



# Absa Group Limited

Integrated Report 2025

A value creation story...

Your story matters



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This chapter is an introduction to the Group, who we are, our values, where we operate and how we create value through our chosen business model.

We explore the operating conditions in 2025 and take stock of relationships with others. These insights inform our strategic intent as we determine a go-forward (2026+) strategy, which is responsive to matters that are material to our ability to create value.

We take a look at performance for the year under review (2025). Our executives provide an overview after which readers can click through to detailed discussions. Discussions are structured relative to the 2025 strategic pillars that were in place for the period under review. The Outlook chapter elaborates on our future expectations relative to the new go-forward strategy.

We end our value creation story by explaining how executives were remunerated relative to 2025 performance, while also discussing the governance practices that lay the foundation for value creation.

## This report is best consumed online


**Hyperlinked red italics:** Click to find more or connected information.


Full navigational header: Click on chapter names to jump to a specific chapter. Click home  to go to the table of contents and click forward or backward   to move between pages.

## Navigational icons

### Integrated thinking principle

We signpost where integrated thinking and decision-making are at play to form the basis for long-term value creation.

 **King V principle**, noting the number of the relevant principle.

 **Specific disclosure statements** by the Board as required by the King V Disclosure Framework.

### Six capitals

A full description of each capital is available in the **supplementary information**.



### United Nations Sustainable Development Goals (SDGs)

We prioritise six SDGs where the Group makes the most significant contribution and impact:



# Reading this report

Our annual reporting suite is evolving year-on-year to meet our readers' information needs and regulatory requirements. For each disclosure subset, we apply a different materiality lens to ensure our reporting is concise and relevant. All the reports are available at <https://www.absa.africa/investor-relations/>.

## Our annual reporting suite

### We apply financial materiality

#### This Integrated Report

Our primary report to the market where we tell a holistic, forward-looking story about value creation and preservation. The report includes information on material sustainability impacts that influence enterprise value or affect our business model.



Dynamic thinking guides our materiality approach, with different materiality lenses applied to different reporting subsets.

#### Dynamic thinking\*

### We apply financial materiality

#### Financial and risk disclosures

We report on matters that relate to financial performance and associated risks, including assumptions and cash flow projections.



Group Consolidated and Separate Annual Financial Statements (AFS)



Pillar 3 Disclosure



Financial Results Booklet



Results Presentation

### We apply double materiality (financial and impact)

#### Environmental, social and governance (ESG) disclosures

We report on matters that reflect Absa's significant impacts on the economy, society and the environment.



Sustainability and Climate Report (SCR)



Broad-Based Black Economic Empowerment (B-BBEE) Report



Remuneration (Rem) Report



Tax Transparency Report (TTR)



King V Disclosure Framework (King V<sup>1</sup> DF)



Notice of Annual General Meeting (NoM) and proxy

\* Absa may have positive and/or negative impacts on prosperity, people and the planet. However, only a subset of these impacts affects our business model, thereby creating or eroding enterprise value and influencing returns to providers of financial capital (financial materiality). Therefore, we direct stakeholders in need of detailed sustainability impact disclosures to our **SCR**.

<sup>1</sup> IoDSA King V™ Report on Corporate Governance for South Africa, 2025 (King V). Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

## Reading this report continued

### Reporting processes and assurance<sup>LA-IA</sup>

We apply a risk-based **combined assurance approach** to the Group's operations, which is reflected in our reporting. Internal controls, management assurance, compliance, internal audit reviews, and the services of independent external assurance providers support the accuracy of disclosures. In line with their respective mandates, the following committees provide oversight over the integrity of external reporting:

- Disclosure Committee (DC) – This IR and the King V DF
- Group Audit and Compliance Committee (GACC) – The AFS and Booklet
- Group Risk and Capital Management Committee (GRCMC) – The Pillar 3 Disclosure
- Social, Sustainability and Ethics Committee (SSEC) – SCR and B-BBEE Reports
- Remuneration Committee (RemCo) – The Rem Report
- Absa Tax Committee – The TTR
- Directors' Affairs Committee (DAC) – NoM and proxy.

### Materiality determination<sup>LA-IA</sup>

During our **material matters determination process**, we apply double materiality in our thinking (both impact and financial materiality). However, this report focuses on financially material matters, as we believe this is most appropriate when considering the information needs of capital markets.

A matter is material if it is of such relevance and importance that it could substantively influence the assessments of providers of financial capital with regard to our ability to create value over the short, medium and long term. In determining whether a matter is material, senior management and the Board consider whether the matter substantively affects, or has the potential to substantively affect, our strategy, business model, or one or more of the capitals we use or affect. We define future periods in this report as:

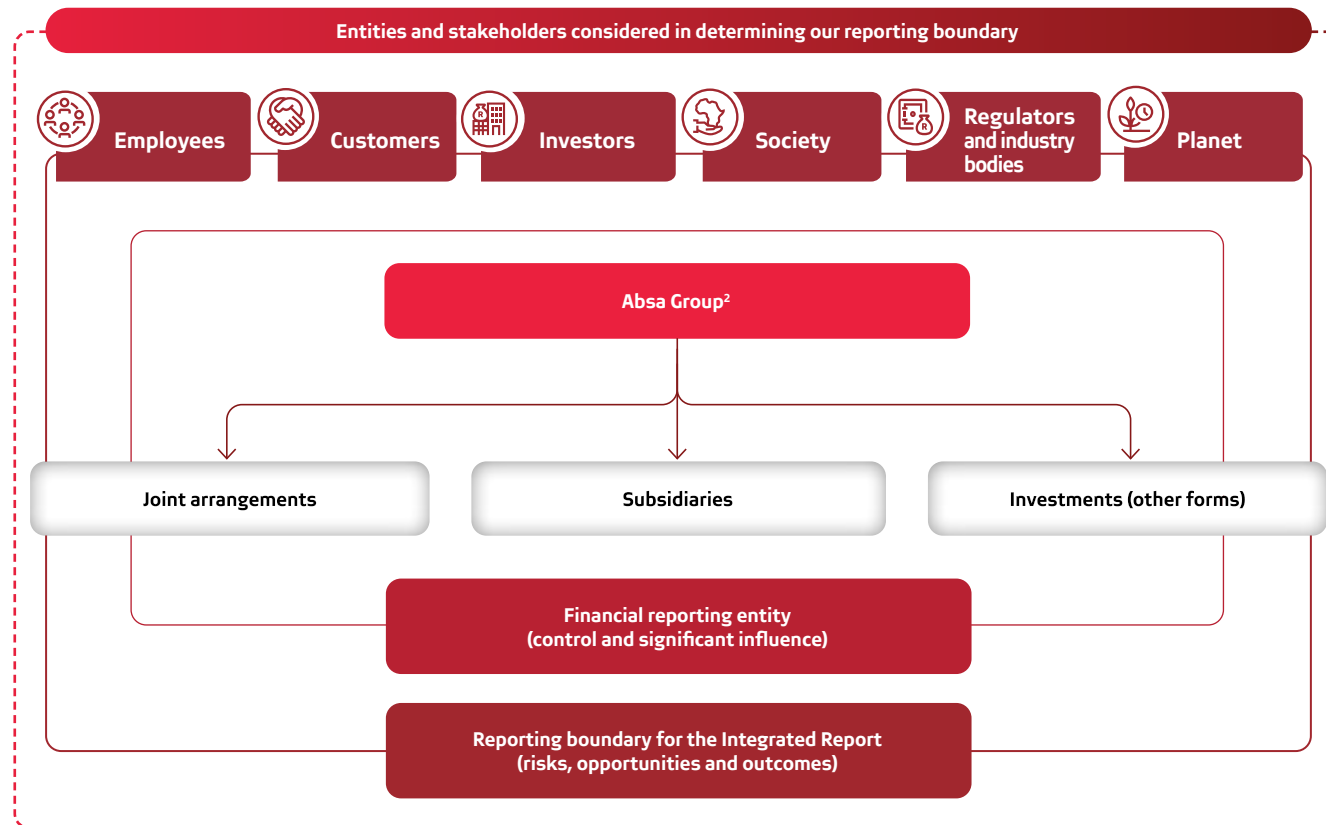
- Short term: Less than 12 months
- Medium term: One to three years
- Long term: Longer than three years.

Report	Assurance types
This Integrated Report	<p>For a comprehensive understanding of integrated reporting assurance, read our <b>Assurance Booklet 2025</b> and refer to the <b>basis of preparation and presentation</b>.</p> <ul style="list-style-type: none"> <li>• Group Internal Audit provided assurance on a) the integrated reporting process, b) select metrics, c) content elements and d) principles. Assurance is indicated by a "IA" and "LA" for limited assurance or "RA" for reasonable assurance.</li> <li>• Select financial metrics were extracted from the <b>Group Consolidated and Separate Annual Financial Statements</b>. These are signposted using "AFS".</li> <li>• Select measures are from independent external sources, signposted using "EXT".</li> </ul>
AFS	Reasonable assurance provided through a joint audit by PricewaterhouseCoopers Inc. and KPMG Inc. Their audit opinion can be found in the AFS.
B-BBEE	Empowerdex verified our B-BBEE rating. The scope and conclusions of these can be found at <a href="https://www.absa.africa/investor-relations/">https://www.absa.africa/investor-relations/</a> .
SCR	Deloitte provided limited assurance on selected metrics. Find their audit opinion at <a href="https://www.absa.africa/investor-relations/">https://www.absa.africa/investor-relations/</a> . Assurance is indicated by a "LA-EA" within this report.

## Reading this report continued

### Scope, boundary and reporting approach<sup>LA-IA</sup>

This report covers the period from 1 January 2025 to 31 December 2025 and is issued annually. Our report complies with the Integrated Reporting Framework<sup>1</sup> and King V. The Group has not formally adopted the International Sustainability Standards Board (ISSB) standards, and when we do, we will make these disclosures in the SCR. In the **basis of preparation and presentation** section, we explain our approach and methodology in drafting this report in greater detail.



### Board approval

Supported by the DC<sup>3</sup>, the Board acknowledges its responsibility for the integrity of the Group's external reporting. This report provides material and relevant information to providers of financial capital to enable informed capital allocation decisions. This report is presented in accordance with the Integrated Reporting Framework (2021). It addresses all material matters influencing Absa's ability to create and preserve value or those that may lead to value erosion in the short, medium and long term. The Board has applied its mind to the preparation of this Integrated Report. We believe this report presents a fair and balanced view of our performance, strategy, governance, and outlook. The Board approved this report on 24 March 2026.

Alison Beck	Paul Smith
Alpheus Mangale	Peter Mageza
Brian Kennedy	René van Wyk (Chairman)
Deon Raju	Rose Keanly
Fulvio Tonelli	Sindi Zilwa
Kenny Fihla	Tasneem Abdool-Samad
Nonhlanhla Mjoli-Mncube	Zarina Bassa

<sup>1</sup> IFRS Foundation's Integrated Reporting Framework 2021.

<sup>2</sup> A list of subsidiaries and consolidated structured entities is outlined in note 45.4 of the **AFS**.

<sup>3</sup> The DC includes the Independent Group Chairman, Lead Independent Director, and the chairs of the GACC, GRMCM, SSEC, ITC, and RemCo, along with the Group CEO and Group Financial Director. Absa Group ExCo members or management may be invited as needed to discuss specific disclosures.



