment charges increased by **5%** to **R2 112m** (2024: R2 018m), and the CLR increased to **8.49%** (2024: 7.49%). In 2024, the portfolio benefited from forward-looking assumption benefits. However, the non-recurrence of the H2 2024 benefit and a once-off model methodology change were the main drivers of the increasing CLR. This was partially offset by improved delinquency construct performance as proactive credit risk management strategies continue to improve the underlying portfolio quality. NPLs decreased to **17.7%** (2024: 22.3%), with total portfolio coverage decreasing to **17.7%** (2024: 21.5%).

Personal and Private Banking

for the reporting period ended 31 December

Unsecured Lending *continued*

Card

Salient features	2025	2024	Change %
Net interest income (Rm)	6 235	6 141	2
Non-interest income (Rm)	3 408	3 070	11
Total income (Rm)	9 643	9 211	5
Headline earnings (Rm)	797	618	29
Gross loans and advances (Rm)	60 773	59 972	1
Net interest margin on average interest-bearing assets (%)	8.33	8.52	
Credit loss ratio (%)	6.87	7.40	
Cost-to-income ratio (%)	41.44	38.53	
RoE (%)	14.9	11.6	

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Card headline earnings increased by **29%** to **R797m** (2024: R618m), benefiting from lower credit impairment charges as pre-provision profits remained flat year-on-year.

Net interest income increased by **2%** to **R6 235m** (2024: R6 141m). This growth is consistent with the expansion in average gross customer advances. Non-interest revenue increased by **11%** to **R3 408m** (2024: R3 070m), underpinned by strong double-digit growth in net fee and commission income, which was driven by growth in account fees and increased usage, with POS increasing by **5%** year-on-year. During this period, the business intensified its efforts to deepen customer engagement, including refining the value proposition and focusing on driving usage and early month-on-book spend. These initiatives were particularly supported by enhanced Rewards propositions, which in

turn contributed to strong non-interest income growth.

A reclassification of acquisition costs into operating expenses contributed 2% to this increase.

The CLR improved by **(-53bps)** to **6.87%**, while credit impairment charges decreased by **4%** to **R4 185m** (2024: R4 363m). These improvements reflect the successful implementation of targeted risk management strategies aimed at mitigating portfolio risk. Delinquency constructs showed improvement across the collections book, driven by proactive risk management and improved new business performance over the past 18 months, including lower risk originations, although this was offset by elevated levels in the legal book. NPLs decreased to **14.4%** (2024: 16.0%), and portfolio coverage decreased from 16.4% in 2024 to **15.2%** in 2025, in line with improvements in the portfolio construct.

Home Loans

Financial performance

Home Loans headline earnings increased by **10%** to **R1 773m** (2024: R1 611m), supported primarily by a **9%** decrease in credit impairments, while pre-provision profit increased by **2%**. This resulted in RoE increasing to **14.8%** (2024: 13.7%).

Gross loans and advances to customers grew modestly by **2%** to **R327bn** (2024: R321bn). While application volumes rebounded by **8%** year-on-year, production values grew by only **2%**, reflecting intensified market competition and a strategic emphasis on higher-quality customer segments.

Total income increased by **3%**, supported by a **3%** increase in net interest income to **R5 549m** (2024: R5 388m), while non-interest income remained flat. Margins stabilised to **1.71%** (2024: 1.70%), benefiting from reduced funding costs offset by higher interest in suspense due to NPL growth.

The credit impairment charge declined to **R1 112m** (2024: R1 223m), resulting in an improved CLR of **0.34%** (2024: 0.39%). This was mainly driven by operational and collections initiatives, alongside improved customer affordability, which contributed to better performance within the pre-legal book. The legal book remained under pressure, with continued deterioration particularly in aged matters, requiring higher coverage. The protracted legal process, combined with muted book growth, resulted in the NPL ratio increasing to **9.2%** (2024: 9.0%), with NPL coverage rising to **33.8%** (2024: 31.9%). Total coverage increased to **3.5%** (2024: 3.3%), primarily due to higher stage 3 exposures.

Personal and Private Banking

for the reporting period ended 31 December

Vehicle and Asset Finance

Financial performance

Headline earnings increased by **52%** to **R959m** (2024: R632m), primarily due to a **19%** reduction in credit impairments and pre-provision profits increasing by **1%**. As a result, RoE increased to **13.1%** (2024: 8.9%). The return enhancement plan is supported by the operating model change, which is focused on growing strategic partnerships, delivering efficient sales and service, enhancing product suites, and improving operational excellence.

Gross loans and advances to customers increased by **7%**, reaching **R134bn** (2024: R125bn). Instalment sales grew moderately by **4%**, reflecting reduced production in the prior period. In 2025, new business showed a shift in momentum with growth of **9%**, reflecting below-market growth. Extension of new facilities and increased utilisation resulted in healthy growth in the wholesale finance book.

Total income increased by **3%** to **R4 829m** (2024: R4 706m). Net interest income also increased by **3%**, driven by the modest growth in the instalment sale book and a reduction in interest in suspense

due to lower NPL growth. Market pricing pressures in 2024 led to a slight reduction in book margin; however, margins have stabilised at **3.12%** (2024: 3.12%), with a continued improvement in flow margins driven by a strategic shift toward value creation and returns. Non-interest income remained stable, reflecting subdued growth in administrative fees.

The CLR improved to **1.26%** (2024: 1.62%), with the credit impairment charge decreasing to **R1 621m** (2024: R1 993m), largely attributable to enhanced collections performance, limiting the movement of accounts into advanced delinquency buckets. This was complemented by the introduction of new business credit policies and a strategic shift away from high-risk segments in prior years. The debt review delinquency profile improved significantly, which contributed to a reduction in the NPL ratio to **6.9%** (2024: 7.6%). Total coverage remained strong at **5.4%** (2024: 5.6%), with NPL coverage increasing to **56.9%** (2024: 52.3%) due to the ageing of accounts in legal.

Insurance SA

Salient features	2025	2024	Change %
Total income (Rm)	2 490	2 546	(2)
Headline earnings (Rm)	1 010	1 082	(7)
RoE (%)	18.2	21.2	

Financial performance

Insurance SA headline earnings decreased by **7%** to **R1 010m** (2024: R1 082m). Within this, Life decreased by **8%** to **R885m** (2024: R957m), and Non-Life increased by **29%** to **R396m** (2024: R307m). Although overall new business volumes were impacted by reduced activity in Unsecured Lending and, to a lesser extent, in Secured Lending, the business continued to demonstrate

operational resilience, supported by improved strike rates and sustained momentum in the execution of the integrated bancassurance and partnerships strategy. Enhanced digital sales capabilities contributed to a **13%** increase in digital new business volumes.

Key divisions in Insurance SA business unit:

Life

Salient features	2025	2024	Change %
Net premiums (Rm)	5 021	4 736	6
Insurance revenue (Rm)	5 310	5 088	4
Insurance service expense (Rm)	(4 178)	(3 867)	8
Profit for the period (Rm)	885	957	(8)
Gross CSM balance (Rm)	7 967	8 670	(8)
Gross new business CSM (Rm)	1 436	1 622	(11)
RoE (%)	39.9	58.5	

Personal and Private Banking

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Insurance SA continued

Financial performance

Life Insurance SA's profit for the period declined by **8%** to **R885m** (2024: R957m). This was primarily due to the impact of strengthened assumptions and modelling changes implemented during the period. However, this was offset by premium growth, increased profit margin releases (including contractual service margin (CSM) and risk adjustment (RA)), and higher group life and embedded product revenues. RoE decreased to **39.9%** (2024: 58.5%), reflecting slightly lower profits and a higher equity balance following the decline in interest rates and the accounting policy election to recognise the impact of yields through other comprehensive income.

Insurance revenue increased by **4%** to **R5 310m** (2024: R5 088m), driven by higher CSM and RA releases. Net premium income increased by **6%**, supported by increased sales of digital and fully underwritten risk products, which helped to offset a decline in credit life volumes. Premium income resilience was aided by diversification benefits from standalone life insurance solutions sold through the bank's distribution channels, digital platforms, and strategic partners. Significant efforts were placed on the use of data, resulting in improved premium collection and increased effectiveness of marketing campaigns. Funeral sales performance

was muted over the first half of the year but improved in the second half after the launch of an improved funeral offering, Eyenu Nonke, that integrates banking, rewards and funeral cover in an integrated proposition.

The gross CSM balance declined by **8%** year-on-year, primarily due to profit releases during the period and the impact of strengthened assumptions and modelling changes. New business CSM declined by **11%**, driven by reduced credit life, particularly in Unsecured Lending, partially offset by growth in digital and fully underwritten product sales.

Insurance service expenses increased by **8%** year-on-year, reflecting higher operating expenses, acquisition costs, and losses on the onerous in-force book due to assumption strengthening implemented in the second half of 2025. These increases were partially mitigated by a reduction in retrospective reserves. Net insurance claims decreased by **1%**, supported by favourable claims experience on embedded products. The business continues to invest in its technology architecture and platforms to enable future growth, streamline operations, improve efficiency, and enhance execution agility.

Non-Life

Salient features	2025	2024	Change %
Gross written premium (Rm)	4 128	3 994	3
Insurance revenue (Rm)	4 102	3 986	3
Insurance service expense (Rm)	(3 181)	(3 274)	(3)
Insurance service result (Rm)	758	577	31
Profit for the period (Rm)	396	307	29
Underwriting margin (%)	7.6	4.7	
RoE (%)	21.3	17.4	

Financial performance

Profits for the period increased by **29%** to **R396m** (2024: R307m), supported by the growth in the underwriting margin to **7.6%** (2024: 4.7%). The key driver of the improvement in the underwriting margin is a reduction in the claim's ratio driven by ongoing management actions, including strengthened risk selection and underwriting processes, as well as favourable weather-related claims experience. The growth in profits has supported the growth in RoE to **21.3%** (2024: 17.4%).

Over the past two years, the business has prioritised sustainable improvement in underwriting margins, which has partially impacted gross written premium growth in certain channels. While the business successfully expanded its insurance distribution capabilities by integrating complementary insurance solutions into existing banking relationships, it has faced collection and retention challenges in its direct insurance books in 2025, which has contributed to the moderate gross written premium growth for the year of **3%**.



Personal and Private Banking

for the reporting period ended 31 December

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Personal and Private Banking

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Insurance SA *continued*

	Life			Non-Life		
	2025	2024	Change %	2025	2024	Change %
Statement of comprehensive income (Rm)						
Insurance revenue	5 310	5 088	4	4 102	3 986	3
Insurance service expenses	(4 178)	(3 867)	8	(3 181)	(3 274)	(3)
Net income/(expenses) from reinsurance contracts	(148)	(107)	38	(163)	(135)	21
Insurance service result	984	1 114	(12)	758	577	31
Net finance income/(expenses) from insurance contracts	(85)	(32)	>100	(1)	–	100
Net finance income/(expenses) from reinsurance contracts	(47)	(30)	57	–	–	–
Investment income	2 745	1 627	69	268	260	3
Policyholder insurance contracts	358	249	44	64	77	(17)
Policyholder investment contracts	2 245	1 233	82	–	–	–
Shareholder funds	142	145	(2)	204	183	11
Changes in Investment contract liabilities	(2 058)	(1 083)	90	–	–	–
Policyholder investment contracts liabilities	(2 058)	(1 083)	90	–	–	–
Other investment-related income/(expenses) and other income	(30)	(7)	>100	28	64	(56)
Gross operating income	1 509	1 589	(5)	1 053	901	17
Other operating expenses	(212)	(248)	(15)	(504)	(466)	8
Net operating income	1 297	1 341	(3)	549	435	26
Taxation expense	(412)	(384)	7	(153)	(128)	20
Profit for the period	885	957	(8)	396	307	29
Other comprehensive income	362	198	83	–	–	–
Total comprehensive income for the reporting period	1 247	1 155	8	396	307	29
Note (Rm)						
Investment income						
Policyholder investment contracts	2 245	1 233	82	–	–	–
Net interest income	802	870	(8)	–	–	–
Dividend income	109	122	(11)	–	–	–
Fair value gains/(losses)	1 334	241	>100	–	–	–
Policyholder insurance contracts	358	249	44	64	77	(17)
Net interest income	188	151	25	64	77	(17)
Dividend income	7	11	(36)	–	–	–
Fair value gains/(losses)	163	87	87	–	–	–
Shareholder funds	142	145	(2)	204	183	11
Net interest income	99	118	(16)	170	169	1
Dividend income	–	–	–	–	–	–
Fair value gains/(losses)	43	27	59	34	14	>100
Total	2 745	1 627	69	268	260	3
Net interest income	1 089	1 139	(4)	234	246	(5)
Dividend income	116	133	(13)	–	–	–
Fair value gains/(losses)	1 540	355	>100	34	14	>100

Personal and Private Banking

for the reporting period ended 31 December

Insurance HO			Insurance SA		
2025	2024	Change %	2025	2024	Change %
(333)	(225)	48	9 079	8 849	3
134	110	22	(7 225)	(7 031)	3
112	119	(6)	(199)	(123)	62
(87)	4	<(100)	1 655	1 695	(2)
(13)	(11)	18	(99)	(43)	>100
4	25	(84)	(43)	(5)	>100
21	33	(36)	3 034	1 920	58
–	–	–	422	326	29
(12)	(14)	(14)	2 233	1 219	83
33	47	(30)	379	375	1
–	–	–	(2 058)	(1 083)	90
–	–	–	(2 058)	(1 083)	90
3	5	(40)	1	62	(98)
(72)	56	<(100)	2 490	2 546	(2)
(326)	(276)	18	(1 042)	(990)	5
(398)	(220)	81	1 448	1 556	(7)
110	38	>100	(455)	(474)	(4)
(288)	(182)	58	993	1 082	(8)
–	–	–	362	198	83
(288)	(182)	58	1 355	1 280	6
(12)	(14)	(14)	2 233	1 219	83
(12)	(14)	(14)	790	856	(8)
–	–	–	109	122	(11)
–	–	–	1 334	241	>100
–	–	–	422	326	29
–	–	–	252	228	11
–	–	–	7	11	(36)
–	–	–	163	87	87
33	47	(30)	379	375	1
34	48	(29)	303	335	(10)
–	–	–	–	–	–
(1)	(1)	–	76	40	90
21	33	(36)	3 034	1 920	58
22	34	(35)	1 345	1 419	(5)
–	–	–	116	133	(13)
(1)	(1)	–	1 573	368	>100

Personal and Private Banking

for the reporting period ended 31 December

Insurance SA *continued*

	Insurance SA		
	2025	2024	Change %
Statement of financial position (Rm)			
Assets			
Financial assets backing investment and insurance liabilities			
Policyholder investment contracts	27 844	23 654	18
Cash balances and loans and advances to banks	520	284	83
Investment securities	27 324	23 370	17
Policyholder insurance contracts	5 224	4 958	5
Cash balances and loans and advances to banks	903	853	6
Investment securities	3 190	3 313	(4)
Insurance contract assets	1 131	792	43
Reinsurance assets	517	503	3
Shareholder funds	3 294	3 077	7
Cash balances and loans and advances to banks	686	1 081	(37)
Investment securities	2 608	1 996	31
Other assets	1 521	1 445	5
Deferred tax asset	150	71	>100
Total assets	38 550	33 708	14
Liabilities			
Liabilities under investment contracts	27 744	23 547	18
Insurance contracts liabilities	4 322	4 071	6
Reinsurance contracts liabilities	249	158	58
Other liabilities	669	671	(0)
Other liabilities	593	584	2
Other liabilities relating to investment contracts	76	87	(13)
Deferred tax liabilities	26	73	(64)
Total liabilities	33 010	28 520	16
Equity			
Capital and reserves	5 540	5 188	7
Total equity	5 540	5 188	7
Total liabilities and equity	38 550	33 708	14

Business Banking

for the reporting period ended 31 December

BB's **headline earnings** decreased by **8%** to **R3 865m** (2024: R4 211m), with a pre-provision profit decline of **5%** and an increase in impairment charges of **18%**, which was largely driven by a single name default.