## Absa... this is our story

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# Our value creation story

## “Empowering Africa’s tomorrow, together ... one story at a time”

Value to us means helping our customers achieve their aspirations and creating positive impacts in the communities and environments we operate in, while delivering excellent returns to our shareholders.

At Absa, we are more than a bank. We are one winning team, united in purpose, values, and action. Our story is rooted in empathy, integrity, ambition, and delivering a seamless customer experience.

Find out more... [Absa at a glance](#)

### The reality of our world in 2025

In 2025, our pan-African operating environment was shaped by geopolitical tensions, elevated public debt and changing trade regimes.

Our top-five revenue-generating markets each faced unique macroeconomic conditions. South Africa recorded low growth but strong disinflation and some reform momentum. Kenya grew solidly with manageable inflation. Ghana rebounded, though debt and banking risks persisted. Tanzania achieved robust, low-inflation growth. Mauritius remained stable with strong reserves, despite foreign exchange (FX) pressures.

Institutions are under severe strain, with widespread public scepticism and a sharp decline in trust. Financial institutions are urged to rebuild trust through transparency, ethical conduct, and inclusive services.

Africa's payment ecosystem is rapidly digitising, with mobile money driving financial inclusion, yet cash remains prevalent, necessitating hybrid solutions. Across business and government, African leaders are prioritising artificial intelligence (AI) as a competitive opportunity. Regulatory frameworks are tightening, especially around cybersecurity, data privacy, and climate risk, demanding agility and integrated risk management from financial institutions. Sustainable development progress is slow, hindered by data gaps, rising debt, and a significant sustainable financing shortfall, though Africa's demographic and digital strengths offer hope. Overall, resilience, innovation, and trust-building were critical to navigate the complex realities of 2025's operating landscape.

Find out more... [Our external environment in 2025, Group Chairman's message](#)

### Your story matters

We recognise that the quality of our relationships with stakeholders determines our ability to fulfil our purpose and deliver value over the long term.

Our success is premised in the impact of our business activities on those around us and whether we live up to our brand promise of “Your story matters”. We believe our actions are delivering results. We delivered improved scores across brand consideration, engagement and advocacy. However, we need to do more to win with our customers and to support our people as a strategic enabler.

Find out more... [Our relationships with others](#)

### Unlocking our pan-African power

We create value as stocks of capitals increase over time. While we use all **six capitals** in our business model, we rely most on financial and human capital, followed by intellectual, social and relationship capital, and, to a lesser extent, manufactured and natural capital. Despite not being a major consumer of natural capital, our leadership in sustainable finance enables us to generate significant natural capital value.

We provide payment services and a safe place to save and invest, provide funds for purchases and growth, give financial and business support, protect against risk (insurance) and manage business and financial risks. We support financial system resilience and improve financial inclusion across the continent.

This year, we changed our operating model to better leverage our diverse continental footprint, eliminate internal barriers, and unlock significant upside in growth, efficiency and returns. We shifted to a unified, client-centric pan-African operating model that removes silos across Corporate and Investment Banking (CIB), Business Banking (BB) and Personal and Private Banking (PPB).

Find out more... [Our business model](#)

## Our value creation story continued

### Refreshing our strategy in response to material matters

The material matters that influence our ability to create value over the short, medium and long term and our ability to achieve our strategic objectives, include:

- Geopolitical and sovereign risk exposure
- Earnings momentum and customer-led trust
- Evolving regulation and compliance requirements
- Digital advances, disruption and stewardship
- Culture transformation and talent care
- Climate change and a just transition.

Find out more... [Material matters](#)

Grounded in our purpose, our ambition remains to be a leading pan-African bank. Our refreshed strategy is clear: Win with our customers, build trust, and scale for growth. Deep talent and succession, strong leadership and organisational resilience, and a culture for competitive advantage will enable delivery against our strategic objectives of:

**Customer-led growth**

**Diversified, pan-African business**

**Drive excellence**

**New growth opportunities**

Find out more... [Our strategy](#)

### Performance continues to support our medium-term outlook

Return on equity (RoE) improved to 15.0% (2024: 14.8%), reflecting solid progress toward our medium-term ambition, supported by stronger earnings momentum and improved operating discipline.

Headline earnings rose 12%, outpacing revenue growth of 5%, demonstrating stronger operating leverage.

Gross cost savings of R1.7 billion in 2025 lifted cumulative savings to R3.1 billion, underpinning margin expansion as we progress toward a cost-to-income (CTI) ratio in the lower 50s range, a key enabler of higher RoE.

Africa Regions (AR) contributed 31% of Group earnings, reducing concentration risk and supporting more resilient, sustainable returns.

CIB, PPB and AR all delivered improved earnings growth, with AR headline earnings up 51%, reflecting stronger capital allocation discipline that improved returns on prior investments.

Credit impairments declined 6% and the credit loss ratio (CLR) improved to 0.88%, preserving earnings and improving capital efficiency while supporting higher risk-adjusted returns.

Digitally active customers grew 13% and digital transaction volumes increased 10%, driving operating efficiency, lower unit costs and improved scalability.

Customer numbers rose 3%, experience scores improved and brand consideration strengthened, reinforcing revenue durability and future non-interest income growth.

Find out more... [Performance against strategy 2025...an executive overview](#), [Performance against strategy 2025...detailed stories](#)

The value creation process is not static. Therefore, as part of a future-oriented mindset, we assess the Group's outlook in the short, medium and long term.

**Our medium-term targets are set at a CTI of low 50s and an RoE of 16–19% over the 2027 to 2030 period.**

Find out more... [Outlook](#)

**Sustainable performance is built on solid foundations of governance and fair reward**

At Absa, our remuneration ambitions are framed in the context of our purpose and strategy. We aim to deliver fair, responsible and sustainable remuneration outcomes that are underpinned and informed by the consistent implementation of transformative and competitive people practices aligned with our broader sustainability commitments. This includes pay-for-performance by aligning incentive outcomes to performance and value created.

We have a robust governance system that protects the integrity and delivery of long-term sustainable value. Our diverse Board members range broadly in age, race, gender, ethnicity, country of origin, culture, educational background, skills, experience and knowledge. This provides a conducive environment for discussion, debate, input, challenge and thoughtful outcomes.

Find out more... [Value created through sound governance, RemCo Chairman's background statement](#)

# Absa at a glance

Our story in Africa started more than 130 years ago... Today, Absa Group Limited is one of the largest diversified financial services groups on the African continent. We are purpose-led and values-driven.

### Our purpose

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

### Our ambition

To be a leading pan-African bank

### Our brand promise

Your story matters

## Our footprint<sup>LA-IA</sup>

Our operations are geographically diverse and serve a range of customer segments. These markets are key to our future growth and diversification plans.

Country <sup>1</sup>	Employees 37 033	PoS <sup>2</sup> 145 813	ATMs 6 240	Outlets 1 035	Founded
Botswana	918	8 876	131	31	1950
Ghana	1 299	3 384	164	62	1917
Kenya	2 447	23 219	264	90	1916
Mauritius	1 079	3 740	42	14	1919
Mozambique	723	2 031	92	45	2002
Seychelles	267	2 817	24	6	1959
South Africa (SA)	26 565	90 650	5 016	630	1888
Tanzania <sup>3</sup>	1 734	2 767	267	83	1945
Uganda	965	4 406	117	39	1927
Zambia	808	3 923	123	35	1918
Namibia	3	Representative offices			
Nigeria	15				
Czech Republic	147	Technical (IT support resources to the Group)			
People's Republic of China	9	Non-banking subsidiary providing general advisory services to clients based in China for concluding transactions in South Africa and across the African continent.			
United Kingdom (UK)	40	Securities entity			
United States (US)	14	Securities entity			



Our organisational purpose is unique and clearly articulated. It is brought to life in the interactions of our leadership, management, employees, customers, partners, suppliers, governments and local communities. Our **values** and how we do things are consistent with our purpose.

<sup>1</sup> Banks are wholly owned, apart from the following, where we hold majority stakes: Botswana 67.8%, Kenya 68.5%, Mozambique 98.7%, NBC, Tanzania 55% and Seychelles 99.8%.

<sup>2</sup> PoS meaning point-of-sale device.

<sup>3</sup> Tanzania metrics include both Absa Bank Tanzania (ABT) and National Bank of Commerce (NBC) metrics.

<sup>4</sup> CET1 meaning common equity tier 1.

## Key facts about Absa<sup>LA-IA</sup>

**R214bn** market capitalisation (2024: R169.7bn)

**R24.8bn** headline earnings (2024: R22.1bn)  
SA: R17bn (2024: R15.9bn)  
AR: R7.8 (2024: R6.2bn)

**16** countries

**R53.5bn** sustainable finance (2024: R49bn)

**R1 489bn** gross loans and advances (2024: R1 403bn)

**13.1 million** customers (2024: 12.7 million)

**1 035** outlets (2024: 1 016)

**5.4 million** digitally active customers (2024: 4.6 million)

**R1 625bn** deposits (2024: R1 509bn)

**12.7%** CET1<sup>4</sup> (2024: 12.6%)

**15.0%** RoE (2024: 14.8%)

Primary listing: **JSE**  
Secondary listing: A2X

Subsidiary banks listed on exchanges in Kenya and Botswana.

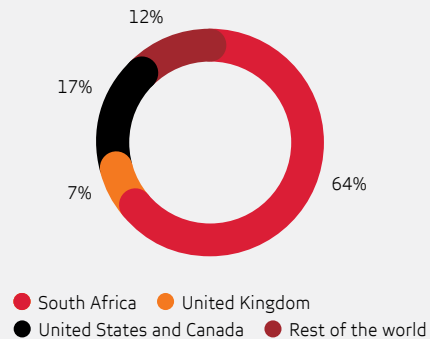
## Absa at a glance continued

### Our investor base<sup>LA-IA</sup>

The 894.4 million issued shares are held by a diverse shareholder base:

Top 10 shareholders	2025 %	2024 %
Public Investment Corporation (SA)	13.82	4.86
Newshelf 1405 Limited (SA)	7.00	7.00
M&G (SA, UK)	4.55	5.72
BlackRock Incorporated (US, UK, JP, AU, CA)	4.29	4.38
The Vanguard Group (US, AU)	3.83	3.85
Old Mutual (SA)	3.21	3.18
Sanlam Investment Management (SA)	2.74	2.77
Truffle Asset Management (SA)	2.72	1.29
Laurium Capital	2.52	2.09
36One Asset Management (SA)	2.13	2.22
Other	53.19	62.64

#### Geographic shareholder split (%)



### Absa in the African banking context<sup>LA-IA</sup>

#### Absa relative to peers<sup>5</sup>

Country <sup>1</sup>	GDP <sup>2</sup> (USDbn)	GDP growth <sup>2</sup> (%)	Population <sup>3</sup> (million)	Banking revenue pool <sup>4</sup> (Rbn)	Number of banks <sup>4</sup>	% of total banking income held by top five banks <sup>4</sup>	Rank by income	Return on equity	Cost-to-income
Botswana	19.1	(1.3)	2.5	16.3	13	78.5	2	4	3
Ghana	111.7	5.7	34.4	57.7	27	54.3	4	3	2
Kenya	138.8	4.8	56.4	97.8	43	58.7	4	2	2
Mauritius	16.2	3.4	1.3	37.3	19	75.9	4	4	4
Mozambique	23.1	0.3	34.6	27.2	19	75.98	4	3	3
Seychelles	2.3	6.8	0.1	2.8	7	98.0	1	2	3
South Africa <sup>6</sup>	427.4	1.4	64.0	425.9	17	91.1	3	5	5
Tanzania <sup>7</sup>	89.6	6.1	68.6	46.1	40	70.4	3	5	4
Uganda	64.5	6.0	50.0	31.3	27	59.0	3	2	3
Zambia	31.0	4.5	21.3	15.7	15	84.1	3	2	1

<sup>1</sup> South Africa based on 2025 financial results, with the balance of geographies based on 2024 financial results.

<sup>2</sup> Source: Absa Economics Research.

<sup>3</sup> The population statistics were obtained from [World Bank DataBank](#) on 22 January 2026, and represent data from 2024.

<sup>4</sup> Source: BankFocus estimates.

<sup>5</sup> The peers include Standard Bank of South Africa Limited, FirstRand Bank Limited, Nedbank Limited and Capitec Bank Limited. Absa, i.e. Absa Bank Limited's ranking relative to peers is among the top five banks based on banking revenue.

<sup>6</sup> The banking revenue pool, number of banks and percentage of revenue held by the top five banks in South Africa were extracted from BankFocus on 20 March 2026.

<sup>7</sup> Include both ABT and NBC.

# Our business model<sup>LA-IA</sup>

## Capital inputs\*

### Ranked from highest dependence to lowest dependence.

While we use all six capitals in our value creation process, we are most reliant on financial and human capital, followed by intellectual and social and relationship capital and, to a lesser extent, manufactured and natural capital.

#### Financial capital

- R1 509bn of total deposits • 12.6% CET1
  - R1 403bn of Gross loans • 35% NIR to total income and advances
- Constraints: Macroeconomic volatility, cash reserve requirements

#### Human capital

- 160 combined years of ExCo experience
  - 36 779 employee headcount
  - 39.67% women in senior leadership
- Constraints: Specialist and digital skills scarcity

#### Social and relationship capital

- Corporate Social Investment (CSI) Trust
  - Shared values and behaviours
  - Understanding stakeholders' needs and expectations
  - 12.7m customers
- Constraints: Consumer stress, complex regulatory landscape

#### Intellectual capital

- R4.5bn digital spend in 2025
- Constraints: Significant investment, speed of change

#### Manufactured capital

- Property, plant and equipment <1% of NAV
  - 136 436 PoS devices
  - 1 016 outlets
- Constraints: Poor infrastructure development

#### Natural capital

- 195.4GWh total electricity use
- Constraints: Poor water and energy infrastructure

## Our core business activities, products and services

- 1 Providing payment services and a safe place to save and invest**  
Accepting customers' deposits, issuing debt, facilitating payments and cash management, providing transactional banking, savings and investment management products and international trade services.
- 2 Providing funds for purchases and growth**  
Extending secured and unsecured credit based on customers' credit standing, affordability and risk appetite. Trade and supplier finance, working capital solutions, access to international capital markets and interbank lending.
- 3 Managing business and financial risks**  
Providing solutions, including fixed-rate loans, pricing and research, as well as hedging, which includes interest rate and foreign exchange.
- 4 Providing financial and business support**  
Providing individual and business advice, advisory on large corporate deals and investment research.
- 5 Protecting against risks (insurance)**  
Providing savings and investment policies and insurance against a specified loss, such as damage, illness or death, in return for premium payments.

We generate competitive advantage through innovation, our unique insights and perspectives, and our ability to bring our products and services to market effectively and efficiently, while generating a financial surplus. We understand how our products and services meet our customers' needs.

### Head office, treasury and other operations

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

### AR PPB and BB

- AR PPB and BB Banking
- AR Insurance

### BB

- General Business Solutions
- Payments
- Lending products

### CIB

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

### PPB

- 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



In 2025, we integrated PSC, EB and Private Wealth Banking (previously part of Relationship Banking) into a single business unit – PPB – to improve our ability to deliver client value, particularly distribution of value-added services and insurance products across a large customer base. BB was repositioned with a sharpened focus on serving SME and commercial clients in targeted sectors. ARO RBB was renamed to AR PPB and BB.



A further decision was taken to refine the operating model down to three business units, with PPB and BB taking on a similar pan-African model to CIB. Our 2026 interim results will reflect this reorganisation.

\* As at 1 January 2025.

## Our business model continued

### We generate revenue through interest, fees, premiums, and commission

#### Potential for revenue differentiation

- Diverse revenue streams across our portfolio and geographies
- Large customer base in retail, business and corporate banking
- Regaining market leadership, increasing market share and cross-sell ratio, within an appropriate risk appetite
- Scope to grow product lines where we are underweight in terms of market share
- Emphasis on transactional customer relationships as opposed to debt-led relationships, winning customer primacy
- Strengthening services to multinational corporations, global development and non-governmental organisations

- Potential for reaching the unbanked
- Opportunities to support a just transition to a low-carbon economy
- Leveraging strategic partnerships.

#### Potential for cost differentiation

- Leveraging our scale in multiple geographies
- Ability to deliver cost reduction through digitisation
- Enhanced operational efficiencies using automation that contributes to enhanced service levels
- AI in fraud analytics and safe customer service.

### Across a pan-African footprint in 16 countries



### Cognisant of the material matters that may affect value creation

Our ability to create value is influenced by several **material matters** namely:

1. Geopolitical and sovereign risk exposure
2. Earnings momentum and customer-led trust
3. Evolving regulation and compliance requirements
4. Digital advances, disruption and stewardship
5. Culture transformation and talent care
6. Climate change and a just transition.

Refer to the section **strategic trade-offs** to understand how various capitals are impacted by strategic choices.

The value created for various stakeholder groups is unpacked in the chapter **Our relationships with others**.

### Delivering outcomes that empower Africa's tomorrow\*\*

#### Financial capital

- 15% RoE
- R24.8bn headline earnings
- 53.8% CTI with (1) JAWS
- 0.88 CLR
- 2.06 RoRWA
- 34.4% TSR
- 4.53% NIM.

#### Human capital

- R36.4bn paid to employees in salaries, incentives and benefits
- 71 CEBS
- 3 904 technology employees
- 95.5% retention of high-performers
- 7.37% turnover rate.

#### Social and relationship capital

- 103.3 Group customer experience index
- R15.9bn sustainable finance: social impact
- Level 1 B-BBEE rating
- Treating Customers Fairly scores maintained
- Satisfactory control environment score.

#### Intellectual capital

- 13% growth in Group composite digitally active customer numbers
- 10% growth in digital transaction volumes
- Zero severity 1 incidents
- 99.83% retail digital channel availability
- 44.3% brand consideration
- 5th brand ranking value.

#### Natural capital

- 1.01% SOFP exposure to fossil fuels
- On track for net zero by 2050
- 45% year-on-year change in our own carbon emissions
- R37.5bn sustainability finance towards climate and environment.

Manufactured capital maintained within the value creation process. For more granular capitals movements refer to **value over time**.

We have identified our strategic objectives and gauged how their achievement will enable us to deliver on our purpose and contribute to the SDGs.

SDG 5 SDG 7 SDG 8 SDG 10 SDG 13 SDG 16

\*\* As at 31 December 2025.



## Empowering Africa's tomorrow... our strategic intent

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# Group Chairman's message



**“ The Board supports the refreshed strategy and is aligned with management in putting the customer at the centre of everything we do. ”**

**René van Wyk,**  
Group Chairman

## Operating context

In 2025, the global economy was dominated by heightened geopolitical uncertainties, from abrupt shifts in trade relations, persistent conflict in the Middle East and Eastern Europe, to fragmentation in the traditional alliances that have anchored the global world order. Global economies are thus adjusting to a world that is becoming increasingly complex, requiring a constant recalibration of macroeconomic policies. Several major economies have adopted a more stimulative fiscal stance, raising concerns about the sustainability of public finances and possible cross-border spillovers.

The sub-Saharan Africa region has absorbed these pressures with greater resilience than in earlier years. Economic recovery across most of our operating markets was more durable, and authorities shifted to an accommodative monetary stance as inflation pressures eased. In South Africa, our biggest market, the easing of logistical and energy constraints has somewhat boosted business sentiment, with the economic outlook having improved.

## A foundational year for Absa's pan-African agenda

The unpredictable operating environment and the fast-evolving landscape in the financial services industry require greater agility to be resilient. As the Board, we see the environment not as a constraint, but as an opportunity to build an organisation that is adaptable and responsive to risks. The appointment of Kenny Fihla as Group CEO in June 2025 brought a level of cohesion and focus that has delivered a refreshed strategy that is simple and reflects the shifts that are necessary to win with customers, execute with greater efficiency, and build long-term relevance. True customer centricity is the organising principle through which we will secure the Group's long-term competitiveness.

The changes to our operating model reflect this approach. Bringing together key retail capabilities, and sharpening the focus of our business banking activities, provides the right foundation for serving clients. The Board fully supports the renewed emphasis on executing the Group's strategy through a stronger pan-African lens. This approach recognises the growing interconnectedness of African markets and offers the foundation for stronger client engagement and a more coherent contribution to regional development. Our leadership approach has set a constructive tone for how the Group positions itself across its markets. The changes to the executive team have strengthened our ability to navigate the challenges posed by an industry where digital-first banking is influencing client expectations and competitive dynamics.

We have seen positive signs over the past few months that the work undertaken by the Board and management is beginning to take effect. The Group delivered an improved financial performance for the year, with headline earnings increasing by 12% and RoE rising to 15.0%. These outcomes were supported by firmer revenue momentum in the second half and a more balanced risk environment across the portfolio. The Group's capital position strengthened further, ending the year with a CET1 ratio of 12.7%, well within the range required to support the organisation's strategic commitments.

Our focus is on sustaining the earnings trajectory achieved during the year, while maintaining a prudent risk posture across the portfolio. The changes to management are to ensure that we enhance our leadership capability and deepen the talent pool in the organisation. We will work with management to ensure that the changes made to strengthen the Group operations are fully embedded and that they support greater efficiency and clear accountability. The Board will also monitor how these efforts are reflected in service quality and in our customers, overall experience across markets.

We will continue to integrate the Group's sustainability purpose into decision-making across the business, ensuring that the intention to be an active force for good in everything we do is carried out in practical and measurable ways.

## Group Chairman's message continued

### Board composition and leadership updates

We were saddened by the passing of Luisa Diogo in January 2026. She had served as a non-executive director at Absa Group since September 2023 and was a voice of wisdom and an example of quiet strength and leadership on the Board. Over the years, Absa Group benefited from her experience, in particular as Chairman of Absa Bank Mozambique. Her insightful counsel and thoughtful perspectives were valuable in helping the organisation navigate challenges and opportunities, especially outside of South Africa. On behalf of the Board, I want to express our heartfelt sympathy and condolences to Luisa's family and the people of Mozambique.

I took over from Sello Moloko, who stepped down on 15 July 2025 after serving as the Chairman from April 2022. Sello joined the Board in December 2021 and presided over a period of significant change in our organisation. We are grateful for his measured leadership style and wish him well in his future endeavours.

We also bid farewell to two non-executive directors, John Cummins and Ihron Rensburg. We appreciate their contribution and thank them for their service.

Zarina Bassa and Sindi Zilwa joined the Board in April 2025, bringing strong banking, financial, technology and sustainability experience gained through long careers at various listed companies. In February 2026, we also welcomed Brian Kennedy and Paul Smith to the Board. We look forward to their contributions from deep expertise in wholesale and corporate banking, mergers and acquisitions, governance, risk and compliance.