Key performance indicators for the period include the following:



Deposits balances grew by **7%**, with transactional balances increasing by 11% and savings and investment balances increasing by 6%.



Gross loans and advances balances grew by **5%**, and showed momentum through increases in commercial property finance of 10% and commercial asset finance of 6%. Term loans and overdrafts grew by 4% and 3% respectively.



Non-interest income reduced by **2%**, mainly driven by the adoption of PayShap and a once-off cash revenue adjustment.



Returns decreased to **21.5%** from 23.9%, driven by a decline in headline earnings, partially offset by capital optimisation initiatives.



Credit loss ratio increased to **0.55%** from 0.49%, and includes the impact of a single name charge.



Cost-to-income ratio increased to **57.3%** from 54.1%, primarily due to lower revenue growth and operational losses.

Salient features	2025	2024	Change %
Income (Rm)	15 282	15 003	2
Pre-provision profit (Rm)	6 522	6 893	(5)
Headline earnings (Rm)	3 865	4 211	(8)
Credit loss ratio (%)	0.55	0.49	
Cost-to-income ratio (%)	57.3	54.1	
RoRWA (%)	2.69	2.97	
RoA (%)	1.23	1.43	
RoA net of internal balances (%)	2.38	2.71	
RoE (%)	21.5	23.9	

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Business Banking

for the reporting period ended 31 December

Business profile

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

The business comprises two customer segments:

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

The business focuses on seven primary sectors, namely agriculture, public sector, wholesale retail and franchise, manufacturing, transport and logistics, renewable energy and tourism, entertainment and hospitality.

Customers are served with a variety of products, comprising of the following Business Banking services:

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

Operating environment

Given the nature of trade policy changes in 2025 and the related uncertainty, the global economy has shown some resilience, thus far. Global trade uncertainty and localised droughts in some regions led to slower client drawdowns as they delayed capital outlays. Commodity prices for coal declined, putting pressure on the transport and logistics sector and affecting commercial asset finance production. Stabilisation of the utility grid shifted the urgency of renewable energy solutions from a critical business-continuity requirement to an emphasis on efficiency and cost

savings. In addition, improved exchange rates had impacted the income of export businesses. While interest rates have been decreasing, they remained high in the first half of the year, which impacted clients' affordability and appetite for services and for acquiring funding.

Business performance

BB's headline earnings decreased by **8%** from a challenging operating environment which reflected:

- Lower loan production levels in the first half of the year, impacted by unfavourable weather conditions in the Agricultural sector, as well as lower commodity prices in the Transport and Logistics sector.
- Accelerated adoption of PayShap which provides lower transactional cost for clients, as well as a decline in cash volumes by **4%**.
- A single name impairment charge, as well as operational losses on costs.
- Muted active customer growth.

The business continued to deliver against strategic objectives, demonstrated by the following achievements:

- Maintained a leading position in the agricultural sector and gained momentum in the diversification of the Commercial segment, with select focus sectors growing faster than agriculture on topline revenue and balance sheet.
- Further strengthening the foundation by embedding revised segment definitions and a differentiated service model in the SME and Commercial segments, with a strong focus on the right quality of clients over quantity.
- Continued acceleration of payments modernisation with the successful launch of ShopRED, a digital eCommerce platform giving greater market access to SMEs by enabling them to easily create their own online stores.
- Delivered double-digit growth in commercial issuing turnover and Islamic Banking deposits.
- Continued improvement in digital capabilities, including the launch of the new straight-through digital onboarding for eligible segments, reducing onboarding turnaround time for SME.
- Continued focus on delivering on BB's sustainability agenda with renewables finance delivering similar lending levels year-on-year despite experiencing significant headwinds.
- Launched the BB repositioning marketing campaign, which resulted in improved brand health and market presence in the second half of the year.
- Production momentum in the lending products was driven by low credit demand in the market in the first half, followed by more positive momentum in the second half:
 - Commercial property finance production growing by 22%
 - Term lending increasing by 5%
 - Commercial asset finance market share was maintained at 25%, with production growing at 7%

Business Banking

for the reporting period ended 31 December

Client franchise	2025	2024	Change %
Active customers (thousands)	351.5	352.2	0%
Digitally active customers (thousands)	210.6	202.6	4%
Product holding per customer (number)	2.72	2.64	3%

The following accolades were received during the year:

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

Financial performance

Headline earnings decreased by **8%** to **R3 865m** (2024: R4 211m), driven by pre-provision profit decline of **5%** to **R6 522m** (2024: R6 893m) and an **18%** increase in impairment charges.

Gross loans and advances to customers grew by **5%** to **R152bn** (2024: R144bn), due to a 10% growth in commercial property finance, a 6% growth in commercial asset finance, a 4% growth in term loans and a 3% growth in overdrafts.

Deposits due to customers increased by **7%** to **R261bn** (2024: R243bn), with an 11% growth in transactional deposits and a 6% growth in investments deposits.

Net interest income grew by **3%** to **R10 888m** (2024: R10 532m), attributable to:

- Net interest income on advances was **flat**, driven by growth of 5% in average balances, offset by margin compression due to higher interest in suspense on the back of flows into stage 3 and pressure on overdraft margins.
- Net interest income on deposits grew by **6%**, driven by 8% growth in average balances. Margins on deposits declined slightly due to faster growth in Absa Investment Tracker (21%) and Liquidity Plus (12%), which offer attractive rates for clients.

Non-interest income was down **2%**, driven by a 5% decrease in transactional revenue, due to the adoption of PayShap, which provides lower transactional costs for clients, lower cash volumes of 4%, a once-off cash revenue adjustment and muted card

acquiring growth. This was partially offset by growth in card issuing on the back of turnover growth of 14%, which reflected cross-sell efforts on the existing customer base.

Credit impairment charges increased by **18%** to **R817m** (2024: R693m), mainly due to a single name charge in the first half of the year, which also contributed to the 6bps increase in the CLR to **0.55%**.

Operating expenses increased by **8%** to **R8 760m** (2024: R8 110m) and included operational losses. When excluding these, the underlying cost growth was at 6%.

Segment performance

Commercial

The business showed some recovery in the second half of the year, following a challenging start. The first half was characterised by slow production, largely influenced by slowed drawdowns in agriculture, stemming from localised droughts and global trade uncertainty. There was muted credit demand in the transport and logistics sector following a decline in coal prices, which impacted the production in commercial asset finance.

Commercial had modest revenue growth of 1% and a significant increase in impairment charges of 44% (primarily due to single name charge in the first half of the year). Revenue growth was driven by higher net interest income of 3%, underpinned by balance sheet growth, partially offset by margin compression arising from deposit mix and higher interest in suspense. Non-interest income declined by 5% mainly due to PayShap adoption, as well as lower cash volumes. This was partially offset by strong growth in card issuing fees of 13% on the back of cross-sell efforts to the existing customer base.

Despite these challenges, the business continued to execute on strategic priorities. Good progress was made in diversification, with select focus sectors growing faster than agriculture in revenue and balance sheet. Client relationships were strengthened as product holding per customer improved by 3%, while active customer numbers remained broadly flat. In addition, deposits grew by 7%, supported by solid growth in transactional balances.

Business Banking

for the reporting period ended 31 December

SME

The business continued to make progress in delivering on its strategic priorities. Progress was made towards executing “ease of doing business” with the customer and driving primacy, supported by the launch of multi-product onboarding capability. Client onboarding turnaround time significantly improved. Product holding per customer improved by 4%, while the number of active customers remained largely flat. Digital adoption accelerated, with digitally active customers increasing by 4%, while customer experience metrics trended positively.

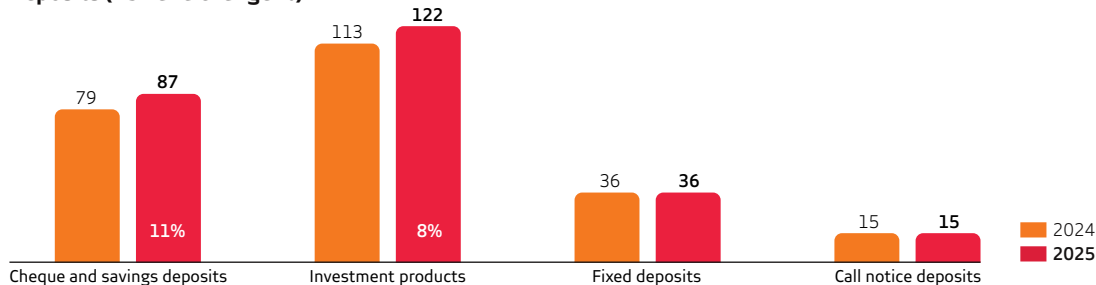
SME reflected revenue growth of 3% and a significant reduction in impairment charges of 22%. Revenue growth was supported by deposit growth of 8% and strong performance in card issuing of 16%, partially offset by lower cash volumes. The decrease in impairment charges was primarily attributable to model updates and higher post-write-off recoveries.

Looking ahead

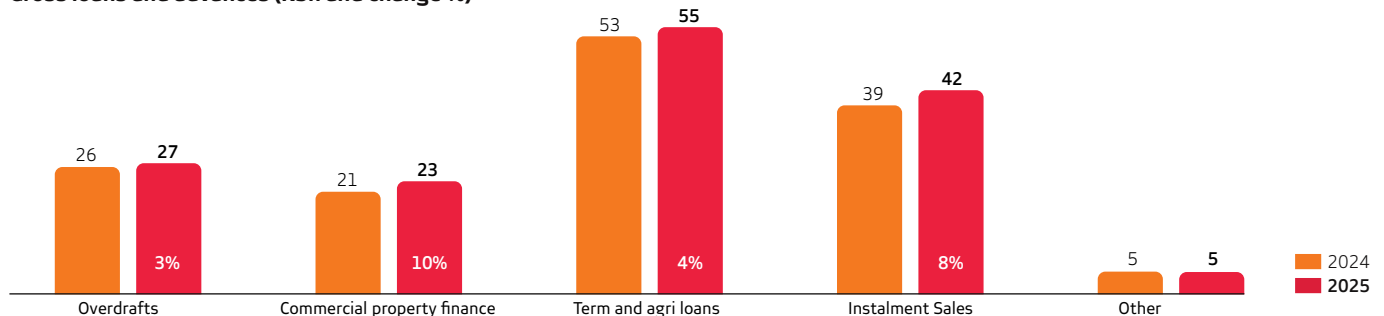
Heading into 2026, BB is equipped with a strategy that aims to position the bank as “the Bank of the entrepreneur” by accelerating execution momentum to deliver enhanced client and shareholder value. The key focus areas for 2026 include:

- **Customer-led growth:** The business will accelerate customer growth in priority sectors while deepening primacy through increased ease of doing business, digitisation and superior customer experience.
- **Drive excellence:** Continued focus on simplifying key client journeys and processes, increasing automation, cost containment, productivity and capital optimisation.
- **New growth opportunities:** Launching and embedding differentiated and transformative customer value propositions (CVPs) to accelerate the acquisition and retention of quality customers while leveraging internal and external partnerships to enhance our offering.
- **People:** Focus on attracting and retaining top talent to deliver on the BB strategy.

Deposits (Rbn and change %)



Gross loans and advances (Rbn and change %)



Africa Regions–Personal and Private Banking & Business Banking

for the reporting period ended 31 December

AR PPB & BB **headline earnings** increased by **51%** (CCY: 45%) to **R2 519m** (2024: R1 663m), driven by strong headline earnings growth in Banking operations of **59%** (CCY: 53%), partly offset by a decrease in the Africa Regions Insurance performance due to the sale of three of the insurance entities as part of our strategic repositioning to a distribution model.



Total income grew by **12%** (CCY: 10%) to **R19 348m**, driven by Banking operations, which grew net interest income and non-interest income by 14% respectively.



Return on equity (RoE) increased to **17.1%** (2024: 12.1%), driven by Banking operations which improved RoE to **17.8%** (2024: 12.3%).



Active customers grew by **14%** to **3.0m**, driven by enhanced customer value propositions, customer-focused engagement and activation campaigns to drive usage.



Loans and advances to customers remained flat at **R91.1bn**, measured on a RCY basis due to the impact of the stronger rand, but increased by 10% on a CCY basis, supported by broad-based retail portfolio growth (CCY: 8%) and increased secured commercial lending (CCY: 17%).



Credit loss ratio decreased to **1.41%** (2024: 1.81%), which is below the through-the-cycle range.



Deposits due to customers remained flat at **R148.0bn**, measured on a RCY (CCY: 8%), supported by growth in both transactional accounts (CCY: 8%) and investment products (CCY: 9%).



Cost-to-income ratio improved to **61.9%** (2024: 64.7%), underpinned by positive JAWS of 5% driven by improved efficiency and revenue growth.

Salient features	2025	2024	Change %	CCY %
Income (Rm)	19 348	17 320	12	10
Pre-provision profit (Rm)	7 368	6 108	21	18
Headline earnings (Rm)	2 519	1 663	51	45
Credit loss ratio (%)	1.41	1.81		
Cost-to-income ratio (%)	61.9	64.7		
RoRWA (%)	2.05	1.47		
RoA (%)	1.46	1.05		
RoA net of internal balances (%)	2.11	1.54		
RoE (%)	17.1	12.1		

Business profile

AR PPB & BB business profile

AR PPB & BB comprises Banking and Insurance operations. Banking operations are conducted through its Personal and Private Banking and Business Banking businesses, offering a comprehensive suite of products and services to individuals, small- and medium-sized enterprises and commercial customers across ten banking entities in nine African markets. Various solutions are provided to meet customers' transactional, borrowing, savings, protection and investment needs. This is facilitated through branch, self-service, agency banking and digital channels, supported by a relationship-based model with a well-defined coverage structure built on specific CVPs.

The AR Insurance strategy continues to move away from a manufacturing model toward a distribution model. The sale of three of the five AR Insurance entities was concluded during the first half of 2025. The assets and liabilities relating to the two remaining AR Insurance subsidiaries were classified as non-current assets and liabilities held for sale in accordance with IFRS 5 requirements.

Africa Regions–Personal and Private Banking & Business Banking

for the reporting period ended 31 December

Banking operations

Key business areas

Personal and Private Banking (PPB) offers day-to-day banking services to individual customers by providing a comprehensive suite of lending, transactional and deposit, cards and payments products across various segments. Key segments serviced include:

- **Premier banking** represents the affluent PPB segment in each AR presence market. Customers are offered exclusive banking services with tailor-made solutions through dedicated relationship managers.
- **Prestige banking** represents the emerging affluent PPB segment in each market. Customers are serviced through dedicated banking teams, underpinned by appropriate, affordable products and solutions in keeping with customers' aspirations and needs.
- **Personal banking** represents the middle-market segment. Customers have access to direct channels, including the branch network and are offered convenient and relevant products and services.
- **Inclusive banking** provides access to the financial system and, where appropriate, finance to traditionally under-banked and unbanked segments. This segment is serviced primarily through digital channels.