Together, the new directors strengthen the Board's diversity and overall strategic, financial and operational capability.

### Conclusion

I want to recognise the work of colleagues across the Group, in particular, Charles Russon, for his stewardship of the Group during his tenure as Interim CEO. This year asked a great deal of our people, and they met those demands with steady commitment to our clients and to their roles. The changes introduced across the organisation required adjustment at every level, yet colleagues kept the business moving and supported one another through the uncertainty that often accompanies transition. The Board values this contribution.

The macroeconomic environment will likely remain highly volatile, which makes even medium-term planning challenging. We expect the year ahead to hold its share of challenges; however, the Group's long history across many of its markets has equipped us to operate in conditions of uncertainty. Change has been a consistent feature of the environments in which we have worked for more than a century, and the organisation has built the experience needed to navigate periods such as the one ahead. The cautionary point here is not to lose sight of opportunity while managing the challenges of the moment. The continent is generating areas of genuine economic momentum, and Absa has the presence and desire to convert that momentum into tangible growth for the markets and the people we serve.

I want to thank the Board, our customers, investors, partners and regulators for the trust you place in the Group. We value the relationships that enable our work, and we look forward to building on them as we pursue our purpose of *Empowering Africa's tomorrow, together ... one story at a time.*

# Our external environment in 2025<sup>LA-IA</sup>

## Changing dynamics in our core markets

### How market factors affected our five largest revenue-contributing markets in 2025

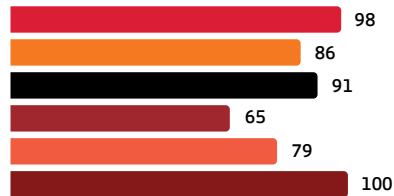
**Key (XX) = Overall score**

- Market depth
- Access to foreign exchange
- Market transparency, tax and regulatory environment
- Pension fund development
- Macroeconomic environment and transparency
- Legal standards and enforceability

The Absa Financial Market Index assesses market accessibility, openness and transparency based on 40 indicators across six pillars spanning 29 African countries. This represents approximately 80% of the population and GDP of Africa. We summarise the AFMI insights on core markets in the pages that follow.

We routinely assess the impact of the external environment on the robustness of our business model and operations, and our ability to execute the Group strategy, deliver our strategic objectives and create value over time.

### South Africa (86)



Real GDP<sup>1</sup>: **1.4%**  
 CPI: **3.2%**  
 Repo rate: **6.75%**

#### Highlights

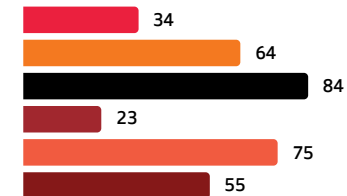
- Leads in market depth and legal standards
- Improved FX market monitoring and data transparency
- First climate risk stress test on banks
- JSE launched fast-track listing reforms in 2024–2025 to attract small- and medium-sized enterprises (SMEs) and simplify market access.

#### Lowlights

- Low GDP growth forecast over the next five years
- Pension fund concentration in government debt: limiting diversification and market development.

In 2025, South Africa's economy showed resilience amid global volatility as diplomatic ties with the US worsened and African Growth and Opportunity Act trade benefits were replaced with higher tariffs. Real GDP growth was volatile early in the year, but it ended with full-year GDP growth of 1.4%. Headline CPI inflation rose in the second half but remained lower than expected, supported by a firmer exchange rate and lower oil prices, ending the year at 3.2%, a two-decade low. The South African Reserve Bank (SARB) and National Treasury adopted a formal 3% inflation target, and the repo rate was cut by 100 basis points (bps) during 2025. South Africa was removed from the Financial Action Task Force (FATF) greylist and the European Union's anti-money laundering high-risk list, reflecting improvements in its anti-money laundering frameworks. Operation Vulindlela<sup>3</sup> continued to drive reform in key sectors; however, more can be done in municipal service delivery and criminal justice system reforms. After a protracted period of rising debt, public finances are also showing signs of stabilisation. This supported a credit ratings upgrade from S&P in 2025, the first upgrade in 20 years.

### Kenya (56)



Real GDP: **4.8%**  
 CPI: **4.1%**  
 Repo rate: **9%**

#### Highlights

- Approved first asset-backed security
- Second African country to sign IOSCO's<sup>2</sup> enhanced multilateral memorandum of understanding.

#### Lowlights

- Declining FX reserves adequacy
- Regulatory restrictions to pension fund diversification
- Poor NPL ratio and weak credit growth.

In 2025, Kenya's real GDP grew by 4.8%, reflecting robust economic activity despite risks from weather and construction sector trends. Inflation increased over the year, ending at 4.1%, mainly due to rising food and transport costs, but remained within the Central Bank of Kenya's target range. The central bank continued its monetary easing cycle, lowering the policy rate to 9%. This accommodative stance supported a revival in private-sector credit growth and helped maintain economic momentum, while financial stability was reinforced by improved foreign exchange reserves. However, Kenya remains on the FATF greylist.

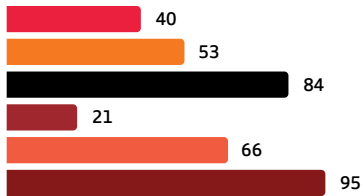
<sup>1</sup> All macroeconomic indicators for 2025 on this page were obtained from Absa Economic Research Q1 2026 publications. Real GDP percentage year-on-year; CPI average percentage; Repo rate percentage end of period.

<sup>2</sup> International Organization of Securities Commissions.

<sup>3</sup> A joint initiative of the Presidency and National Treasury to accelerate the implementation of structural reforms and support economic recovery.

## Our external environment in 2025 continued

### Ghana (60)



Real GDP<sup>1</sup>: **5.7%**  
 CPI: **14.2%**  
 Repo rate: **18%**

#### Highlights

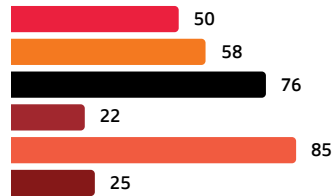
- Implemented climate stress testing
- Improved FX reserves (doubled months of imports cover)
- Credit Rating Agency Ghana established.

#### Lowlights

- Domestic debt exchange programme has eroded secondary bond liquidity
- High non-performing loans above 15%, well above AFMI median
- High risk of slipping into debt distress despite improvements in external debt-to-GDP ratio.

In 2025, Ghana's economy grew strongly, with real GDP expanding by 5.7%, exceeding initial government expectations. Growth was driven by robust performance across agriculture, manufacturing, information and communication, transport, and finance sectors. Average inflation fell sharply, dropping from 22.9% at the end of 2024 to 14.2%, aided by a stronger currency and lower food and fuel prices. The Bank of Ghana responded to the improved inflation environment by cutting the policy rate significantly, reducing it from 27% to 18% by the end of the year.

### Tanzania (53)



Real GDP: **6.1%**  
 CPI: **3.3%**  
 Repo rate: **5.75%**

#### Highlights

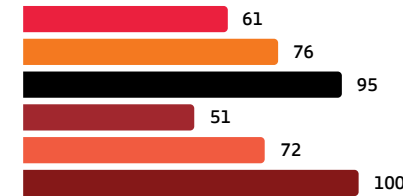
- Economic stability and high transparency
- Solid regulatory framework supporting financial markets
- First sovereign sukuk bond in 2025, supporting high product diversity.

#### Lowlights

- Underdeveloped pension sector with low assets
- Small market size and low liquidity limit market depth in equity and bond market
- Deficiencies in legal framework undermine confidence.

In 2025, Tanzania experienced an acceleration in GDP growth, despite some post-election unrest, supported by broad-based expansion across sectors, including a rebound in agriculture and sustained investment activity. No major economic imbalances emerged, with the current account deficit narrowing and FX reserves strengthening. Inflation remained subdued overall, with core inflation around 2% and headline inflation contained, although food inflation stayed elevated. Monetary conditions were stable, and the Bank of Tanzania maintained its policy rate, as low inflation and balanced growth provided no rationale for changes in the policy stance.

### Mauritius (76)



Real GDP: **3.4%**  
 CPI: **3.7%**  
 Repo rate: **4.5%**

#### Highlights

- Published new ESG fund guidelines
- Highest FX reserves adequacy (11.8 months)
- Low withholding tax rates.

#### Lowlights

- Lost one sovereign rating
- Pension fund asset decline
- Limited FX liquidity.

Mauritius experienced GDP growth of 3.4%, reflecting resilience despite global uncertainties and domestic policy adjustments. Average inflation fluctuated during the year, peaking mid-year due to temporary factors like excise tax increases and food price swings, but ended at 3.7%, within the Bank of Mauritius' 2–5% target range. The central bank maintained the policy rate at 4.5%, as inflation pressures were viewed as transitory and financial inflows kept foreign exchange reserves high. The stable stance supported economic stability amid persistent external and fiscal challenges.

The **Outlook** section provides a forward-looking view of the macroeconomic expectations for our five largest markets.

<sup>1</sup> All macroeconomic indicators for 2025 on this page were obtained from Absa Economic Research Q1 2026 publications. Real GDP percentage year-on-year; CPI average percentage; Repo rate percentage end of period.

## Our external environment in 2025 continued



### Trust and societal wellbeing<sup>1</sup>

Trust in institutions is under strain, with rising public grievances reflecting deep dissatisfaction towards government, business, and the wealthy. Misinformation and perceived dishonesty are fuelling the trust erosion, as 70% of people globally believe leaders intentionally mislead the public. While business remains the most trusted institution globally – seen as both competent and ethical – this perception is increasingly challenged by growing societal discontent. Trust in employers also declined to 75%, and fears of discrimination have reached record highs. Trust inequality in Africa persists: a 13-point gap between high- and low-income groups mirrors global patterns, and media remains the least trusted institution. Grievance imposes a measurable trust penalty, especially among younger adults, over half of whom endorse hostile activism to drive change. Notably, where institutional trust is stronger, economic optimism tends to flourish, highlighting the critical link between trust and societal wellbeing.

Financial institutions can play a pivotal role in rebuilding trust and promoting societal wellbeing by committing to transparency, ethical conduct, and inclusive access to financial services. By supporting financial literacy, small businesses, and underserved communities, banks can foster trust and economic optimism, demonstrating that integrity and competence are key to long-term prosperity.



### Tech-driven ecosystems

Africa's payment landscape is undergoing a profound transformation, marked by a dynamic interplay between traditional cash-based systems and rapid digital innovation. Mobile money remains the cornerstone of financial inclusion, with platforms like Kenya's M-Pesa, enabling millions of previously unbanked individuals to access financial services. Despite these advances, cash still accounts for a large share of transactions, leading to a "cash-digital co-existence" that necessitates hybrid payment solutions.

Central banks and industry bodies are actively promoting instant and interoperable payment systems, to reduce friction and enable seamless transactions across mobile money, banks, and fintechs. This push is complemented by a vibrant fintech ecosystem that is rapidly innovating to address specific challenges such as cross-border payments, SME lending, and buy-now-pay-later (BNPL) services. Nearly half of Africa's fintech firms have emerged over the past six years, reflecting the sector's dynamism and investor appeal.

Regulatory frameworks are evolving in tandem, with governments modernising payment systems to enhance cybersecurity, ensure interoperability and protect consumers. Initiatives like Nigeria's Payments System Vision 2025 campaign for a cashless society exemplify this trend.