Business Banking is a key focus as it contributes significantly to job creation and national economic development in the AR presence markets. Clients are serviced through direct coverage and relationship-based models with customised solutions. Key segments include:

- **Small- and medium-sized enterprise (SME) banking** serviced using a direct coverage model supported by a branch-based interface.
- **Commercial banking** includes enterprises serviced through a relationship-based model, with dedicated sales and service teams that provide tailored banking solutions such as trade finance, asset finance and working capital facilities.

The commercial and SME segments include a focus on Agriculture, Wholesale and Retail Trade, Manufacturing, Resources and Energy sectors.

Business performance

Business overview

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

The business delivered positive underlying growth in revenue, headline earnings, non-interest revenue and customer numbers, despite various market shifts and challenges in the operating environment. This was made possible through disciplined management of the business, a deliberate focus on the needs of our target customers as well as ensuring we support them through the changing economic cycles. This was achieved through;

- The launch of a new Wealth Proposition and investment products to better serve our high-net-worth customers.
- Continued scaling and enhancing our affluent card value propositions, combined with rewarding our customers through our "Play your Cards Right Campaign", supported double-digit usage growth in cards.
- Growth in mobile lending through our partnerships with Mobile Network Operators driving a **20%** increase in mobile loan disbursements to **R9.4bn** (2024: R7.8bn).
- Enhanced acquiring proposition through addition of mobile money acceptance capabilities for SME customers on traditional POS terminals and the launch of MobiTap in five markets.
- Strengthened access to finance for SMEs with **R3.7bn** in gross loan disbursements, complemented by targeted training programmes, international immersion opportunities, and the launch of a business management tool aimed at improving the customer's efficiency and long-term growth.
- Launched a business Commercial Credit Card with Visa Spend Clarity "Plus" feature, a first for Visa Issuer Banks in sub-Saharan Africa, which supports the customers cash flow management with dynamic spend controls and virtual card creation.
- Transformed the BB customer experience through integrated branch account opening, enabling faster onboarding, real-time verification and reduced turnaround times for new and growing businesses, contributing to the 57% increase in customers onboarded digitally.
- As part of the channel optimisation strategy, we have extended the agency banking footprint in seven markets through a hybrid approach leveraging partners and third-party agents to grow physical presence providing greater access and convenience to our customers without extensive investment in physical infrastructure.
- We continued to advance the sustainability agenda by deepening financial inclusion, scaling the Women-in-Business offering to seven markets, and promoting long-term financial resilience through targeted financial literacy initiatives, skills development, and vocational training initiatives.

Africa Regions–Personal and Private Banking & Business Banking

for the reporting period ended 31 December

Banking operations *continued*

External recognition received

The business received the following recognition from the market:

- **Best Retail Bank** in Ghana, Seychelles and Zambia, and **Bank of the Year** in Ghana and Mozambique, reflecting resilient performance and improving market positions.
- **Best SME Bank** and **Best Agri-Business Bank** in Botswana and Zambia, **Best Trade Finance Bank** in Ghana and Mauritius, and **Best Loan Bank** in Ghana, Kenya, Mauritius and Tanzania.
- **Best Digital Bank** in Botswana and Seychelles, **Best Retail Banking App** in Tanzania, and leading **payments and digital onboarding platforms** in Mauritius, alongside **card innovation and performance** recognition in Kenya.
- **Customer satisfaction and service excellence** in Ghana, Kenya and Zambia, reflecting improving engagement and service outcomes across multiple franchises.
- Recognition for **sustainable and green finance** in Ghana, Kenya and Mauritius, **financial inclusion** in Uganda, **women's access to finance** in Tanzania, **Top Employer** status in Botswana, **private banking excellence** in Mozambique, and **governance and reporting excellence** in Botswana.

Client franchise	2025	2024	Change %
Physical footprint			
Outlets (including number of branches and sales centres)	405	403	0
Number of ATMs	1 224	1 210	1
Point-of-sales (thousands)	55	28	96
Customer numbers			
Active customers (thousands)	3 023	2 650	14
Digitally active customers (thousands)	1 555	1 201	29
Client experience			
Customer Experience Index (out of 150)	101	103	(2)
Treating Customers Fairly (out of 100)	86	87	(1)
Product holding per customer (average number)	3.10	3.01	3

The December 2024 customer numbers and physical footprint numbers have been restated.

A key strategic priority for Africa Regions Banking Operations is to build a high-quality client franchise through improved access, engagement and digital adoption. To support this:

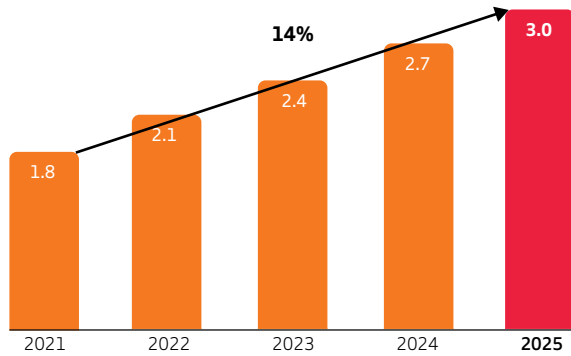
- The distribution network was optimized during the year to support customer growth and access. Total points of presence increased modestly to **405** (2024: 403) outlets reflecting selective expansion in strategically relevant locations. The ATM network was increased to **1 224** (2024: 1 210) to support customer convenience and access, while continued investment in POS infrastructure and scaling our MobiTap footprint strengthened merchant acceptance and supported everyday spend.
- This distribution footprint supported growth in the customer base, with active customers increasing by **14%** to **3.0m** (2024: 2.7m) and digitally active customers growing by **29%** to **1.6m** (2024: 1.2m). Growth was further driven by targeted customer engagement initiatives to increase usage, re-activation campaigns, and new-to-bank acquisition programmes, contributing to a 18% increase in new-to-bank transactional customers.
- Customer experience outcomes were mixed during the period. The Treating Customers Fairly (TCF) score, which measures customers' perception of the Group's adherence to the Conduct Standard for Banks, declined marginally from **87.2** to **86.4**, however remained within the excellent range. Scores reflect service-related pressures during periods of high transaction volumes and ongoing platform enhancements. The Customer Experience Index similarly softened from **103** to **101**, influenced by higher customer expectations and isolated service disruptions. These were partly offset by an improvement in Net Promoter Score (NPS) to **43.2** from 42.2, driven by targeted service improvements, enhanced digital functionality and more proactive client engagement.
- The business continues to address areas of pressure through continued investment in digital platform stability and strengthening frontline capability and tools. This together with the deepening of customer life cycle management activities improved the product holding to **3.10** (2024: 3.01) reflecting stronger customer primacy.

Africa Regions–Personal and Private Banking & Business Banking

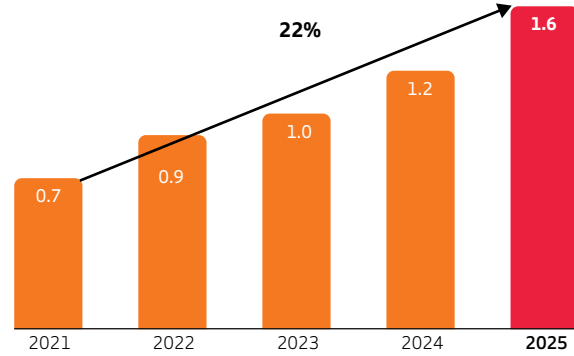
for the reporting period ended 31 December

Banking operations *continued*

Active customers growth trend (CAGR)



Digitally active customers growth trend (CAGR)



Financial performance

Salient features	2025	2024	Change %	CCY %
Income (Rm)	19 129	16 847	14	11
Pre-provision profit (Rm)	7 351	5 920	24	21
Headline earnings (Rm)	2 496	1 566	59	53
Credit loss ratio (%)	1.42	1.84		
Cost-to-income ratio (%)	61.6	64.9		
RoRWA (%)	2.04	1.38		
RoA (%)	1.49	1.02		
RoE (%)	17.8	12.3		

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

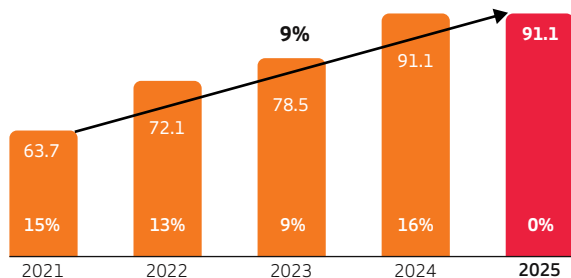
Total income grew by **14%** (CCY: 11%) to **R19 129m** driven by:

- Net interest income growth of **14%** (CCY: 11%) to **R14 151m**, driven by 10% CCY growth in loans and advances to customers and 8% CCY growth in deposits due to customers, supported by a 51bps expansion in NIM.
- Non-interest income growth of **14%** (CCY: 11%) to **R4 978m**, driven largely by transactional fees and commissions (16%) as transactionally active customers grew by 14% and a 29% growth in digitally active customers.

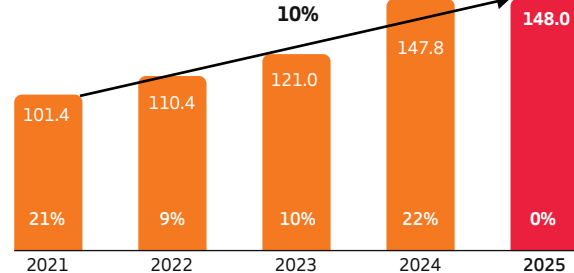
RoE from Banking operations improved to **17.8%** (2024: 12.3%), driven by headline earnings growth of **59%** (CCY: 53%) to **R2 496m** (2024: R1 566m).

Loans and advances to customers of **R91.1bn** and deposits due to customers of **R148.0bn** reflect muted growth in reported currency as the stronger rand at year-end impacted closing balance sheet values. In constant currency, loans grew **10%**, supported by broad-based growth in the Retail portfolio, especially mortgages (CCY: 23%) and secured commercial lending finance (CCY: 17%). Deposits increased by **8%** in CCY, driven by balanced growth across both transactional (CCY: 8%) and investment product (CCY: 9%).

Loans and advances to customers R'bn growth trend (CAGR) and growth %



Deposits due to customers R'bn growth trend (CAGR) and growth %



Africa Regions–Personal and Private Banking & Business Banking

for the reporting period ended 31 December

Banking operations *continued*

Credit impairment charges decreased by **17%** (CCY: 18%) to **R1 401m** (2024: R1 680m), driven primarily by strong and targeted collections in the BB portfolio, that also benefited from improved macroeconomic conditions, as well as the successful development and implementation of enhanced impairment models for the PPB portfolio, which enabled more precise risk measurement. These factors contributed to a lower CLR of **1.42%** (2024: 1.84%), which is below the through-the-cycle range. The NPL ratio improved to **7.5%** (2024: 8.0%), while the overall coverage ratio decreased marginally to **6.7%** (2024: 7.2%).

Operating expenses increased by **8%** (CCY: 6%) to **R11 778m**, largely driven by inflation, continued investment in people and technology. The cost-to-income ratio decreased to **61.6%**, underpinned by improved efficiency supported by the productivity programme, a once-off benefit in Kenya and strong revenue growth, resulting in positive JAWS of 6%.

Looking ahead

AR PPB & BB Banking's strategic priorities include:

- **Client-led growth:** Accelerating growth in the PPB Affluent segment through Wealth and Investment solutions, while expanding our Commercial market share in priority sectors (Agriculture, Wholesale and Trade, and Minerals and Energy). This includes deepening existing primary relationships and building new client partnerships to increase share of wallet and deliver tailored, sector-specific solutions.
- **Product expansion and lending innovation:** Expanding core lending, mobile lending, and innovative payment solutions to augment the existing suite of customer solutions.
- **Digital adoption:** Accelerating the enhancement of digital capabilities to increase digital adoption across segments and products, and improving customer experience, while enabling more efficient, scalable growth.
- **Operational excellence:** Driving operational excellence through increased productivity to improve overall efficiency.

- **Diversification:** Growing and diversifying geographic, segment, and product contributions across markets to reduce concentration risk.

Insurance Operations

Business profile

A Bancassurance distribution model with key partners in AR is seen as a more sustainable model for generating non-interest revenue. The sale of Absa Life Botswana, Absa Life Zambia and Global Alliance Mozambique was completed during the first half of 2025. As at 31 December 2025, the assets and liabilities relating to the two remaining AR Insurance subsidiaries were classified as non-current assets and liabilities held for sale in accordance with IFRS 5 requirements.

Insurance consists of:

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

External recognition received

The following accolades were received during the year:

First Assurance Kenya

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

Absa Life Assurance Kenya

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

Financial performance

Salient features	2025	2024	Change %	CCY %
Income (Rm)	219	473	(54)	(55)
Pre-provision profit (Rm)	16	190	(91)	(93)
Headline earnings (Rm)	22	97	(77)	(75)
Cost-to-income ratio (%)	92.5	60.0		
RoE (%)	3.2	10.0		

The Group disposed of three of its AR Insurance entities – Global Alliance Mozambique, Absa Life Botswana and Absa Life Zambia during the first half of 2025, resulting in a loss of **R60m**. As a result, the year-on-year financial performance was materially impacted.

- Total income decreased by **54%** (CCY: 55%) to **R219m** reflecting the sale of the three entities, partially offset by a stronger performance in Absa Life Kenya and First Assurance Kenya due to higher new business volumes for Endowment and Group Life.
- Operating expenses decreased by **29%** (CCY: 28%) to **R202m**, however the cost-to-income ratio increased to **92.5%** due to the lower revenue base.
- This resulted in a decline in earnings of **77%** (CCY: 75%) to a profit of **R22m**.
- The strategy to pursue a distribution model is on track with the non-interest revenue from Bancassurance increasing by **31%** (CCY) to **R492m**.

Corporate and Investment Banking

for the reporting period ended 31 December

Headline earnings increased by **14%** to **R13 008m** (2024: R11 423m, up 13% in CCY), driven by total income growth of 9% (up 8% in CCY) and lower credit impairment charges (down 14%, 13% in CCY), partially offset by higher operating expenses (up 7%).



Total income increased by **9%** (up 8% in CCY), driven by **non-interest income** up **16%** (up 14% in CCY) underpinned by strong growth in Global Markets.



Return on equity of **21.1%**, up from 20.7% in the prior year, driven by headline earnings growth.



Investment Bank headline earnings up **26%** (up 24% in CCY) largely due to a strong Global Markets performance, increasing the headline earnings contribution of the Investment Bank to **72%** (2024: 65%).



Net interest margin contracted by 12bps from 2.65% to **2.53%**, mainly driven by loan book and deposit pricing pressure in SA and a declining interest rate environment in key markets in Africa regions.



Gross customer advances¹ up **8%** (10% in CCY) and **customer deposits²** up **5%** (up 7% in CCY).



Transactional Banking headline earnings down **9%** driven by flat revenue compared to prior year (down 1% in CCY), while costs increased by 4%.



Credit loss ratio at the lower end of the through-the-cycle (TTC) range of 20-30 bps at **0.21%** (2024: 0.27%).



Net fee and commission income flat year-on-year impacted by increased pricing pressure and the netting of cash in transit cost against revenues.



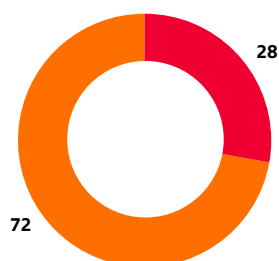
Positive JAWS of **2.4%** and a **cost-to-income ratio** of **45.9%** (2024: 46.9%) supported by solid revenue growth and tight cost management (costs up 7%).

1 Excludes reverse repurchase agreements.

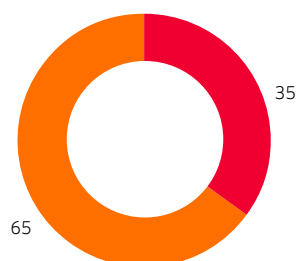
2 Excludes repurchase agreements.

Headline earnings contribution (%)

2025



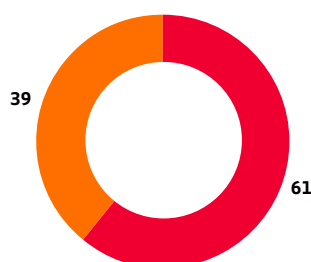
2024



● Transactional Banking
● Investment Bank

Revenue mix contribution (%)

2025



2024



● Net interest income
● Non interest income

Corporate and Investment Banking

for the reporting period ended 31 December

Salient features	2025	2024	Change %	CCY %
Income (Rm)	36 699	33 627	9	8
Pre-provision profit (Rm)	19 858	17 856	11	10
Headline earnings (Rm)	13 008	11 423	14	13
Credit loss ratio (%)	0.21	0.27		
Cost-to-income ratio (%)	45.9	46.9		
RoRWA (%)	2.62	2.60		
RoA (%)	0.94	0.97		
RoA net of internal balances (%)	1.29	1.34		
RoE (%)	21.1	20.7		

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Business profile

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

Key business areas

We partner with clients to develop and execute innovative solutions through end-to-end relationship management and origination activities across our suite of products and services.

- **Transactional Banking** – delivers integrated financing and transactional solutions, including trade and working capital, cash management, payments, liquidity and card services to institutional, corporate and public sector clients across Africa. Absa Investor Services further strengthens the franchise through a full suite of custody and trustee services, enhancing client value.
- **Investment Bank** comprising:
 - **Global Markets** – engages in sales, trading and research activities across all major asset classes and products, delivering pricing, hedging and risk management capabilities to corporate and institutional clients.
 - **Investment Banking Division (IBD)** – leveraging our deep sector knowledge and advisory, financing, and capital-raising expertise, our award-winning experienced teams will tailor bespoke solutions to enable our clients' strategic goals.
 - **Real Estate Finance** – specialises in financing commercial, industrial, retail and residential development property.
 - **Equity Investments** – manages non-core private equity and infrastructure investments. This portfolio continues to be reduced in line with the Group's strategy to exit non-core business.

Corporate and Investment Banking

for the reporting period ended 31 December

	Transactional Banking			
	2025	2024	Change %	CCY %
Statement of comprehensive income (Rm)				
Net interest income	11 351	11 160	2	1
Non-interest income	3 243	3 470	(7)	(7)
Total income	14 594	14 630	(0)	(1)
Credit impairment charges	(254)	(276)	(8)	(16)
Operating expenses	(8 370)	(8 018)	4	4
Other expenses	(507)	(122)	>100	>100
Operating profit before income tax	5 463	6 214	(12)	(12)
Tax expenses	(1 613)	(1 695)	(5)	(5)
Profit for the reporting period	3 850	4 519	(15)	(15)
Profit attributable to:				
Ordinary equity holders	3 432	4 047	(15)	(15)
Non-controlling interest – ordinary shares	265	303	(13)	(11)
Non-controlling interest – preference shares	37	45	(18)	(20)
Other equity – Additional Tier 1 capital	116	124	(6)	(6)
	3 850	4 519	(15)	(15)
Headline earnings	3 679	4 026	(9)	(9)
Operating performance (%)				
Net interest margin on average interest-bearing assets	2.42	2.64		
Credit loss ratio	0.25	0.27		
Non-interest income as % of income	22.2	23.7		
Cost-to-income ratio	57.4	54.8		
Statement of financial position (Rm)				
Loans and advances	110 793	100 200	11	13
Loans and advances to customers	85 388	80 974	5	8
Loans and advances to banks	25 405	19 226	32	35
Investment securities	3 732	3 833	(3)	(3)
Other assets	388 449	374 069	4	6
Total assets	502 974	478 102	5	7
Deposits and debt funding	479 655	459 533	4	6
Deposits	479 655	459 533	4	6
Deposits due to customers	441 744	422 908	4	6
Deposits due to banks	37 911	36 625	4	5
Debt funding	–	–	–	–
Other liabilities	16 636	13 476	23	22
Total liabilities	496 291	473 009	5	7
Financial performance (%)				
RoRWA	2.61	3.11		
RoA	0.78	0.93		

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Corporate and Investment Banking

for the reporting period ended 31 December

Investment Bank				Total Corporate and Investment Banking			
2025	2024	Change %	CCY %	2025	2024	Change %	CCY %
10 931	10 037	9	9	22 282	21 197	5	5
11 174	8 960	25	23	14 417	12 430	16	14
22 105	18 997	16	15	36 699	33 627	9	8
(1 015)	(1 205)	(16)	(13)	(1 269)	(1 481)	(14)	(13)
(8 471)	(7 753)	9	9	(16 841)	(15 771)	7	7
(554)	(399)	39	38	(1 061)	(521)	>100	>100
12 065	9 640	25	23	17 528	15 854	11	9
(1 955)	(1 365)	43	37	(3 568)	(3 060)	17	14
10 110	8 275	22	21	13 960	12 794	9	8
9 165	7 394	24	22	12 597	11 441	10	9
502	426	18	19	767	729	5	6
108	123	(12)	(12)	145	168	(14)	(14)
335	332	1	1	451	456	(1)	(1)
10 110	8 275	22	21	13 960	12 794	9	8
9 329	7 397	26	24	13 008	11 423	14	13
2.66	2.66			2.53	2.65		
0.20	0.27			0.21	0.27		
50.5	47.2			39.3	37.0		
38.3	40.8			45.9	46.9		
535 120	481 687	11	12	645 913	581 887	11	13
499 152	451 464	11	12	584 540	532 438	10	11
35 968	30 223	19	21	61 373	49 449	24	26
63 285	53 162	19	20	67 017	56 995	18	18
298 133	240 759	24	20	686 582	614 828	12	11
896 538	775 608	16	15	1 399 512	1 253 710	12	12
238 749	178 295	34	34	718 404	637 828	13	14
189 827	138 142	37	37	669 482	597 675	12	14
91 994	78 875	17	17	533 738	501 783	6	8
97 833	59 267	65	65	135 744	95 892	42	42
48 922	40 153	22	22	48 922	40 153	22	22
641 914	583 518	10	10	658 550	596 994	10	10
880 663	761 813	16	15	1 376 954	1 234 822	12	12
2.62	2.39			2.62	2.60		
1.03	1.00			0.94	0.97		

Corporate and Investment Banking

for the reporting period ended 31 December

	Corporate and Investment Banking SA		
	2025	2024	Change %
Statement of comprehensive income (Rm)			
Net interest income	12 735	12 555	1
Non-interest income	8 243	7 092	16
Total income	20 978	19 647	7
Credit impairment charges	(983)	(1 168)	(16)
Operating expenses	(10 731)	(10 056)	7
Other expenses	(833)	(343)	>100
Operating profit before income tax	8 431	8 080	4
Tax expenses	(778)	(821)	(5)
Profit for the reporting period	7 653	7 259	5
Profit attributable to:			
Ordinary equity holders	7 057	6 635	6
Non-controlling interest – ordinary shares	–	–	–
Non-controlling interest – preference shares	145	168	(14)
Other equity – Additional Tier 1 capital	451	456	(1)
	7 653	7 259	5
Headline earnings	7 467	6 665	12
Operating performance (%)			
Net interest margin on average interest-bearing assets	1.87	2.03	
Credit loss ratio	0.19	0.26	
Non-interest income as % of income	39.3	36.1	
Cost-to-income ratio	51.2	51.2	
Statement of financial position (Rm)			
Loans and advances	542 348	483 896	12
Loans and advances to customers	489 730	439 250	11
Loans and advances to banks	52 618	44 646	18
Investment securities	63 742	53 836	18
Other assets	569 495	511 968	11
Total assets	1 175 585	1 049 700	12
Deposits and debt funding	591 075	519 814	14
Deposits	542 161	479 661	13
Deposits due to customers	412 131	386 588	7
Deposits due to banks	130 030	93 073	40
Debt funding	48 914	40 153	22
Other liabilities	574 333	519 361	11
Total liabilities	1 165 408	1 039 175	12
Financial performance (%)			
RoRWA	2.43	2.43	
RoA	0.65	0.68	

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.



Corporate and Investment Banking

for the reporting period ended 31 December

Corporate and Investment Banking AR

Total Corporate and Investment Banking

2025	2024	Change %	CCY %	2025	2024	Change %	CCY %
9 547	8 642	10	10	22 282	21 197	5	5
6 174	5 338	16	12	14 417	12 430	16	14
15 721	13 980	12	11	36 699	33 627	9	8
(286)	(313)	(9)	(4)	(1 269)	(1 481)	(14)	(13)
(6 110)	(5 715)	7	6	(16 841)	(15 771)	7	7
(228)	(178)	28	27	(1 061)	(521)	>100	>100
9 097	7 774	17	14	17 528	15 854	11	9
(2 790)	(2 239)	25	20	(3 568)	(3 060)	17	14
6 307	5 535	14	11	13 960	12 794	9	8
5 540	4 806	15	12	12 597	11 441	10	9
767	729	5	6	767	729	5	6
–	–	–	–	145	168	(14)	(14)
–	–	–	–	451	456	(1)	(1)
6 307	5 535	14	11	13 960	12 794	9	8
5 541	4 758	16	13	13 008	11 423	14	13
4.76	4.82			2.53	2.65		
0.28	0.33			0.21	0.27		
39.3	38.2			39.3	37.0		
38.9	40.9			45.9	46.9		
103 565	97 991	6	15	645 913	581 887	11	13
94 810	93 188	2	10	584 540	532 438	10	11
8 755	4 803	82	>100	61 373	49 449	24	26
3 275	3 159	4	16	67 017	56 995	18	18
117 087	102 860	14	13	686 582	614 828	12	11
223 927	204 010	10	14	1 399 512	1 253 710	12	12
127 329	118 014	8	16	718 404	637 828	13	14
127 321	118 014	8	16	669 482	597 675	12	14
121 607	115 195	6	13	533 738	501 783	6	8
5 714	2 819	>100	>100	135 744	95 892	42	42
8	–	100	>100	48 922	40 153	22	22
84 217	77 633	8	6	658 550	596 994	10	10
211 546	195 647	8	12	1 376 954	1 234 822	12	12
2.91	2.89			2.62	2.60		
2.43	2.43			0.94	0.97		

Corporate and Investment Banking

for the reporting period ended 31 December

Business performance

CIB concluded the year with a strong performance. This was set against the backdrop of an evolving economic landscape, marked by elevated global uncertainty and geopolitical instability. Domestic conditions, however, while challenging earlier in the year due to weak growth and declining confidence, eased gradually in the second half as inflation stabilised and credit conditions strengthened. This resulted in a more benign operating environment for the banking sector towards the end of 2025, supporting CIB's performance and providing a foundation for continued momentum as we move into 2026.

Key highlights of CIB's performance in 2025 include:

- **Revenue growth with strong returns** underpinned by diversified operations and integrated product and service offerings.
- **Expansion of global corridors:** Continued focus on enhancing CIB's ability to connect international clients with opportunities across Africa. The launch of the Dubai office is planned for the first half of 2026, subject to regulatory approvals.
- **Improved client experience and growth in digitally active clients:** CIB's client experience index score was up 6.7% from the prior year despite heightened competitive dynamics, while digitally active clients, a key client-related metric, increased by 7.3%.
- **Investment in technology:** The business's commitment to technological advancement has resulted in enhanced digital platforms and client-centric data capabilities, driving productivity and continuously enhancing our clients' experience.
- **Driving sustainable change in society:** CIB employees have contributed meaningfully to many valuable initiatives impacting vulnerable communities and programmes related to education and preparing young people for future employment.
- **ESG** remains a focus through partnerships with clients on sustainable financing solutions and on elevating the social dimension of ESG.
 - Acted as lender and sustainability coordinator to LeapFrog Consumer Fund, extending a social loan of c.R1.7bn, enabling LeapFrog to expand access to capital, accelerate innovation and drive job creation in sectors critical to sustainable development.
 - As joint mandated lead arranger, joint hedge provider, senior debt lender, ancillary debt lender, facility agent and guarantee issuing bank, committed R5.5bn to Red Rocket Energy (Red Rocket) in the first and second phase of the FE Overberg wind project, which will supply a total of 380MW of clean energy to Richards Bay Minerals and Discovery Green, respectively.
 - Supported Cross Boundary Energy's \$200 million capital raise, contributing up to \$100 million to expand renewable infrastructure, enable the mining of critical transition metals such as copper, and extend energy access across underserved African markets.
 - Co-led a R4.74 billion facility for Seriti Green's Ummbila Emoyeni wind farm to fund the 155 MW second phase of the project. The project will supply renewable energy to the Energy Exchange of Southern Africa customers.

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

- **Best Bank for ESG: Africa & South Africa** and **Best Investment Bank for Debt Capital Markets: Africa, South Africa and Tanzania** at the Euromoney Awards for Excellence 2025.
- Acknowledgement of CIB's commitment to ESG and sustainability, at the Global Finance Sustainable Finance Awards, with the following accolades: **Sustainable Finance Deal of the Year in Africa:** Developing African Capital Markets Tanga Water Infrastructure Green Revenue Bond, **Best Impact Investing Solution:** Africa and **Best Bank for Sustainable Finance:** Kenya. Additionally, at the Environmental Finance Impact Award, we were recognised for the Environmental Project/Investment of the Year: Renewables – Red Sands Battery Energy Storage (BESS).
- Recognition of our deal-making across various product lines at the Deals Awards, including: **Financial Institutions Bond Deal of the Year** – Ecobank Transactional Senior Bond, **International Equity Capital Markets Deal of the Year** – First Quantum Minerals Equity, **Local Equity Capital Markets Deal of the Year** – Pick n Pay, **M&A Deal of the Year** – Lekela Power, **High Yield Debt Deal of the Year** – Government of the Kingdom of Eswatini and **Corporate Bond Deal of the Year** – Sibanye-Stillwater.
- Named **Bank Treasury and Funding Team**, Corporate Bond House, Rising Star Bond House, Local Equity Capital Markets House, East Africa Investment Bank of the Year at the House Awards 2025.
- **Best Investment Bank:** South Africa, Ghana and Kenya, **Best Loan Bank:** South Africa, Ghana, Kenya and Mauritius and **Best Sustainable Bank:** South Africa, Ghana and Mauritius at the World Economic Magazine Awards 2025.
- **Best Investment Bank** in Ghana and Mauritius, **Best M&A Bank:** Africa and **Best Investment Bank for Infrastructure Finance:** Africa at the Global Finance World's Best Investment Bank Awards 2025.
- The Transactional Banking business was named the **Top Innovator in Finance** at the Global Finance Awards 2025 for Digital Innovation.
- **Best Cash Management Services in Africa** at the 2025 EMEA Finance Treasury Awards and **Best Help Desk** in the EMEA Region at the 2025 Global Top Ranking Performers Contact Center World Awards.