Almost three-quarters of CEOs globally are prioritising investments in AI, with many planning to allocate between 10 and 20% of budgets to AI initiatives over the next year, incorporating AI into core business strategies and seeing ethics, data readiness and regulation as associated challenges<sup>2</sup>.

The role of traditional banks is shifting from sole financial provider to participants in a broader, tech-driven ecosystem that prioritises accessibility, speed, and user experience.



### Regulatory change

In 2025, financial institutions faced a complex and evolving regulatory environment. In South Africa, the Financial Sector Conduct Authority (FSCA) and Prudential Authority's (PA) Joint Standard on Cybersecurity required compliance by June, while Joint Standard 1 of 2023 reshaped IT governance expectations. Data privacy remained a key focus under POPIA, particularly regarding cross-border data transfers. Regulators also began exploring AI governance, considering oversight of machine learning in financial services. Globally, tax authorities leveraged digital tools to enhance compliance and revenue collection. The SARB's Payments Ecosystem Modernisation Programme transformed the payments landscape, prompting strategic and operational shifts. Climate and sustainability regulations intensified, with the Department of Forestry, Fisheries and the Environment's (DFFE) emissions targets and SARB's climate guidance requiring alignment across the sector. These developments demanded increased agility, investment in compliance, and integrated risk management from financial institutions.

## Sustainable development

**SDG rank out of 167 countries: South Africa 111, Kenya 123, Tanzania 135, Ghana 120, Mauritius 76.**

The 2025 Africa Sustainable Development Report highlights several pressing concerns that threaten the continent's ability to meet the SDG targets by 2030. Chief among these are persistent data gaps, which obscure the full picture of progress and hinder evidence-based policymaking. Africa is making progress on 12 of the 17 SDGs, but the pace remains insufficient. Key challenges include rising debt burdens, high youth unemployment, gender inequality, and climate vulnerability. The report also warns that over 80% of the SDG financing gap – estimated at USD670–762 billion annually – is concentrated in the least developed countries, making financial mobilisation a critical hurdle. Africa's demographic dividend, abundant natural resources and growing digital infrastructure offer pathways to inclusive development, despite these challenges.



<sup>1</sup> Edelman Trust Barometer 2025.

<sup>2</sup> KPMG 2025 Global CEO Outlook.

# Our relationships with others

We consider how our strategic actions affect our broader stakeholders. Our Absa culture creates trust, inspires innovation and aligns with our business partners and wider stakeholders. We recognise the critical interdependency between value creation, preservation and erosion across our resources and relationships.

Value is not only created through relationships within the Group, but also through relationships with others, creating a living and responsive system.

Nature of relationship and why it is important	Quality of relationship assessment <sup>1</sup>	Your story matters – Top three interests and needs in 2025	How we responded	Relevant material matters
<h3>Investors</h3> <p><b>Direct relationship.</b> Over 56 million shareholders, including our eKhaya employee-investors, are our primary providers of financial capital.</p> <p><b>SDG 8</b></p>	<p>The total shareholder return of 34.4%, well above the 24.3% achieved in 2024, and a rise in RoE to 15%, demonstrate continued positive momentum toward our medium-term RoE target of 16–19% for the 2027–2030 period.</p>	<ul style="list-style-type: none"> <li>Return on technology and strategic investments</li> <li>Cost control and productivity</li> <li>Confidence in leadership and strategic direction.</li> </ul>	<ul style="list-style-type: none"> <li>Embedding a new operating model</li> <li>Finding new growth opportunities</li> <li>Embedded productivity programmes and disciplined capital allocation.</li> </ul> <p>Find out more: <b>A digitally powered business, Group Financial Director's message</b> and <b>A winning, talented and diverse team.</b></p>	<ul style="list-style-type: none"> <li>Geopolitical and sovereign risk exposure</li> <li>Earnings momentum and customer-led trust</li> <li>Evolving regulation and compliance requirements</li> <li>Digital advances, disruption and stewardship</li> <li>Culture transformation and talent care</li> <li>Climate change and a just transition.</li> </ul>
<h3>Customers</h3> <p><b>Direct relationship.</b> Our 13.1 million customers and clients are the users of our products and services and the reason we exist. Our sustainable growth is dependent on them.</p> <p><b>SDG 5 SDG 7 SDG 8 SDG 10 SDG 13</b></p>	<p>Our Group customer experience index reached 103.3, improving from 101 in 2024. While scores continue to trend upward, we remain focused on resolving key customer pain points and consistently delivering excellent service to meet their growing and changing expectations.</p>	<ul style="list-style-type: none"> <li>Fraud protection and secure transactions</li> <li>Sustained levels of service excellence improved resolution timelines</li> <li>Value for money and financial wellness.</li> </ul>	<ul style="list-style-type: none"> <li>Expanded fraud mitigation tools</li> <li>Standardised service processes and centralised complaints tracking</li> <li>Introduced value-rich offerings through Ultimate Banking, including financial coaching tools, leveraging fintech partnerships.</li> </ul> <p>Find out more: <b>A digitally powered business,</b> and <b>The primary partner for our clients</b></p>	<ul style="list-style-type: none"> <li>Earnings momentum and customer-led trust</li> <li>Digital advances, disruption and stewardship</li> <li>Climate change and a just transition.</li> </ul>
<h3>Employees</h3> <p><b>Direct relationship.</b> Our 37 033 employees shape our culture and bring our purpose and brand promise to life.</p> <p><b>SDG 5 SDG 8 SDG 10</b></p>	<p>While we are proud to be recognised as a Top Employer for the fifth consecutive year, we know there is more to do as our colleague experience benchmark score (CEBS) decreased from 72 to 71 in 2025. We remain focused on strong relationships with employees and further embedding our culture blueprint to build a Group that supports high performance and long-term competitiveness.</p>	<ul style="list-style-type: none"> <li>Recognition, growth opportunities, and wellbeing</li> <li>Leadership visibility and culture transformation</li> <li>Job security and fair rewards.</li> </ul>	<ul style="list-style-type: none"> <li>Rolled out Pinnacle and Red Diamond Awards, wellness centres, and refreshed employee value proposition (EVP)</li> <li>Embedded leadership development and simplified performance management</li> <li>Invested in critical skills development and succession planning.</li> </ul> <p>Find out more: <b>A winning, talented and diverse team.</b></p>	<ul style="list-style-type: none"> <li>Earnings momentum and customer-led trust</li> <li>Digital advances, disruption and stewardship</li> <li>Culture transformation and talent care.</li> </ul>

<sup>1</sup> The quality of our relationships is more complex than what can be captured by a single metric. As such, we enriched our reporting in 2025 with deeper context to better illustrate the nuances that shape these relationships.

## Our relationships with others continued

Nature of relationship and why it is important	Quality of relationship assessment <sup>1</sup>	Your story matters – Top three interests and needs in 2025	How we responded	Relevant material matters
<p><b>Regulators and industry bodies</b></p> <p><b>Direct relationship.</b></p> <p>We maintain our licence to operate and contribute to a stable financial system by engaging with regulators and industry bodies across 16 jurisdictions.</p> <p><b>SDG 8</b> <b>SDG 13</b> <b>SDG 16</b></p>	<p>We strengthened our engagement with regulators and engaged more frequently across all in-country operations. We view good governance and responsible corporate citizenship as non-negotiable. While our progress is evident, we will continue to deepen our engagement to ensure a constructive and credible regulatory relationship.</p>	<ul style="list-style-type: none"> <li>• Payments Ecosystem Modernisation (PEM) Programme</li> <li>• Basel IV</li> <li>• AI adoption.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened governance structures and enhanced compliance reporting</li> <li>• Increased pan-African regulatory engagement and capacity building</li> <li>• Embedded ESG risk disclosures and climate strategies across business units.</li> </ul> <p>Find out more: <b>Value created through sound governance</b> and <b>SCR</b>.</p>	<ul style="list-style-type: none"> <li>• Geopolitical and sovereign risk exposure</li> <li>• Earnings momentum and customer-led trust</li> <li>• Evolving regulation and compliance requirements</li> <li>• Digital advances, disruption and stewardship</li> <li>• Culture transformation and talent care</li> <li>• Climate change and a just transition.</li> </ul>
<p><b>Society</b></p> <p><b>Direct relationship.</b></p> <p>To empower Africa and be an active force for good in everything we do, we must generate value for our suppliers and the communities in which we operate by being a beacon of inclusion.</p> <p><b>SDG 5</b> <b>SDG 8</b> <b>SDG 10</b></p>	<p>Our commitment to society remains strong, with sustainable financing for social impact rising to R15.9 billion in 2025 compared to R12 billion in 2024. Our 44.3% brand consideration score is broadly in line with our 45% target and reflects a strong foundation of trust and recognition across society. While there is always room to deepen engagement, the results continue to affirm that our brand resonates well, and we remain committed to further strengthening these relationships.</p>	<ul style="list-style-type: none"> <li>• Financial inclusion and youth empowerment</li> <li>• Visible transformation and inclusion outcomes</li> <li>• Scalable solutions for societal challenges.</li> </ul>	<ul style="list-style-type: none"> <li>• Refreshed our sustainability strategy</li> <li>• Delivered financial literacy tools and affordable housing solutions</li> <li>• Achieved strong employment equity and inclusion metrics.</li> </ul> <p>Find out more: <b>An active force for good in everything we do</b> and <b>SCR</b>.</p>	<ul style="list-style-type: none"> <li>• Earnings momentum and customer-led trust</li> <li>• Culture transformation and talent care</li> <li>• Climate change and a just transition.</li> </ul>
<p><b>Planet</b></p> <p><b>Direct relationship.</b></p> <p>We must preserve our planet for generations to come, so we can all draw resources, empower Africa and be an active force for good.</p> <p><b>SDG 7</b> <b>SDG 13</b></p>	<p>In 2025, our sustainable financing for climate reached R37.5 billion compared to R37.1 billion in 2024. We have set a long-term ambition to achieve net zero scope 1, 2 and 3 emissions by 2050, and we are making strong progress. A 45.06% reduction in carbon emissions has been achieved, exceeding the 2025 glide path target of 30%.</p>	<ul style="list-style-type: none"> <li>• Climate strategy and net zero commitments</li> <li>• Responsible lending</li> <li>• Reduced operational footprint emissions</li> <li>• Expanded green finance solutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Refreshed our sustainability strategy</li> <li>• Continued to invest in data systems for baseline emission calculations</li> <li>• Initiated insured emissions baseline calculations</li> <li>• Recalibrated oil and gas emissions targets.</li> </ul> <p>Find out more: <b>An active force for good in everything we do</b> and <b>SCR</b>.</p>	<ul style="list-style-type: none"> <li>• Earnings momentum and customer-led trust</li> <li>• Digital advances, disruption and stewardship</li> <li>• Climate change and a just transition.</li> </ul>

<sup>1</sup> The quality of our relationships is more complex than what can be captured by a single metric. As such, we enriched our reporting in 2025 with deeper context to better illustrate the nuances that shape these relationships.

## Our relationships with others continued

### How we engage

Our engagements are managed through the Group Stakeholder Engagement Policy, which aligns with King V, principle 13: "Stakeholders". The *Absa Way Code of Ethics* outlines our values and expected behaviours when engaging with our fellow employees and various stakeholders.