Corporate and Investment Banking

for the reporting period ended 31 December

Financial performance

Headline earnings increased by **14%** to **R13 008m** (2024: R11 423m, up 13% in CCY) driven by total income which was up **9%** to **R36 699m** (2024: R33 627m, up 8% in CCY), and lower credit impairments, down **14%** to **R1 269m** (2024: R1 481m, down 13% in CCY), partially offset by higher operating expenses up **7%** to **R16 841m** (2024: R15 771m, up 7% in CCY). RoE improved to **21.1%** (2024: 20.7%).

- SA headline earnings increased by **12%** to **R7 467m** (2024: R6 665m), driven by total income growth of **7%** to **R20 978m** (2024: R19 647m) and lower credit impairment charges (down **16%** to **R983m**), partially offset by higher operating expenses growth of **7%** to **R10 731m**.
- Africa regions headline earnings contributed **43%** to overall CIB's headline earnings (2024: 42%) and increased by **16%** to **R5 541m** (2024: R4 758m, up 13% in CCY). Total income increased by **12%** to **R15 721m** (2024: R13 980m, up 11% in CCY), and credit impairments decreased 9% to a charge of **R286m** (2024: R313m, down 4% in CCY), partially offset by operating expense growth of **7%** to **R6 110m** (2024: R5 715m, 6% in CCY).

Total income increased by **9%** due to a strong Investment Bank performance, particularly in the Global Markets business. The overall client franchise performance improved by 4% from the prior year, across key sectors such as Non-Banking Financial Institutions, Public Sector, Mining and Metals, Power and Renewables, Agriculture and Real Estate.

From a product perspective, the Investment Bank delivered income growth of **16%** (15% in CCY) and in Transactional Banking income was flat (down 1% in CCY).

- Net interest income increased by **5%** to **R22 282m** (2024: R21 197m, up 5% in CCY) driven by growth in customer deposits² of 5% (7% in CCY) and gross customer advances¹ of 8% (10% in CCY). However, margins contracted from 2.65% to **2.53%**, most notably in Transactional Banking, which was impacted by the lower average interest rate environment and pricing pressure.
- Non-interest income increased by **16%** to **R14 417m** (2024: R12 430m, up 14% in CCY) due to higher Global Markets trading income, partially offset by lower Equity Investment realisations in line with the reduction in balance sheet, as well as lower fair value adjustments and capital raising activities in IBD. Net fee and commission income was flat year on year, impacted by increased pricing pressure despite higher transactional volumes in Transactional Banking, as well as the netting of cash in transit costs against revenues (R171m).

The decrease in credit impairments was driven by lower stage 3 charges in SA, while Africa regions benefited from a lower performing book charge. The CLR at **0.21%** (2024: 0.27%) was at the lower end of the through-the-cycle guidance range (20-30bps). The total coverage ratio decreased to **1.43%** (2024: 1.77%), due to repayments and write-offs of high coverage names in SA. The performing coverage ratio declined slightly to **0.39%** (2024: 0.41%), primarily driven by higher-quality origination and the migration of higher-risk exposures to the non-performing book.

Operating expenses growth was contained at **7%** (up 7% in CCY), reflecting tight cost management. The increase was primarily driven by inflationary pressures across several markets, coupled with investments in talent, technology and the continued capability build-out of the International Offices to support future growth.

Other operating expenses were up by **104%**, including the write-offs of intangible assets in SA of R559m, due to changing market dynamics and client preferences. The post-tax impact of this was headline earnings neutral.

Growth in gross customer loans and advances¹ of **8%** (10% in CCY) was largely driven by overdrafts (up 54%), overnight finance (up 31%), Real Estate Finance commercial mortgages (up 10%) and term loans (up 5%) in SA. Africa regions customer loans and advances growth was 2% (up 10% in CCY), with growth driven by term loans (up 17% in CCY) and STCF (up 183% in CCY).

Customer deposits² were up **5%** to **R502.3bn** (2024: R477.0bn, up 7% in CCY), with growth across deposit classes in SA, most notably cheque deposits (up 10%) and call deposits (up 12%) while foreign currency deposits declined (down 9%) reflecting the strengthening of the rand against the US dollar. Africa regions customer deposit balances increased by 6% (13% in CCY), reflecting improved liquidity inflows in several markets, driven by higher corporate client balances across key sectors.

¹ Excludes reverse repurchase agreements.

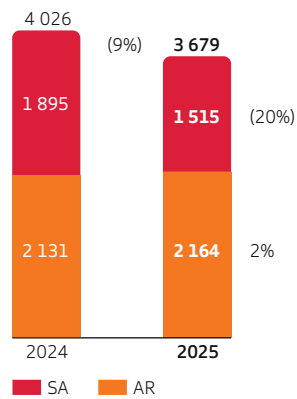
² Excludes repurchase agreements.

Corporate and Investment Banking

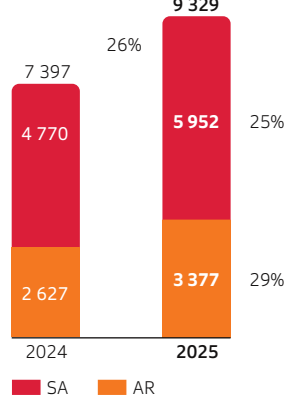
for the reporting period ended 31 December

Headline earnings (Rm and change %)

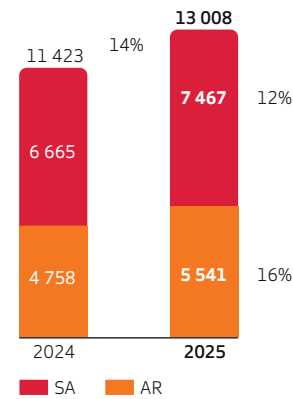
Transactional Banking



Investment Bank



Total CIB

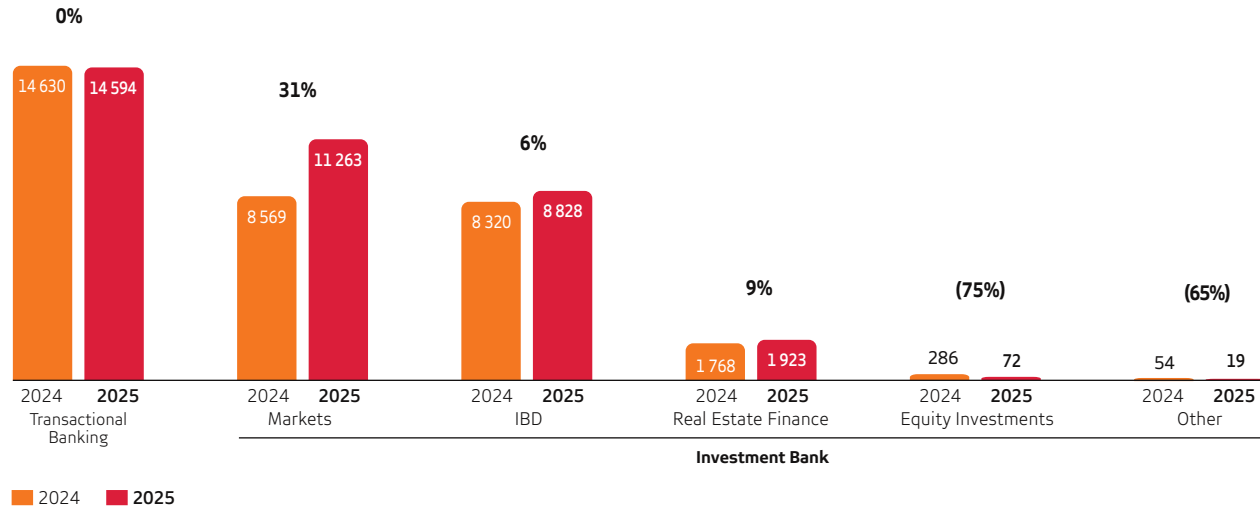


- Transactional Banking headline earnings decreased by **9%** to **R3 679m** (2024: R4 026m, down 9% in CCY), driven by muted growth in total income which was flat (down 1% in CCY) and higher operating expenses (up 4%), partially offset by lower credit impairments (down 8%). SA headline earnings was down 20%, while Africa regions was up 2% (up 1% in CCY).
 - Income of **R14 594m** was flat year-on-year (2024: R14 630m, down 1% in CCY), driven by muted growth in average loans to customers, up 3% (down 1% in CCY), and margin compression due to declining interest rates in key markets as well as growth in low margin deposits and pricing pressures. These factors were partially offset by deposit book growth and higher transactional volumes.
 - Credit impairments decreased by **8%** to **R254m** (2024: R276m, down 16% in CCY) and the CLR declined to **0.25%** (2024: 0.27%), mainly due to lower single name stage 3 charges in SA and lower performing book charges in Africa regions.
 - Operating expenses growth was contained at **4%** to **R8 370m** (2024: R8 018m, up 4% in CCY), benefiting from the implementation of strategic cost management initiatives. Also contributing to the lower growth rate was the netting of cash in transit cost against revenues (R171m).
- Investment Bank headline earnings increased by **26%** to **R9 329m** (2024: R7 397m, up 24% in CCY) supported by growth in SA, up 25%, and Africa regions, up 29% (up 23% in CCY). The performance was driven by higher total income (up **16%**), and lower impairments (down 16%), partially offset by higher costs (up 9%).
 - Income increased by **16%** to **R22 105m** (2024: R18 997m, up 15% in CCY). Net interest income grew **9%** to **R10 931m** (2024: R10 037m, up 9% in CCY), supported by higher average customer loan book balances in the IBD and Real Estate Finance businesses. Margins were flat year-on-year, as competitive pricing in the lending businesses was offset by higher net interest income in Global Markets. Non-interest income increased by **25%** to **R11 174m** (2024: R8 960m, up 23% in CCY) benefiting from a strong Global Markets performance. This was partially offset by lower Equity Investment realisations in line with the reduction in balance sheet, as well as lower fair value adjustments and capital-raising activities in IBD.
 - Credit impairments decreased by **16%** to **R1 015m** (2024: R1 205m, down 13% in CCY) and the CLR declined to **0.20%** (2024: 0.27%), mainly due to lower single name stage 3 charges in SA.
 - Operating expenses increased by **9%** to **R8 471m** (2024: R7 753m, up 9% in CCY), largely driven by higher amortisation charges, investment in people and technology and inflation.

Corporate and Investment Banking

for the reporting period ended 31 December

Gross income mix (Rm and change %)



Business unit performance

Transactional Banking

Transactional Banking income was flat at **R14 594m** (2024: R14 630m, 1% down in CCY), with Africa regions up **5%** to **R7 074m** (2024: R6 751m, 4% up in CCY) and SA down **5%** to **R7 520m** (2024: R7 879m).

- Net interest income growth was **2%** to **R11 351m** (2024: R11 160m, up 1% in CCY), due to muted growth in average loans to customers (up 3%, down 1% in CCY) and margin pressure in a lower average interest rate environment, partially offset by strong average customer deposits growth of 11% (12% in CCY).
- Non-interest income was down **7%** to **R3 243m** (2024: R3 470m, down 7% in CCY), driven by increased pricing pressure despite higher transactional volumes in Trade Letters of Credit and Guarantees and netting of cash in transit costs against revenues (R171m).

Transactional Banking income was driven by the following:

- Deposits income up **4% in CCY** benefiting from increased total average deposit balances, up 12% in CCY, underpinned by Africa regions up 15% in CCY and SA up 12%. Margin compression was largely due to declining interest rates in key markets and adverse client and product mix.

- Transactions income down **5% in CCY** driven by ongoing pricing pressure across SA and Africa regions. SA pressure was largely due to migration to lower margin propositions. Africa regions was impacted by higher agency banking fees as well as pricing compression driven by the migration of volumes to lower unit-pricing electronic channels.
- Trade Finance income down **10% in CCY**, adversely impacted by a decline in average advances with SA down 11% to R19bn (2024: R21bn) and Africa regions down 10% in CCY to R18bn (2024: R20bn). This was partially offset by strong growth in documentary trade-related activities, notably Letters of Credit and Guarantees.
- Working Capital and Supply Chain Finance down **11% in CCY** due to increased pricing pressure across both SA and Africa regions. Average advances to customers were up 1% in both SA and Africa regions.
- Physical Cash income was down **37% in CCY**, impacted by the netting of cash in transit costs against revenues (R171m).

Corporate and Investment Banking

for the reporting period ended 31 December

Business unit performance *continued*

Salient features	2025	2024	Change %	CCY %
Gross income (Rm)	14 594	14 630	(0)	(1)
Credit impairment charges (Rm)	(254)	(276)	(8)	(16)
Net income (Rm)	14 340	14 354	(0)	(0)
Average loans and advances to customers (Rbn)	77.4	75.2	3	(1)
Average deposits to customers (Rbn)	431.9	387.8	11	12

Investment Bank

Investment Bank income increased by **16%** to **R22 105m** (2024: R18 997m, up 15% in CCY), with Africa regions up **20%** (up 17% in CCY) and SA up **14%**.

- Net interest income grew by **9%** to **R10 931m** (2024: R10 037m, up 9% in CCY) supported by higher average balance sheet in the IBD and Real Estate Finance businesses. Margins across the Investment Bank remained stable at **2.66%** (2024: 2.66%) as competitive pricing in the lending businesses was offset by higher net interest income in Global Markets.
- Non-interest income increased by **25%** to **R11 174m** (2024: R8 960m, up 23% in CCY), driven by strong growth in Global Markets. This was partially offset by lower Equity Investment realisations in line with the reduction in balance sheet, as well as lower fair value adjustments and capital-raising activities in IBD.

Business units performed as follows:

Global Markets

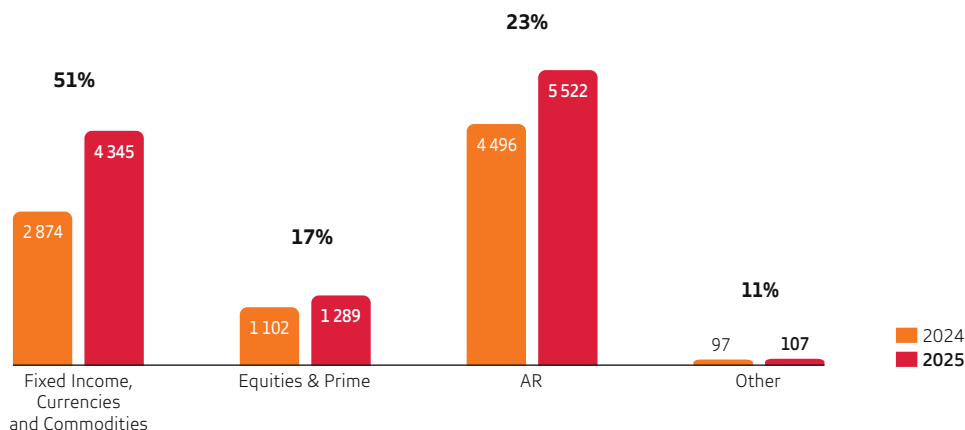
Global Markets income increased by **31%** to **R11 263m** (2024: R8 569m, up 29% in CCY). Global Markets SA income was up **41%** to **R5 741m** (2024: R4 073m), while Africa regions income increased by **23%** to **R5 522m** (2024: R4 496m, up 19% in CCY).