We continuously assess and monitor Absa's stakeholder engagement efforts to ensure the Group remains responsive to stakeholder needs, material issues and interests. Assessment tools include, but are not limited to, surveys, customer feedback channels, relationship managers, social media, seminars, conferences and one-on-one meetings. The Group has several channels through which stakeholders can lodge concerns, including Absa general enquiries, complaint resolution and the fraud line. Stakeholder relationship managers are required to report reputational issues facing their respective areas to the Group stakeholder engagement team at least quarterly, in addition to existing reporting/governance channels.

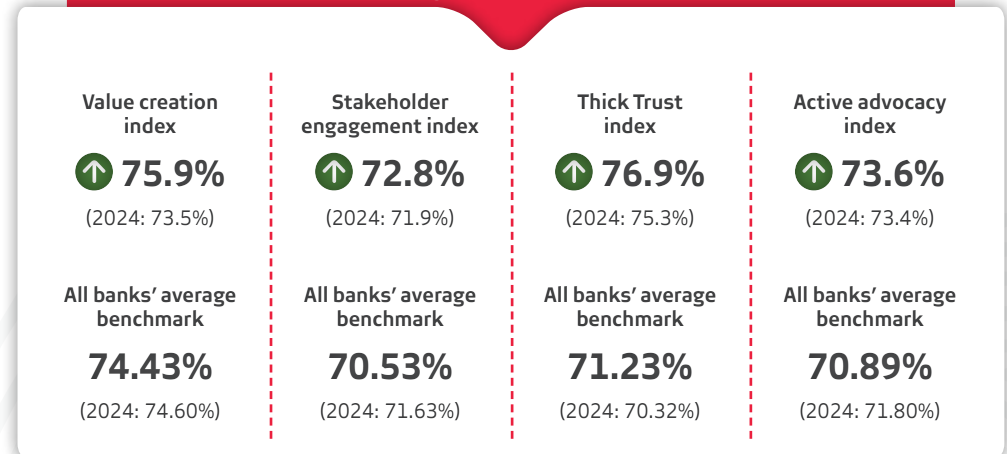
We escalate reputational matters in accordance with the Strategic, Sustainability and Reputational Risk Framework.

### Economic value created and distributed<sup>LA-IA</sup>

	2025 Rm	2024 Rm
Total income	115 697	109 949
+ Income from associates and joint ventures	318	282
- Impairments	(13 410)	(14 304)
- Other equity - Additional tier 1 capital	(1 051)	(1 100)
- Non-controlling interest - Preference shares	(342)	(408)
- Non-controlling interest - Ordinary shares	(1 995)	(1 858)
= Total value available for distribution	99 217	92 561
Total economic value distributed	99 217	92 561
- Suppliers	22 607	19 596
- Communities	373	319
- Employees	36 373	33 654
- Government	11 611	10 912
- Investors	14 350	12 874
- Retained for reinvestment	13 903	15 206
Employee headcount	37 033	36 779
Economic value created per employee	2.68	2.52

Our impact on stakeholders is determined by our business model outputs and outcomes, and the responses of stakeholders to our business activities, which can create or erode value for them.

### How you scored us<sup>1</sup>



All four core reputation metrics showed positive momentum compared to 2024 across both Absa and the average bank's benchmarks, indicating deeper stakeholder confidence, stronger emotional connection and an increased willingness to recommend and collaborate. While the progress is encouraging, the journey is ongoing. There are meaningful opportunities to further strengthen stakeholder relationships and enhance leadership visibility to sustain this momentum.

<sup>1</sup> GlobeScan results from 781 stakeholder opinions across 10 countries. Includes government, business, media, NGOs and senior financial services and banking sector analysts on the sell and investment side.

# Material matters

## Risk management overview<sup>LA-IA</sup>

The Group actively identifies and assesses risks arising from internal and external environments, while proactively identifying emerging risks. To ensure effective implementation, we monitor our consolidated response as follows:

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

We developed the risk management strategy alongside the Group strategy. This forms part of the strategic planning process to ensure the business strategy is achievable within the risk appetite, and we consider risk information in the organisation's decision-making and planning process.

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

## Principal risks<sup>LA-IA</sup>

Our Enterprise Risk Management Framework includes risks taken by the Group that are foreseeable and material enough to merit establishing specific Group-wide control frameworks. These are grouped into eight principal risks, which account for the majority of the risks faced by the Group. This risk taxonomy ensures that major risk types are classified, evaluated and managed using common criteria and definitions as required by the Banks Act Regulation 39(3) and the SARB's/PA's Guidance 4 of 2015.

Principal risks are broad categories that encompass related sub-risks, which together form a comprehensive and non-overlapping classification of distinct risk types. A material matter often relates to more than one principal risk.

Credit, market, capital and liquidity, and insurance are collectively known as financial principal risks. Strategy and sustainability (including reputational) and model risk are principal risk types that straddle financial and non-financial risk. The remaining risks, namely compliance risk and operational and resilience risk, are referred to as non-financial principal risks. The **glossary** contains principal risk definitions.

Financial capital can be affected by consequences from any of the principal risks. Human, manufactured and intellectual capitals are mostly affected by operational and resilience risk. Social and relationship capital along with natural capital are often affected by strategy and sustainability risks. Refer to each material matter for a link between principal risks and the primary business model outcomes affected.

## Risk appetite<sup>LA-IA</sup>

The Group's risk appetite is defined as the risk that Absa Group, its business lines and subsidiaries are prepared to accept to meet strategic objectives. It explicitly defines the risk boundaries within which management is expected to operate under business-as-usual and stressed conditions when pursuing the business strategy.

Our risk appetite is stated qualitatively in terms of risk principles and risk preferences and refers to the types of risk the Group actively seeks, accepts and avoids. In addition, the maximum risk the Group is prepared to accept to achieve its business objectives is defined using various quantitative metrics relating to capital adequacy, earnings volatility, liquidity, and leverage. These are cascaded to the level of principal risk, legal entity, and business unit.

Find out more... [Pillar 3 Disclosure](#)

## Materiality determination process<sup>LA-IA</sup>



We understand how material issues associated with our business model affect our ability to execute our strategy.

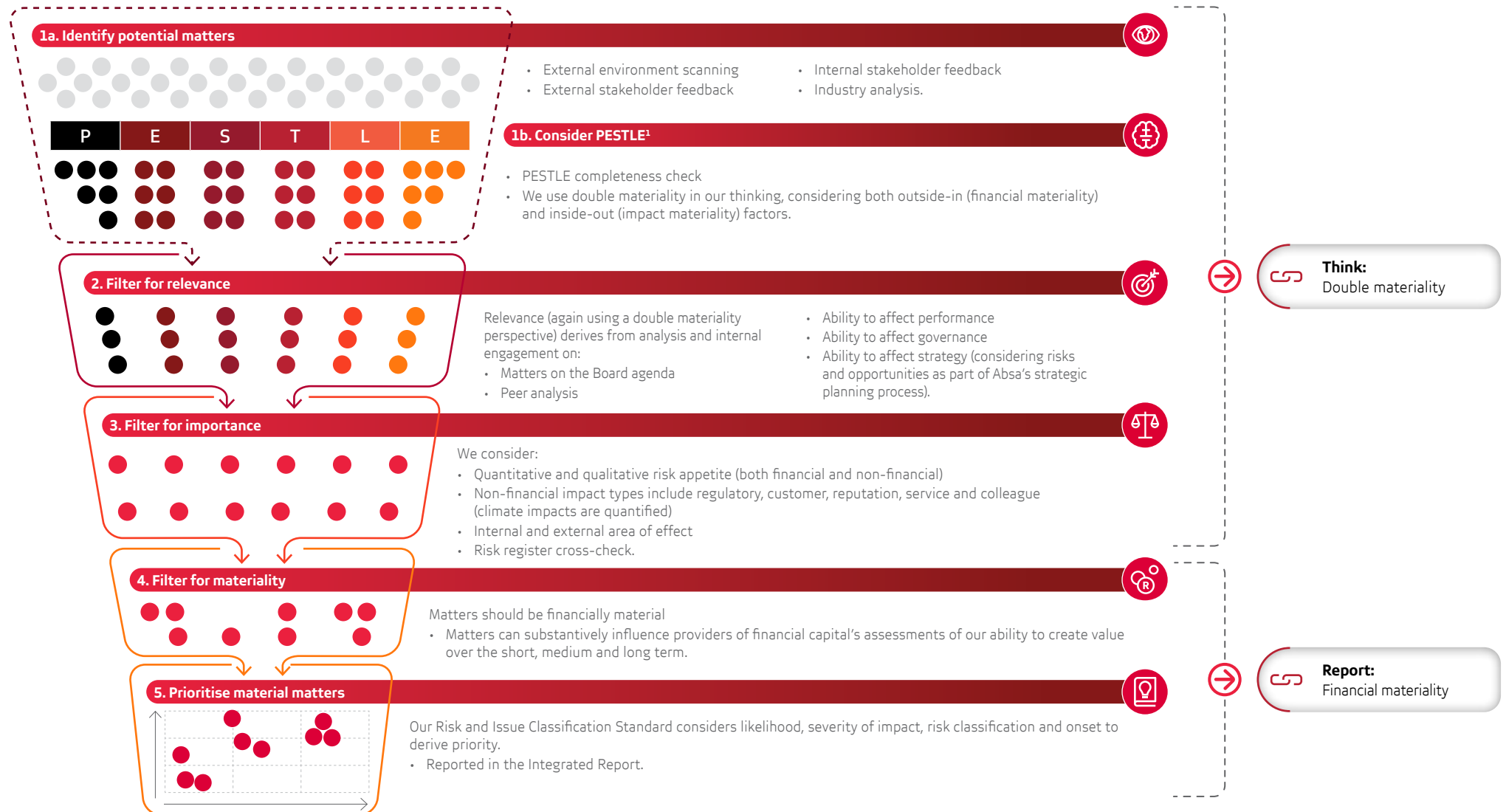
Many factors affect our ability to create value, including our operating environment, stakeholders, responses to risks and opportunities, and our chosen strategy. We also appreciate that environmental, social and governance impacts can become more, or less, financially material over time, i.e., they are dynamic.

Therefore, early on in our material matters determination process, we apply double materiality in our thinking (i.e. impact and financial materiality). However, this report's disclosure focuses on matters that are financially material.

A matter is material if it is of such relevance and importance that it could substantively influence the assessments of providers of financial capital with regard to our ability to create value over the short, medium and long term. In determining whether a matter is material, senior management and the Board consider whether the matter substantively affects, or has the potential to substantively affect, our strategy, business model, or one or more of the capitals it uses.

## Material matters continued

We have not seen directional shifts in our material matters year-on-year. Our materiality determination process is discussed and illustrated as follows:



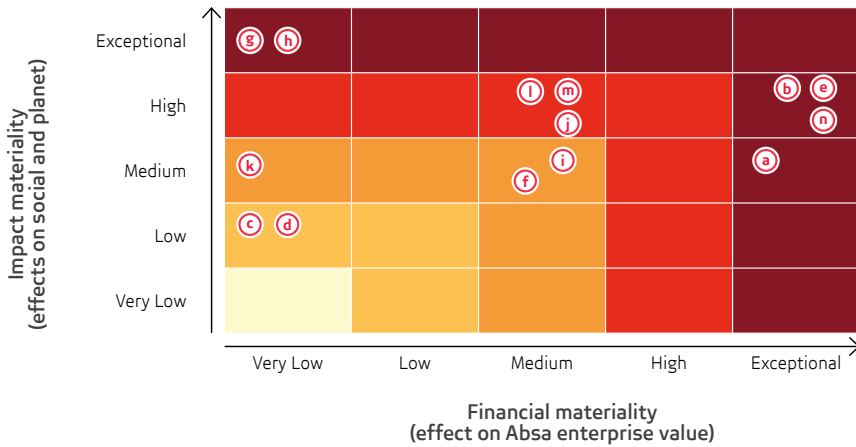
<sup>1</sup> An analytical approach to identify and assess the actual and potential environmental factors that could impact the strategy and achievements of an organisation, based on the assessment of, inter alia, political, economic, socio-cultural, technological, ecological, demographical and legal factors (regulatory factors grouped with "L").