The Global Markets SA performance was driven by:

- Fixed Income, Currencies and Commodities up **51%** to **R4 345m** (2024: R2 874m), benefiting from periods of heightened volatility and strong market moves driven by evolving global policy dynamics. This was supported by increased client activity and revenue opportunities. Improved macroeconomic conditions and positive investor sentiment underpinned flows into emerging markets. Despite margin pressure from tightening spreads, disciplined execution supported continued growth.
- Equities and Prime up **17%** to **R1 289m** (2024: R1 102m), supported by sustained growth in client flows and momentum in the Research franchise, which translated into market-share gains and broader opportunities across products. Prime Services also recorded solid revenue growth, driven by expanding client financing balances and new-to-bank client acquisition, underscoring a diversified and resilient institutional financing franchise.

Global Markets Africa regions income grew **23%** to **R5 522m** (2024: R4 496m, up 19% in CCY), characterised by resilience amid a challenging and mixed operating environment. Strong income growth in several markets was driven by targeted client flows, enhanced trading execution, product innovation and supportive macro conditions. Although FX liquidity constraints, margin pressure, regulatory headwinds, and macroeconomic uncertainty persisted in parts of the region, most markets maintained disciplined execution and advanced strategically through stronger client engagement, broader client diversification, expansion in structured products, and improved digital adoption.

Global Markets gross income split (Rm and change %)

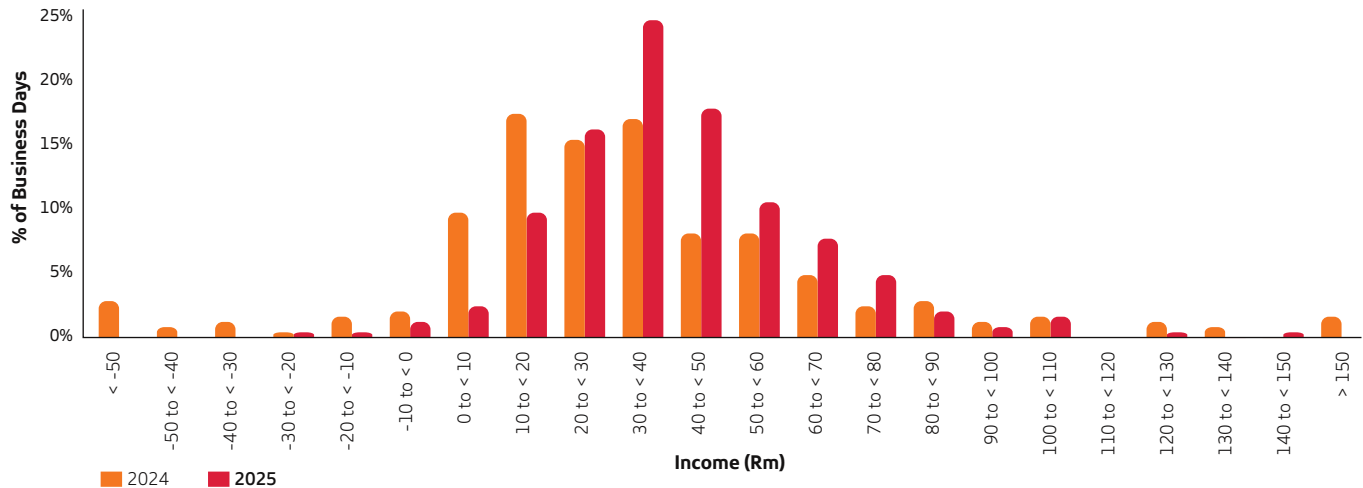


Corporate and Investment Banking

for the reporting period ended 31 December

Business unit performance *continued*

Daily Markets income distribution (Rm)



Investment Banking Division

Investment Banking Division income increased by **6%** to **R8 828m** (2024: R8 320m, up 6% in CCY), with net interest income growing faster than non-interest income.

- Net interest income growth of **7%** was supported by growth in average customer loans and advances due to key deals closed out in the financing business. Margin compression was experienced in select product lines in a competitive market.
- Non-interest income was up **2%** as a result of higher fair value adjustments in the base as well as lower capital-raising activities.

The credit impairment charge decreased by **30%** largely due to lower single name charges.

Salient features	2025	2024	Change %	CCY %
Gross income (Rm)	8 828	8 320	6	6
Credit impairment charges (Rm)	(766)	(1 100)	(30)	(27)
Net income (Rm)	8 062	7 220	12	11
Average loans and advances to customers (Rbn)	290.2	274.1	6	8

Real Estate Finance

The Real Estate Finance business increased income by **9%** to **R1 923m** (2024: R1 768m, up 9% in CCY), reflective of sustained business momentum. Net interest income growth of 9% was supported by average net portfolio asset growth of **11%** (up 10% in CCY).

Impairments were up **53%** (57% in CCY) off a low base, and largely driven by higher single name charges in the current year.

Real Estate Finance maintains its strategic focus on sustainable growth supported by a diversified portfolio of assets.

Salient features	2025	2024	Change %	CCY %
Gross income (Rm)	1 923	1 768	9	9
Credit impairment charges (Rm)	(159)	(104)	53	57
Net income (Rm)	1 764	1 664	6	6
Average net portfolio assets (Rbn)	93.0	84.1	11	10

Corporate and Investment Banking

for the reporting period ended 31 December

Business unit performance *continued*

Equity Investments

Equity Investments reported net income of **R72m** (2024: R286m), driven mainly by realisations and dividends. The portfolio size decreased by R364m, in line with the strategy to exit non-core businesses.

Salient features	2025	2024	Change %
Revaluation (Rm)	(58)	87	<(100)
Realisations, dividends, interest and fee (Rm)	127	232	(45)
Funding (Rm)	3	(33)	>100
Net income (Rm)	72	286	(75)
Total portfolio size (Rbn)	0.1	0.5	(80)

Looking ahead

Our strategy is anchored on strengthening our position as a leading corporate and investment banking business, with a deliberate focus on deepening our relationships with clients. In 2026, we will continue to focus on execution of our strategy leveraging our sector expertise, global footprint, talent, and capabilities to solution for client needs, reinforcing our quest to be the preferred banking partner. Areas of strategic focus include:

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

Head Office, Treasury and other operations

for the reporting period ended 31 December

Financial performance

Head Office, Treasury and other operations improved marginally to a headline loss of **R2 165m** for 2025 (2024: R2 275m loss).

The year-on-year movement for earnings reflects the following material items:

- The base effect of discontinuing hyperinflationary accounting in Ghana in the current year, given the non-recurrence of the HE loss adjustment of the prior year (**R633m** headline uplift year-on-year);
- Higher earnings in Treasury South Africa due to a favourable impact year-on-year on asset-liability management, increased volumes in the liquid asset portfolio and realised gains from the disposal of bonds (**R619m** headline uplift year-on-year); partially offset by a lower rates environment in the Africa regions markets reducing yields on the liquid asset portfolio by **R500m**, as well as higher withholding taxes;
- Sovereign portfolio credit impairments increased in AR by **R320m** compared to the prior year;
- Higher performance costs.

Other expenses includes the non-recurrence of the prior-year net monetary loss on indirect tax, discontinuing hyperinflationary accounting in Ghana, and non-credit related impairments of the hyperinflated asset balances in Ghana (non-headline). Also included are internally generated intangible asset impairments due to changes in group strategy of **R981m** in 2025 (2024: R67m) and the Corporate Real Estate Consolidation Project (non-headline) of **R34m** in 2025 (2024: R561m).

	Head Office		
	2025 Rm	2024 Rm	Change %
Statement of comprehensive income			
Net interest income	398	946	(58)
Non-interest income	249	16	>100
Total income	647	962	(33)
Credit impairment charges	(480)	(161)	>100
Operating expenses	(1 777)	(1 647)	8
Other expenses	(2 482)	(2 025)	23
Operating profit before income tax	(4 092)	(2 871)	43
Tax expenses	624	309	>100
Profit for the reporting period	(3 468)	(2 562)	35
Headline earnings	(2 165)	(2 275)	(5)

The segment split numbers have been restated. Refer to the reporting changes overview in note 13.

Risk and capital management

Risk management overview	115
Capital management and risk weighted assets	132

Risk management overview

for the reporting period ended 31 December

Risks arising from the operating environment

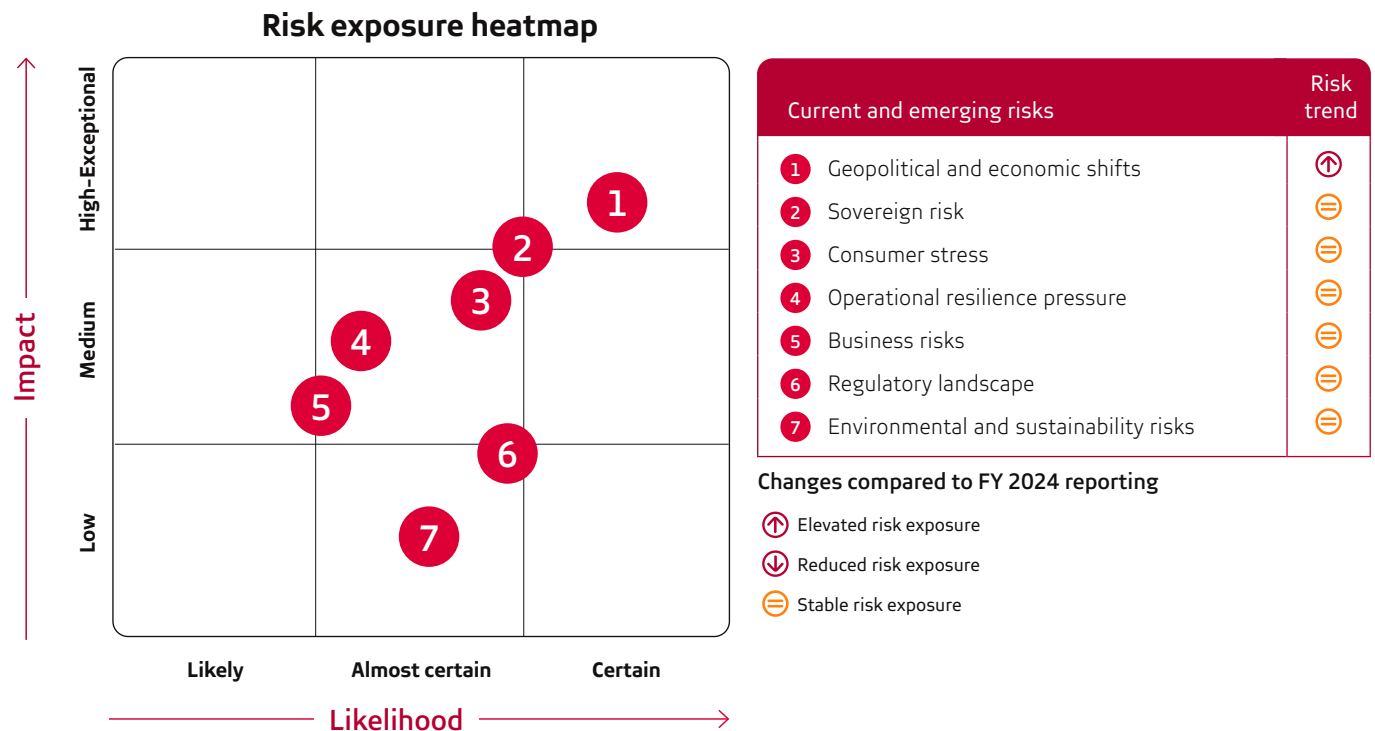
The Group operates within an uncertain global and domestic environment, characterised by heightened geopolitical fragmentation, shifting policy priorities and persistent macroeconomic volatility. This results in risks, which are inherently interconnected, evolving across the financial system impacting economic growth, trade flows, capital markets, sovereign risk profiles, investor confidence and customer resilience.

Through disciplined governance structures, 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 – ensuring alignment between strategy and risk appetite. Continuous operating environment scanning, structured escalation, scenario analysis to assess the potential impacts 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.

Refer to the Pillar 3 report for a detailed overview of the Enterprise Risk Management Framework and further information on the Group's risks in the operating environment.

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.

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.

Risk management overview

for the reporting period ended 31 December

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.

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.



Risk management overview

for the reporting period ended 31 December

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.

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.

Risk management overview

for the reporting period ended 31 December

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.
- Implement a holistic set of ESG targets in support of reporting on 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.

Risk management overview

for the reporting period ended 31 December

Overview of risk weighted assets

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

Group	2025 RWA Rm	2024 RWA ¹ Rm	2025 Minimum capital requirement ² Rm
Credit risk ³	940 960	887 807	117 620
Market risk	61 117	40 371	7 640
Operational risk ⁴	210 293	208 785	26 288
Threshold items	20 257	24 695	2 532
Total	1 232 627	1 161 658	154 080

Absa Bank ⁵	2025 RWA Rm	2024 RWA ¹ Rm	2025 Minimum capital requirement ² Rm
Credit risk ³	615 744	547 575	76 969
Market risk	32 921	24 650	4 115
Operational risk ⁴	132 382	115 646	16 549
Threshold items	9 305	12 382	1 163
Total	790 352	700 253	98 796

On 1 July 2025, the Basel III finalisation regulations came into effect, and the December 2025 balances are calculated on this basis. Balances prior to this date have not been restated.

Refer to Pillar 3 report for more detail on RWAs per risk type.

Credit risk

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

Key metrics	2025	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

1 The December 2024 figures were revised to align with 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.

Risk management overview

for the reporting period ended 31 December

Credit risk *continued*

Review of current reporting period

- 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.

Priorities

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

1 The December 2024 figures were revised to align with 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.

Risk management overview

for the reporting period ended 31 December

Credit risk *continued*

Market risk

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

Traded market risk

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

Key risk metrics	2025	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

Review of current reporting period

- 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 macro-economic environment, along with the implementation of the FRTB regulatory changes.

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.

Non-traded market risk

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

Key risk metrics	2025	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

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.

Risk management overview

for the reporting period ended 31 December

Market risk *continued*

Review of current reporting period

- 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.

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.

Capital and liquidity risk

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

Capital risk

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

Key risk metrics	2025	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

Review of current reporting period

- 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.

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

2 Includes unappropriated profits.

3 Capital and liquidity risk includes pension risk.

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

Risk management overview

for the reporting period ended 31 December

Capital and liquidity risk *continued*

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.

Liquidity risk

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

Key risk metrics	2025	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	1 328.3 ¹
South Africa	1 191.2	1 127.4
AR	220.6	200.9
Deposits from customers and banks (including debt securities) (Rbn)	1 787.2	1 641.5 ¹
South Africa	1 472.9	1 360.7
AR	314.3	280.8

Review of current reporting period

- Liquidity risk position:
 - The Group's liquidity risk position remained healthy and key liquidity metrics were within risk appetite and above the minimum regulatory requirements.
 - The Group maintained a high-quality liquid asset (HQLA) buffer in excess of the minimum regulatory requirements, based on stress testing performed, to absorb potential volatility in the liquidity position.
 - The money market surplus, post the gold and foreign exchange contingency reserve account (GFECRA) liquidity injection into the market, 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).