## Material matters continued

### Impact vs financial materiality<sup>LA-IA</sup>

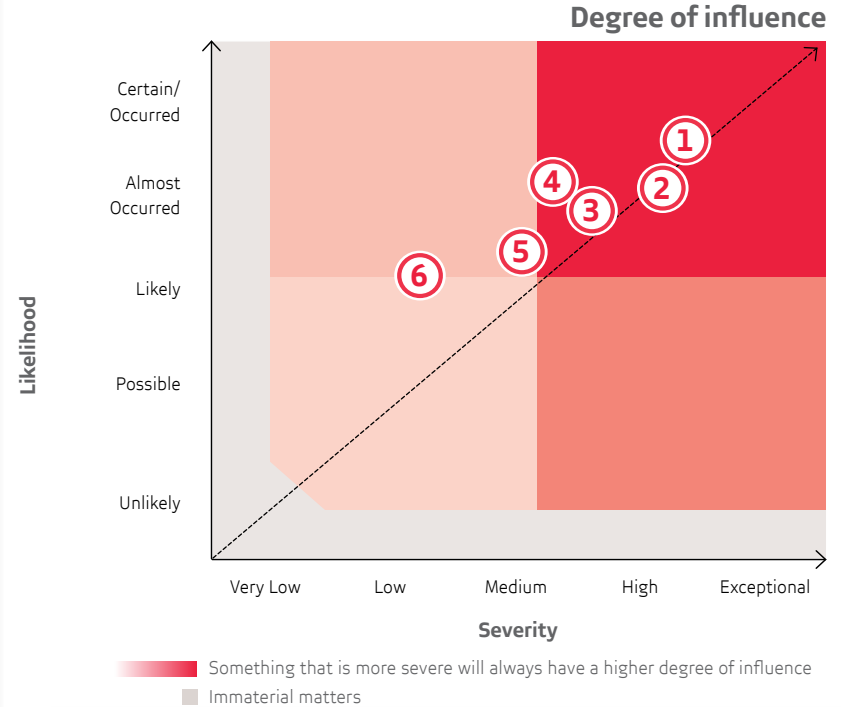
Specific sustainability-related impacts were considered during the material matters determination process. The **SCR** provide detailed disclosures on these sustainability topics.

#### Medium- to long-term view, pre-management actions



- (a)** Climate change physical impacts
- (b)** Climate transition impacts
- (c)** Biodiversity loss and ecosystem collapse
- (d)** Water scarcity and resource depletion
- (e)** Fossil fuel reliance
- (f)** Energy crises
- (g)** Rising inequality, unemployment, social exclusion
- (h)** Social/political unrest and polarisation
- (i)** Supply chain disruption
- (j)** Household and SME distress
- (k)** Misinformation
- (l)** Cyber- and data security
- (m)** Ethical AI use
- (n)** Debt crises

### Prioritised material matters<sup>LA-IA</sup>



Rank	Material matters	Link to specific ESG impacts
1	Geopolitical and sovereign risk exposure	<b>(d h i l n)</b>
2	Earnings momentum and customer-led trust	<b>(d f j g h k)</b>
3	Evolving regulation and compliance requirements	<b>(b c e g j k l m n)</b>
4	Digital advances, disruption and stewardship	<b>(k l m)</b>
5	Culture transformation and talent care	
6	Climate change and a just transition	<b>(a c b d e f)</b>

## Material matters continued

### Geopolitical and sovereign risk exposure<sup>LA-IA</sup>

Geopolitical tension and polarisation – exemplified by the current US–Iran Middle East conflict – are shaping longer-term structural shifts in trade relationships and economic dependencies. Conflict drives volatility in oil prices, inflation and global risk appetites, contributing to policy uncertainty and rising protectionism.

Sanctions and geo-economic weaponisation, where countries use economic interdependence as a tool to advance their national interests, are emerging as levers to mitigate against trade fragmentation alongside intensifying measures to protect asset quality, capital adequacy and earnings stability. African markets are experiencing a decline in aid funding and multilateral support, heightening financial and socio-economic strain.

Emerging global dynamics are adding layers of uncertainty in 2026. A potential equity market correction poses risks to market stability, where sharp declines in valuations could trigger volatility, capital outflows and tighter liquidity conditions.

The US dollar's devaluation has introduced both risks and opportunities for our markets. While a softer dollar may encourage capital inflows and ease local funding conditions, it can also constrain export earnings and heighten vulnerability to rapid outflows if global sentiment shifts.

High global and sovereign debt levels continue distress across several African economies, with Mozambique particularly exposed and Botswana experiencing liquidity challenges, while Ghana and Kenya are showing some signs of recovery following debt restructuring. However, external debt-to-GDP ratios across the continent are showing improvement. Despite lingering vulnerabilities, Africa is expected to outpace global economic growth in 2025, with 12 of the world's 20 fastest-growing economies projected to be on the continent. Nevertheless, continued weak exchange rates, currency inconvertibility and FX transfer restrictions in some markets contribute to heightened liquidity risk, impacting profitability and increasing hedging costs.

Each of our markets features unique geopolitical and sovereign risks. Strategic investments and geographic diversification, including representative offices in trading corridors, create an effective buffer against some state-driven risks. Sovereign risk exposure is managed, but not eliminated, through cross-border policies that measure susceptibility in presence and non-presence countries. Direct stress testing and risk appetite adjustments support resilience against sovereign risk exposure.

We have the opportunity to bolster our own and customers' resilience against external shocks by maintaining earnings, liquidity, and capital buffers and by engaging proactively with policymakers.

Leveraging our footprint more effectively will drive our pan-African ambitions by aligning business units under a pan-African model. Strategic clarity will be sharpened to focus capital and resources on key markets and segments, avoiding fragmented investments.

### What it means for Absa

#### Possible business model impacts and effects on capitals



#### Financial capital

- ↑ Improved capital allocation
- ↑ Improved earnings through focused investments
- ↑ Improved earnings from risk management products
- ↓ Possible credit downgrades impacting economic momentum
- ↓ Cost of doing business in-country escalates
- ↓ Difficulty in accessing multilateral capital
- ↓ Possible reduction in international trade and direct foreign investment
- ↓ Increased reserve requirements
- ↓ Heightened hedging cost
- ↓ Risks on foreign currency cross-border payments and issuance of foreign currency legislation may impact profitability.



#### Social and relationship capital

- ↑ Improved resilience drives both investor and customer confidence
- ↓ Increased regulation and supervision
- ↓ Damaging reputation and standing in the international community
- ↑ Improved multi- and bilateral relationships
- ↓ Enhanced scrutiny of directives governing cross-border payments.

#### Opportunities

- Facilitating trade and economic growth
- Supporting government policies in the collective interests of societies
- Contributing to a resilient and stable financial market system by following internationally accepted standards
- Strengthen foreign investor confidence
- Higher demand for risk management products
- Balancing robust risk management with growth aspirations
- Ongoing enhancement of models to better understand the risk-reward trade-offs
- Proactive capital management and capital allocation to bolster RoE
- Geographical diversification and scaling of international corridors.

#### Principal risks affected

Credit | Market | Capital and liquidity | Insurance | Strategic, sustainability and reputation | Model | Operational and resilience | Compliance

#### 2025 Scorecard metrics affected

- Headline earnings
- RoE.

#### Other

- Total deposits
- Gross loans and advances
- CTI
- CLR
- CET1.

#### Value to others

#### Stakeholders impacted

Investors | Customers | Regulators and industry bodies | Society

#### SDGs impacted

**SDG 8** **SDG 16**

#### Future strategic objectives affected

Diversified, pan-African business  
New growth opportunities

Performance 2025 **A Diversified franchise with deliberate, returns-focused growth**

## Material matters continued

### Earnings momentum and customer-led trust<sup>LA-IA</sup>

Ongoing economic fragility, persistent inflation, currency pressures and high unemployment continue to strain households and SMEs in our markets. Societal challenges, such as income inequality, strain purchasing power and undermine trust and stability.

Small businesses are increasingly challenged by supply chain volatility, impacting input costs, while foreign exchange exposure and tariff risks in export-reliant sectors are threatening employment prospects.

Consumer stress is a leading indicator of systemic risk and future earnings volatility, with rising debt servicing challenges directly affecting credit quality and profitability, thereby driving higher default risks.

The change in South Africa's monetary policy approach, targeting a lower inflation rate, may lead to reduced interest rates and more affordable credit, which could stimulate demand, drive higher profits and improve capital allocation planning. Nevertheless, short-term recovery is likely to be subdued while price competitiveness remains heightened.

Customer loyalty is built on proactively anticipating customer needs and offering relevant support through a personalised, seamless experience, creating increasing levels of trust that enhance enterprise value. Low trust heightens the risk of social unrest, which can lead to policy shifts that affect regulation, credit risk and growth prospects.

The Group's strategic messaging, purpose-led initiatives and transparent stakeholder engagement create opportunities to drive positive momentum in brand trust, supported by a customer-centric operating model that is shaping investments and transformation.

The Group has the opportunity to selectively target resilient segments and to adjust lending strategies to manage risk. Absa's strategic credit response to consumer distress also considers options such as debt reviews and forbearance arrangements, while applying a robust credit and collections capability, which we combine with distressed customers solutions. These will enable us to retain investor confidence, increase customer satisfaction and deliver a higher RoE relative to the cost of equity.

### What it means for Absa

#### Possible business model impacts and effects on capitals



#### Financial capital

- ⬇ Increased risk of credit defaults and margin pressure
- ⬇ Increased loss from disruption
- ⬆ Improved earnings and capital allocation
- ⬇ Additional support to customers and communities affects margins.



#### Social and relationship capital

- ⬆ Reputational gains from supporting customers and communities
- ⬆ Improved shareholder confidence
- ⬆ Customer primacy and brand affinity.

#### Opportunities

- Creating a balance in revenue mix across our portfolio
- Improving capital allocation planning
- Deepening client relationships and satisfaction levels
- Enhancing client primacy and extended client life journeys
- Promoting sustainable finance and financial inclusion
- Delivering personalised and integrated product solutions to clients
- Strategic response to credit risk and customer distress support
- Promoting authentic, brand-related stakeholder engagement.

#### Principal risks affected

Credit | Strategic, sustainability and reputation | Model | Operational and resilience | Compliance

### Performance 2025 *A diversified franchise with deliberate, returns-focused growth, The primary partner for our clients*

#### 2025 Scorecard metrics affected

- Headline earnings
- RoE
- Brand consideration
- Active customer numbers (pan-RBB)
- Group customer experience index
- Client primacy (pan-CIB)
- Gross sustainable financing.

#### Other

- CTI
- CLR
- Aggregated ESG loans and ESG bonds.