1 The December 2024 figures were revised to align with 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.



Risk management overview

for the reporting period ended 31 December

Capital and liquidity risk *continued*

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

Priorities

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

1 The December 2024 figures were revised to align with 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.

Insurance risk

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

Key risk metrics¹

	2025	2024
Headline earnings (Rm) ²	1 010	1 082
Capital adequacy cover (regulatory basis) (times) ³	1.49	1.38
Insurance risk EC (Rbn)	6.9	6.2

Review of current reporting period

- Earnings from insurance activities saw a 7% reduction (i.e. R1.01bn in 2025 and R1.08bn in 2024) mainly driven by the sale of ABSA Life Botswana (ALB), ABSA Life Zambia (ALZ) and Global Allianz Mozambique (GAM). These transactions also contributed to the increase observed in capital adequacy cover.
- The AFS Insurance Group solvency position was calculated using the deduction and aggregation method, incorporating the solvency positions of the underlying entities that comprise the Group, i.e. the insurance operations in South Africa and AR, and non-banking financial services. The Group's solvency position remained resilient due to adequate capital buffers.
- Abisa Financial Services (AFS) and the solo licensed insurance entities remained well capitalised. As at 31 December 2025, Absa Life's capital adequacy cover is 1.51x³ and Absa Insurance Company's capital adequacy cover is 1.81x³.
- Climate change is recognised by the AFS Group as a material financial risk influencing underwriting performance, pricing adequacy and capital allocation decisions primarily in the non-life insurance businesses. The Group incorporated climate scenario analysis within its risk management and stress testing processes, with climate risk considerations embedded in underwriting standards and pricing models. Ongoing engagement with reinsurers supported the optimisation of risk transfer structures in the context of increasing climate-related loss volatility and a challenging reinsurance market.

Priorities

- Heightened oversight will continue over Strategic, People and Change risks, reflecting the ongoing uncertain economic environment facing the Kenya entities.
- Enhance model governance and oversight processes through the development of automated model governance tools, as well as targeted model reviews.
- Measurement and monitoring of risk adjusted product performance to inform capital allocation and strategic business decisions.
- Drive excellence by using advanced data analytics to grow sales and optimise collections and retention, while applying AI and robotics to streamline and automate processes for greater efficiency.

1 Figures are shown for Absa Financial Services (AFS), the approved regulated insurance group controlling company.

2 Headline earnings reflect SA Insurance only and exclude all other AFS entities.

3 Draft capital position, before foreseeable dividends, consistent with prior submissions. Post foreseeable dividend figures are not available at time of publishing.

Risk management overview

for the reporting period ended 31 December

Strategic, sustainability and reputational risk

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

Strategic risk

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

Key risk metrics

	2025	2024
Strategic risk EC (Rbn)	6.3	8.3

Review of current reporting period

- Strategic risk management continued to be embedded across the organisation, underpinned by the maturation of key measurement processes and enhanced oversight mechanisms.
- Economic capital quantification was refined to ensure continued accurate quantification of risks faced by the Group. This has resulted in a reduction in the level of economic capital held.
- Conducted the annual strategic risk assessments in preparation for annual strategy refresh processes, making use of refined measurement techniques.
- Strategic risk concerns persisted, particularly in relation to persistent operating environment volatility and competitive pressures from both traditional and non-traditional market participants. Disciplined capital allocation, embedment of the revised operating model and continued execution against the Group's technology plan remained critical in navigating these challenges.

Priorities

- Support the Group's strategic initiatives in light of ongoing uncertainty in the operating environment.
- Continue focus on accurate economic capital allocation across the organisation.
- Refine proactive risk monitoring to enable agile and effective strategic responses.
- Broaden the use of scenario analysis and other forward-looking tools to assess potential impact variability and support the development of proactive mitigation strategies.

Sustainability risk

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

Review of current reporting period

- Materiality assessments were conducted to understand and evaluate how climate-related risks could impact the resilience of the Group's business model over the short, medium and longer terms.
- Improved methodologies for climate risk stress testing and scenario analysis, covering both physical and transition risks.
- Enhanced proprietary physical and transition risk models for SA, enabling independent augmentation and alignment with evolving regulatory expectations.
- Mapped climate risk regulatory reporting requirements across South African Reserve Bank (SARB), The Basel Committee on Banking Supervision (BCBS), International Association of Insurance Supervisors (IAIS), and International Financial Reporting Standards (IFRS S2) to inform governance and reporting metrics.
- Assessed data gaps and limitations impacting quantitative regulatory reporting and defined tactical and strategic data sourcing strategies to support climate risk integration.

Priorities

- Continue embedding ESG into our risk management, risk assessment and client engagement processes, supported by scenario analysis and stress testing.
- Conduct exploratory climate-risk scenario analyses, building on the SARB climate risk stress testing exercise.
- Implement tactical data sourcing solutions to support immediate reporting needs and strengthen ESG data sourcing through the strategic application of AI-based data sourcing solutions, third party vendors and client engagements.
- Embed climate risk tools to strengthen and enhance client ESG due diligence processes, client risk management and credit decision making process.
- Develop and implement climate risk measurement solutions and climate risk stress testing frameworks for AR subsidiaries.
- Conduct a pilot to assess Absa's exposure to nature-related risks and dependencies.

Risk management overview

for the reporting period ended 31 December

Strategic, sustainability and reputational risk *continued*

Reputational risk

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

Review of current reporting period

- The Group strengthened its overall reputation risk management capabilities, with a focus on preparedness, narrative management and proactive stakeholder engagement.
- Strategic participation in the G20/B20 platform, positioned Absa in key global conversations, supporting external reputation building.
- An independently led crisis communications simulation rated the Group's response strategy as "satisfactory", reinforcing its crisis readiness efforts.
- A structured communications programme supported the onboarding and public introduction of senior executives, improving leadership visibility and stabilising stakeholder sentiment.
- The Group actively engaged key media stakeholders to reinforce strategic messages, clarify direction and manage emerging reputational issues.
- Assessed the Group performed well in the external reputation risk benchmarking exercise to evaluate governance, metrics and practices against international standards.

- Continuous engagement with opinion formers and enhanced monitoring of traditional and social media helped identify sentiment shifts early and enabled timely response.
- Strengthened governance and oversight of reputation risk to ensure coordinated enterprise-wide management of emerging issues.

Priorities

- Sustain proactive and consistent stakeholder communication and engagement to support leadership stability, strategic execution and ongoing trust in the Group.
- Seek targeted public relations and engagement activity across priority markets and segments, aligned to the Group strategy and risk appetite.
- Perform deliberate and targeted leadership profiling to ensure our key executives are intentionally positioned, visible, and consistently represented across priority platforms to strengthen credibility, reinforce our strategic narrative, and build stakeholder trust.
- Monitor and manage media, social and stakeholder sentiment, with particular focus on emerging issues that may impact the Group's reputation and social license to operate.

Model risk

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

Key risk metrics

	2025	2024
Model risk EC (Rbn)	1.6	1.8

Review of current reporting period

- 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.

Priorities

- 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.

Risk management overview

for the reporting period ended 31 December

Operational and resilience risk

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

Key risk metrics	2025	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

Review of current reporting period

- 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.

Priorities

- Maintain a satisfactory and robust control environment that continues to deliver operational resilience through:
 - 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.
- Continue to assess and respond to the risk of continued adverse weather conditions comprehensively as part of broader ESG activities.

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

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

Risk management overview

for the reporting period ended 31 December

Compliance risk

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

Conduct risk

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

Review of current reporting period

- Strengthened controls in complaints management by leveraging increased automation and use of AI to enhance the customer experience and align with conduct expectations.
- Instilled corporate values, ethical conduct and a customer-focused approach across the organization by implementing targeted action plans in response to the 2025 biennial Ethics Risk Assessment.
- Improved awareness of conduct standards, ethical choices, and policy application in customer interactions and decisions through targeted training interventions.
- Enhanced employee surveillance and conflict management processes supported by automation and robotic processes to improve conduct risk management.
- Reinforced data privacy and security controls to ensure secure, lawful and ethical handling of customer and employee information supported by increased awareness across the organisation, increasing customer trust and confidence.
- Maintained fair customer outcomes during leadership transitions by prioritising stability, upholding an ethical organisational tone and enhancing accountability across the organization.

Priorities

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

Risk management overview

for the reporting period ended 31 December

Financial crime risk

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

Review of current reporting period

- Introduced an industry level Transaction Monitoring Think Tank through the Banking Association of South Africa (BASA) with the purpose to enhance transaction monitoring practices and risk identification capabilities, while aligning to global best practices.
- Strengthened risk identification and mitigation capabilities to further increase the effectiveness detecting and mitigating intermediary-driven fraud schemes.
- Optimised data and automation capabilities to enhance data-driven risk detection and identification, improving efficiency and speed while enabling end-to-end financial crime risk mitigation.
- Initiated and chaired an industry-first intelligence collaboration on the gold-based money laundering Target Operating Group (TOG) in partnership with the Financial Intelligence Centre (FIC) and other financial institutions.
- Participated in the Interbank Terrorist Financing Collaboration Task Team, strengthening intelligence-sharing on emerging Terrorist Financing typologies across banks and enforcement agencies.

- Strengthened collaboration across regulators and industry through continued participation in the South African Money-Laundering Integrated Taskforce (SAMLIT) TOGs on tax refund fraud, gold-based money laundering, and terrorist financing, positioning Absa as a proactive and leading intelligence partner.
- Embedded the Global Screening Service (GSS) in South Africa, Mauritius, Seychelles, Kenya, Mozambique and Botswana and Absa Bank Tanzania, awaiting Regulatory approval for the remaining markets.

Priorities

- Strengthen risk management capabilities to seamlessly incorporate intelligence across risk management processes.
- Adopt data and technology enablers and digital solutions to enhance the quality, effectiveness and efficiency of risk identification and mitigation.
- Foster stronger partnerships and relationships across private and public sector to positively impact the broader industry's fight against financial crime.
- Deepen and expand relationships with industry bodies and international forums to strengthen collaboration and actively participate in industry initiatives addressing emerging financial crime threats.

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

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

Risk management overview

for the reporting period ended 31 December

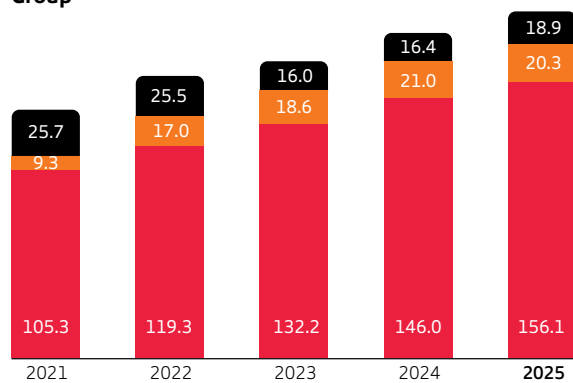
Capital adequacy

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

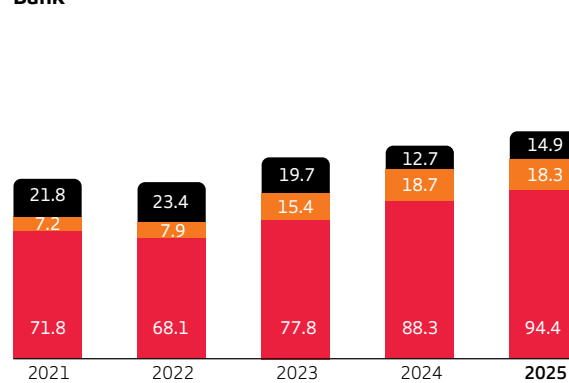
			Group performance		Bank performance	
	Board target ranges ¹	Minimum RC requirements ²	2025	2024	2025	2024
Statutory capital ratios (includes unappropriated profits) (%)						
CET1	11.0 – 12.5		12.7	12.6	11.9	12.6
Tier 1	>12.0		14.3	14.4	14.3	15.3
Total capital adequacy requirement (CAR)	>14.5		15.8	15.8	16.2	17.1
Leverage	> 5.5		7.4	7.8	5.8	6.1
Regulatory capital ratios (exclude unappropriated profits) (%)						
CET1		8.5	12.0	11.8	11.5	11.7
Tier 1		10.3	13.6	13.6	13.8	14.4
Total CAR		12.5	15.1	15.1	15.7	16.2
Leverage		4.5 ³	7.1	7.4	5.6	5.8

Qualifying capital (including unappropriated profits)

Group



Bank



■ CET1 (Rbn) ■ Additional Tier 1 (Rbn) ■ Tier 2 (Rbn)

Group						Bank				
2021	2022	2023	2024	2025		2021	2022	2023	2024	2025
12.8	12.8	12.5	12.6	12.7	CET1 ratio (%)	12.4	12.5	11.9	12.6	11.9
17.0	16.6	15.8	15.8	15.8	Total CAR (%)	17.9	17.6	16.2	17.1	16.2
931.5	1 007.4	1 058.4	1 161.7 ⁴	1 232.6	RWA (Rbn)	630.0	662.1	683.0	700.3 ⁴	790.4

1 Capital ratios (including unappropriated profits) are managed against Board capital targets. The Absa Bank Limited CET1 Board target range is 10.5% to 12.0%

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

3 The leverage regulatory minimum increased from 4.0% to 4.5%, effective 1 July 2025 for both Absa Group and Absa Bank.

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

Capital management and risk weighted assets

for the reporting period ended 31 December

Capital supply

Breakdown of qualifying capital

Group	2025		2024	
	Rm	% ¹	Rm ²	% ¹
CET1	147 327	12.0	137 413	11.8
Additional Tier 1 capital	20 280	1.6	21 004	1.8
Tier 1 capital	167 607	13.6	158 416	13.6
Tier 2 capital	18 868	1.5	16 431	1.4
Total qualifying capital (excluding unappropriated profits)	186 475	15.1	174 847	15.1
Qualifying capital (including unappropriated profits)				
CET1 including unappropriated profits	156 134	12.7	145 932	12.6
CET1	147 327	12.0	137 451	11.8
Unappropriated profits	8 807	0.7	8 520	0.7
Additional Tier 1 capital	20 280	1.6	21 004	1.8
Tier 1 capital	176 414	14.3	166 936	14.4
Tier 2 capital	18 868	1.5	16 431	1.4
Total qualifying capital (including unappropriated profits)	195 282	15.8	183 367	15.8

Absa Bank ³	2025		2024	
	Rm	% ¹	Rm ²	% ¹
CET1	90 873	11.5	81 991	11.7
Additional Tier 1 capital	18 316	2.3	18 709	2.7
Tier 1 capital	109 189	13.8	100 700	14.4
Tier 2 capital	14 947	1.9	12 718	1.8
Total qualifying capital (excluding unappropriated profits)	124 136	15.7	113 418	16.2
Qualifying capital (including unappropriated profits)				
CET1 including unappropriated profits	94 431	11.9	88 256	12.6
CET1	90 873	11.5	81 991	11.7
Unappropriated profits	3 558	0.4	6 265	0.9
Additional Tier 1 capital	18 316	2.3	18 709	2.7
Tier 1 capital	112 747	14.3	106 965	15.3
Tier 2 capital	14 947	1.9	12 718	1.8
Total qualifying capital (including unappropriated profits)	127 694	16.2	119 683	17.1

1 Percentage of capital to RWAs.

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

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

Capital management and risk weighted assets *continued***Economic capital**

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

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

Economic capital	2025 Rm	2024 Rm
Credit risk ¹	69 586	78 504
Market risk	19 152	15 561
Trading book risk	9 403	6 615
Banking book risk	9 749	8 946
Insurance risk	6 863	6 242
Strategic, sustainability and reputational risk	6 319	8 251
Model risk	1 592	1 760
Capital and liquidity risk ²	684	918
Operational and resilience risk ³	12 503	12 598
Total EC requirement	116 699	123 834
Total EC AFR	195 696	186 872
Total EC surplus	78 998	63 038
EC coverage ratio	1.7	1.5

1 Credit risk includes investment risk, CCR, central CCR, CVA and securitisation.

2 Capital and liquidity risk includes pension risk.

3 Operational and resilience risk includes operational risk and non-customer assets which includes property and equipment.

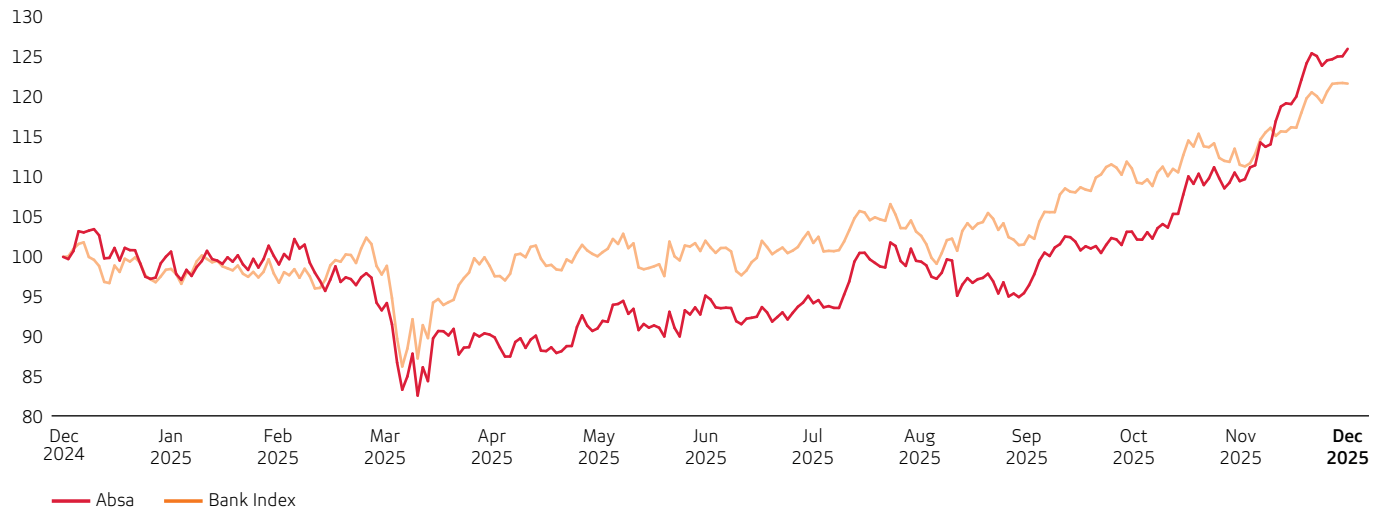
Appendices

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Share performance

for the reporting period ended 31 December

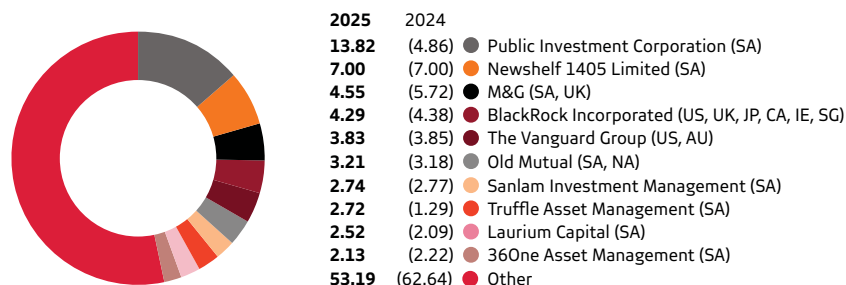
Share performance (indexed to 100 at 31 December 2024)



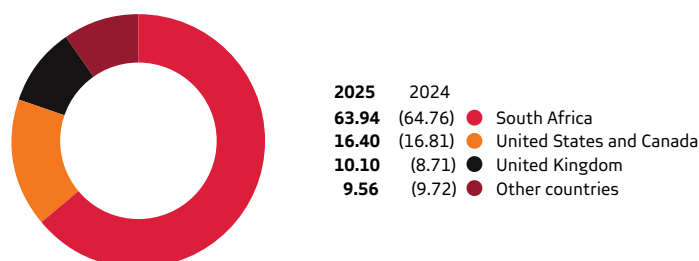
Share performance on the JSE	2025	2024	Change %
Number of shares in issue, which includes 2025: 65 074 525 (2024: 64 918 470) treasury shares	894 376 907	894 376 907	
Market prices (cents per share):			
closing	23 936	18 975	26
high	23 936	19 826	21
low	15 666	13 778	14
average	18 725	16 292	15
Closing price/ NAV per share (times)	1.15	0.98	17
Price-to-earnings ratio (closing price/HEPS) (times)	8.10	7.12	14
Volumes of shares traded (million)	731	776	(6)
Value of shares traded (Rm)	136 344	126 505	8
Market capitalisation (Rm)	214 078	169 708	26
Total return (%)	34.4	24.3	

Shareholder information and diary

Major ordinary shareholders (%)



Major shareholding split by geography (%)



Shareholder diary

Financial year-end	31 December 2025
Annual general meeting	02 June 2026

Dividend	Declaration date	Last day to trade	Ex-dividend date	Record date	Payment date
Final	Tuesday 10 March 2026	Tuesday 21 April 2026	Wednesday 22 April 2026	Friday 24 April 2026	Tuesday 28 April 2026

Glossary

Approaches (FIRB, AIRB, AMA and IMA)

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

Average interest-bearing assets

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

Average loans to deposits and debt funding ratio

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

Balance sheet

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

Bank

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

Banking average assets

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

Banking book annual earnings at risk

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

Banking income yield

Income as a proportion of banking average assets.

Banking interest yield

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

Banking non-interest yield

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

Banks Act

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

Barclays

Barclays PLC, registered in England under registration number 1026167.

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

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

Borrowed funds

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

Capital adequacy ratio

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

Capital – Common Equity Tier 1

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

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

Glossary

Capital – Additional Tier 1 capital

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

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

Capital – Common Equity Tier 1 capital adequacy ratio

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

Capital – Tier 2 capital

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

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

Capital – Tier 2 ratio

A component of regulatory capital, comprising qualifying subordinated loan capital, related minority interests, allowable collective impairment allowances, and unrealised gains arising on the fair valuation of equity instruments designated at fair value through other comprehensive income. Tier 2 capital also includes reserves arising from the revaluation of properties.

Conduct risk

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

Constant currency

The selected line items from the Condensed consolidated statement of comprehensive income and Condensed consolidated statement of financial position for the Africa regions market segment disclosed on pages 17 and 19 are derived by translating the Statement of comprehensive income and Statement of financial position from the respective individual entities' local currencies to Rand.

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

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

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

Contractual service margin (CSM)

The component of insurance contract liabilities that represents the unearned profit an insurance company expects to recognize over the life of a contract.

Cost of equity

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

Cost-to-income ratio

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

Coverage ratio

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

Credit loss ratio

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

Debt funding

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

Glossary

Diluted headline earnings per share

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

Distribution force

Number of active advisers.

Dividend payout ratio

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

Dividend per ordinary share relating to income for the reporting period

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

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

Earnings per share

Basic earnings per share

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

Diluted basic earnings per share

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

Economic capital

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

Exchange differences

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

Expected Credit Loss (ECL) coverage ratio

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

Financial Markets Act

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

Foreign currency translation

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

Gains and losses from banking and trading activities

Banking and trading portfolios include:

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

Gains and losses from investment activities

Insurance and strategic investment portfolios including:

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

Gross credit extended

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

Glossary

Group

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

Headline earnings

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

Headline earnings per share

Headline earnings per share

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

Diluted headline earnings per share

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

Income statement

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

Indirect taxation

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

Insurance income

Consists of the following Statement of comprehensive income line items: “insurance service result”, “net finance income/(expenses) from insurance contracts”, “net finance income/(expenses) from reinsurance contracts”, “changes in investment contract liabilities” and “gains and losses from investment activities*”.

* This excludes Other as defined in the note.

Jaws

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

Leverage

Average assets as a proportion of average equity.

Gross loans-to-deposits and debt funding

Gross Loans and advances as a percentage of deposits and debt funding.

Long-term funding ratio

Funding with a term in excess of six months.

Market capitalisation

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

Merchant income

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

Net asset value per share

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

Net income

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

Net interest income

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

Net interest margin on average interest-bearing assets

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

Glossary

Net present value unwind on non-performing book

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

Net trading result

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

Non-interest income

Non-interest income consists of the following Statement of comprehensive income line items: "net fee and commission income", "insurance service result", "net finance income/(expenses) from insurance contracts", "net finance income/(expenses) from reinsurance contracts", "changes in investment contract liabilities", "gains and losses from banking and trading activities", "gains and losses from investment activities" as well as "other operating income".

Non-interest income as a percentage of income

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

Pre-provision profit

Total income less operating expenses.

Price-to-earnings ratio

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

Probability of default

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

Regulatory capital

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

Return on average assets

Annualised headline earnings as a proportion of total average assets.

Return on average equity

Annualised headline earnings as a proportion of capital attributable to ordinary shareholders for the Group.

Measure of efficient use, by segment, of regulatory capital for the business units.

Return on average risk-weighted assets

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

Risk adjustment (RA)

The specific amount an insurance entity requires to compensate it for the uncertainty of bearing non-financial risks from insurance contracts.

Income/total income

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

Glossary

Risk-weighted assets

Calculated by assigning a degree of risk, expressed as a percentage (risk weight) to an exposure, in accordance with the applicable standardised or internal ratings-based approaches rules. RWA are determined by applying the:

- AIRB approach for wholesale and retail credit; AMA for operational risk;
- Internal ratings-based market-based simple risk-weight approach for equity investment risk in the banking book; and
- Standardised approach for all African entities (both credit and operational risk).

Solvency margin

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

Stage 1

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

Stage 2

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

Stage 3

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

Stage 3 loans ratio on gross loans and advances

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

Tangible net asset value per share

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

Underwriting margin

A measure of profitability that indicates the proportion of profit or loss earned from an insurer's core underwriting activities, calculated as underwriting profit (or loss) divided by net earned premiums.

Value-at-risk model

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

Weighted average number of shares

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

Abbreviations and acronyms

List of abbreviations

A

AEaR	Annual earnings at risk
AFR	Available financial resources
AFS	Annual financial statements
AGL	Absa Group Limited
AIRB	advanced internal ratings-based approach
AMA	advanced measurement approach
ATC	Africa Treasury Committee
ATM	automated teller machine
AR	Africa Regions

B

Basel	Basel Capital Accord
BERC	Group Executive Risk Committee
BBBEE	Broad-based black economic empowerment
BIA	Basic Indicator Approach
Bps	basis points
BU	business unit

C

CAR	capital adequacy requirement
CAGR	Compound annual growth rate
CCF	credit conversion factor
CCP	central counterparty
CCR	counterparty credit risk
CEM	current exposure method
CET1	Common Equity Tier 1
CFP	contingency funding plan
CIB	Corporate and Investment Banking
CLF	committed liquidity facility
CLGD	country loss given default
CMRA	conduct material risk assessments
CoRC	Concentration Risk Committee
CPF	Commercial Property Finance
CPRF	Conduct Principal Risk Framework
CR	credit risk
CRC	Control Review Committee
CRCC	Country Risk and Control Review Committee
CRM	credit risk mitigation
CRRC	Conduct and Reputational Risk Committee
CSA(s)	collateral support annexure(s)
CVA	credit valuation adjustment

D

DGS	Deposit Guarantee Scheme
D-SIBs	domestic-systemically important banks
DVaR	daily value at risk

E

EAD	exposure at default
EC	economic capital
ECA	economic capital adequacy
Edcon	Edcon Store Card portfolio
EL	expected loss
ERMF	Enterprise Risk Management framework
EVE	economic value of equity
EWIs	early warning indicators

F

FRTB	Fundamental Review of the Trading Book
FX	Forex

G

GAC	Group Actuarial Committee
GACC	Group Audit and Compliance Committee
GCC	Group Credit Committee
GCCO	Group Chief Credit Officer
GCE	Group Chief Executive
GCRO	Group Chief Risk Officer
GMRA	Global Master Repurchase Agreement
GMRP	Group Market Risk Committee
GMSLA	Group Model Risk Policy
GRCMC	Global Master Securities Lending
Group	Group Risk and Capital Management Committee
GWWR	Absa Group Limited
GWWR	general wrong way risk

H

HQLA	high-quality liquid assets
HR	high risk

Abbreviations and acronyms

I

IAA	internal assessment approach
IAS	International Accounting Standard(s)
IAS 28	IAS 28 Investments in Associates
IAS 39	IAS 39 Financial Instruments: Recognition and Measurement
ICAAP	internal capital adequacy assessment process
ICMA	International Capital Market Association
IFRS	International Financial Reporting Standard(s)
IFRS 9	Financial Instruments
IFRS 11	Joint Arrangements
IMA	internal models approach
IMM	interest models method
IRB	interest ratings-based
IRRBB	interest rate risk in the banking book
ISDA	International Swaps and Derivatives Association
ISLA	International Securities Lending Association
IT	information technology
IVC	Independent Valuation Committee

J

JIBAR	Johannesburg Interbank Agreed Rate
JSE	Johannesburg Stock Exchange

K

KCI	key control indicator
KI	key indicator
KPI	key performance indicator
KRI	key risk indicator
KRO	Key Risk Officer
KRS	Key Risk Scenarios

M

MC	Group Model Committee
MR	market risk

N

NCWO	No-credit-worse-off
NII	net interest income
NPL(s)	Non-performing loan(s)
NSFR	Net stable funding ratio

O

OR&CC	Operational Risk and Control Committee
ORMF	Operational Risk Management Framework
ORSA	Own Risk and Solvency Assessment
ORX	Operational risk data exchange
OTC	over-the-counter

R

RBA	ratings-based approach
RBB	Retail and Business Banking
RC	regulatory capital
RDARR	Risk data aggregation and risk reporting
RoE	return on average equity
RoRWA	Return on average risk-weighted assets
RRP	recovery and resolution plan
RSU	Risk Sanctioning Unit
RW	risk-weight
RWA	risk-weighted assets
RWR	right way risk

S

SA	Standardised approach
SA-CCR	Standardised approach for counterparty credit risk
SAM	Solvency Assessment and Management
SARB	South African Reserve Bank
SEC	securitisations
SFA	supervisory formula approach
SL	specialised lending
SME	small and medium-sized enterprises
SSFA	simplified supervisory formula approach
sVAR	stressed value at risk
SWWR	specific wrong way risk

T

TLAC	Total loss absorbing capacity
TRC	Trading Risk Committee
TSA	The standard approach
TTC	through-the-cycle

V

VAF	Vehicle and Asset Finance
VaR	Value at risk

W

WIMI	Wealth, Investment Management and Insurance
WL	watch list

Contact information

Absa Group Limited

Incorporated in the Republic of South Africa
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JSE share code: ABG
ISIN: ZAE000255915
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