#### Value to others

#### Stakeholders impacted

Investors | Customers | Employees | Society

#### SDGs impacted

**SDG 5** **SDG 8** **SDG 10** **SDG 16**

#### Future strategic objectives affected

Diversified, pan-African business  
New growth opportunities  
Drive excellence  
Customer-led growth

## Material matters continued

### Evolving regulation and compliance requirements<sup>LA-IA</sup>

The increasing demands for fast-evolving financial services regulation and more stringent oversight require adopting a forward-looking approach. Such an approach considers emerging regulation across key areas, including capital adequacy, financial crime, data privacy, AI governance, tax transformation, payment modernisation, and climate and benchmark reforms, such as the SARB's engagements around removal of the prime lending rate.

Differing regulatory expectations and contagion risk across multiple jurisdictions heighten regulatory fragmentation and compliance complexity, for example, through the Basel III finalisation. Various implementation dates across jurisdictions further complicate implementation.

For Absa, regulatory change and compliance pressure can increase compliance costs, reputational exposure and business model risks, thereby potentially increasing the cost of capital and affecting agile access to strategic markets.

We bolstered our compliance posture with data-led digital tools. Specialist skills in data, digital, regulatory risk, compliance risk management and conduct, as well as our best-in-class financial crime capability, support our proactive dialogue with regulators. We have also standardised AR structures, roles and engagement models to ensure consistent in-country regulatory engagement.

The Group has the opportunity to sustain trust and create long-term value through transparent disclosures, robust governance frameworks and continuous improvement in compliance maturity.

### What it means for Absa

#### Possible business model impacts and effects on capitals



#### Financial capital

- Material investment in systems, processes, data and skilled resources, increasing operating costs
- Regulatory cap on fees
- Penalties and fines due to non-compliance
- Compressed margins on the back of regulatory interventions.



#### Social and relationship capital

- Sound, positive and healthy relationships with regulators
- Reputational gains from customers' safety and security
- Compliance burden may affect client journeys and experiences, yet clients benefit from the protection provided by regulation
- Increase in supervision and inspections by regulators
- Reputational damage due to non-compliance.

#### Opportunities

- Increase transparency through reporting and disclosures
- Influence and advocate policy positions and lead in the industry
- Working with regulators in developing common strategies to achieve our client goals while strengthening the financial industry
- Mitigate or prevent systemic risks across the Group, promoting financial stability
- Continue to support and align with international and local practices supporting capital and ESG requirements
- Promote a culture of compliance while bolstering our compliance structures and systems.

#### Principal risks affected

Credit | Market | Capital and liquidity | Insurance | Strategic, sustainability and reputation | Model | Operational and resilience | Compliance

#### 2025 Scorecard metrics affected

- Headline earnings
- RoE.
- Other
- CET1
- CTI
- Net stable funding ratio
- Total operational risk losses.

#### Value to others

- Stakeholders impacted
- Investors | Customers | Regulators and industry bodies
- SDGs impacted
- SDG 10** **SDG 16**

#### Future strategic objectives affected

- Diversified, pan-African business
- New growth opportunities
- Drive excellence
- Customer-led growth

Performance 2025 **Value created through sound governance, Outlook**

## Material matters continued

### Digital advances, disruption and stewardship<sup>LA-IA</sup>

Open banking is driving a shift towards standardising global payments, linking domestic instant payment systems and initiating payments through digital wallets. Whereas these initiatives will facilitate seamless cross-border payments and global integration, they are accompanied by rising financial crime, prompting financial services providers to collaborate to protect full payment ecosystems.

The SARB's PEM Programme aims to enable fast, simple, inclusive and secure digital payments. Building on fintech disruptions and the rise of PayShap, the programme will promote innovation and prevent fragmentation within the financial system.

Banks will need to adapt to new infrastructure, regulatory standards and competitive dynamics, highlighting risks in legacy systems, fragmented data environments and slow time-to-market constraints. Next-generation customers will be highly digitally native and demand personalisation, convenience and immersive banking experiences.

As GenAI inspires new digital client solutions, banks are recognising the need to embed AI in an ethical and responsible way. AI-facilitated solutions can transform financial services and will intensify competition between traditional and non-traditional fintech players. Strategic partnerships, embedded finance and API-driven integration are critical to capturing new revenue streams and maintaining market share.

Digital capability is a key determinant of future cash flows, customer retention, competitive differentiation and cost efficiency. Absa's ability to modernise technology and leverage open banking frameworks will drive future opportunities to create relevant customer experiences and preserve value.

Cybersecurity is a systemic risk with direct implications for operational continuity, customer trust and regulatory compliance. The FSCA and PA have made compliance with the Joint Standard on Cybersecurity and Cyber Resilience mandatory from June 2025. Furthermore, the PA flagged third-party risk management as its flavour-of-the-year topic for 2025, noting the reliance on third parties that can lead to concentration and operational resilience risks.

Absa is leveraging the Group's digital capabilities to address opportunities presented by open banking, payment ecosystem developments, AI and data insights to innovate and diversify our offerings across digital and physical channels. The Group has made significant strides, including ISO 27001 certification, AI/ML-enabled threat detection platforms and a converged security office to address cybersecurity risks. However, third-party risk, legacy systems and talent shortages remain vulnerabilities. Strategic investments in our technology estate, security platforms, third-party risk management tools and resilience testing are critical to safeguarding enterprise value.

The opportunity to continuously enhance our cyber posture, to share cross-border threat intelligence and drive post-quantum readiness is essential to future-proof operations.

### What it means for Absa

#### Possible business model impacts and effects on capitals



#### Financial capital

- ⊖ Increased transaction volumes and higher digital inclusivity affecting fees
- ⊕ Increased productivity over the medium to longer term
- ⊕ Access to new markets and products increasing revenue streams
- ⊖ Investment in technology infrastructure, security platforms and resilience investments in critical processes and third-party management
- ⊖ Financial loss due to digital fraud, cybercrime and data loss.



#### Human capital

- ⊖ Scarcity of digital and technology skills increasing retention and attrition risk
- ⊕ Improved employee experience and efficiencies
- ⊕ Helping to upskill and reskill the existing workforce drives retention and meets fundamental business needs, while recognising that a digital focus could impact job creation.



#### Social and relationship capital

- ⊖ Increased reputational risk due to misinformation, fraud, data leakage and other security breaches
- ⊕ Closing the digital divide and financial inclusion
- ⊕ Improved customer experience and safety.



#### Intellectual capital

- ⊖ Increased risk of data loss and dependency
- ⊕ Future-fit digital ecosystems.

#### Opportunities

- Enhancing digital capabilities, payment options and security, increases digital adoption rates
- Responsible AI use to improve efficiency and service
- Establishing new partnerships to gain market share
- Enhancing primacy and client experiences through service that is safe, reliable and seamless
- Innovating through data insights and AI application
- Furthering financial and digital inclusion.

#### Principal risks affected

Strategic, sustainability and reputation | Model | Operational and resilience | Compliance

#### 2025 Scorecard metrics affected

- Growth in digitally active customers – Group-wide
- Growth in digital transactional volumes – Group-wide
- RoE.

#### Other

- Total severity 1 and 2 incidents
- Retail digital channel availability
- Service availability for the Group.

#### Value to others

#### Stakeholders impacted

Investors | Regulators and industry bodies | Customers | Employees | Society

#### SDGs impacted

**SDG 8** **SDG 10**

#### Future strategic objectives affected

Diversified, pan-African business  
New growth opportunities  
Drive excellence  
Customer-led growth

### Performance 2025 *A digitally powered business*

## Material matters continued

### Culture transformation and talent care<sup>LA-IA</sup>

Employers are facing increasing pressure from economic challenges, increased competition, technological disruption and shifting societal norms, which are driving the need to evolve employee value propositions (EVP).

High market demand for specialist and digital talent in the banking sector is increasing, creating elevated attrition risk and delivery strain. Changes to the operating model and the embedding of decision rights affect effective strategy execution.

Culture transformation is a strategic necessity to remain competitive, relevant and resilient. Early signs of positive alignment are emerging from employee engagement platforms and a refreshed EVP, though uneven employee experience results suggest that the improved EVP has not yet been felt across the Group. Group initiatives, including leadership effectiveness measures, our dynamic skills strategy, the launch of a Culture Transformation Programme and a new culture blueprint, aim to build a future-proof workforce. Our culture blueprint centres on three strategic mindset shifts: prioritising customer value over internal focus, elevating outcomes and ownership above process adherence, and replacing tolerance for poor performance with a commitment to excellence and winning.

Investment in succession depth and readiness further entrenched mature talent management practices, while female representation in leadership remains a focus area. Diversity, equity and inclusion initiatives create a stronger sense of belonging and a culture that values different perspectives.

Absa's new operating model will create opportunities to be more agile in leveraging the Group's scale, simplify processes and improve employee experience and efficiency.

Human capital is a key opportunity driver for innovation, resilience and execution. By remaining purpose-led, we will ensure strategic alignment and a continuous culture transformation that balances care and improved performance and ownership, while increasing customer-centricity and enabling the Group to compete effectively for Africa's best talent.

### What it means for Absa

#### Possible business model impacts and effects on capitals



#### Financial capital

- ↓ Investment in future-fit talent
- ↑ Reduced talent recruitment costs.



#### Social and relationship capital

- ↓ Increased competition
- ↑ Reputational gains from being an employer of choice.



#### Human capital

- ↑ Increased psychological safety and employee wellbeing
- ↑ Improved operational efficiency
- ↑ Increased organisational agility through stronger cross-functional collaboration
- ↑ Enhanced decision-making through distributed leadership
- ↑ Greater innovation
- ↑ Compelling talent proposition, particularly for critical skills areas
- ↑ Enhanced diversity and sense of belonging.



#### Intellectual capital

- ↑ Employees equipped for work in the digital age
- ↑ Formal succession planning protects institutional knowledge.

#### Opportunities

- Employee wellbeing underpins service excellence and customer loyalty
- Value creation through cultural integration creating distinctive market competitiveness
- Establish Absa as an employer of choice across Africa, reducing recruitment costs and improving talent retention
- Sustainable, enhanced performance through cultural change and leadership effectiveness.

#### Principal risks affected

Strategic, sustainability and reputation | Operational and resilience

**Performance 2025 *A Winning, talented and diverse team***

#### 2025 Scorecard metrics affected

- CEBS
- Other
- CTI
- Employee headcount
- Turnover rate
- Women in senior leadership
- Female-to-male ratio.

#### Value to others

Stakeholders impacted  
Investors | Employees | Society

SDGs impacted  
**SDG 5** **SDG 8** **SDG 10** **SDG 16**

#### Future strategic objectives affected

New growth opportunities  
Drive excellence  
Customer-led growth

## Material matters continued

### Climate change and a just transition<sup>LA-IA</sup>

Climate-related risks are set to increase as trade inequalities and resource bottlenecks heighten potential climate impacts, magnified by carbon taxes being imposed by developed nations on goods produced in carbon-intensive economies. Climate policy is becoming politicised in key jurisdictions.

Banks continue to expand their sustainable finance portfolios, supporting climate-related opportunities and green infrastructure development. They are reducing their exposure to climate-sensitive and carbon-intensive sectors to reduce the risk of asset stranding and impairment, credit losses and market shifts due to extreme weather and water scarcity.

Credible climate strategies and alignment with net zero targets are increasingly linked to opportunities to facilitate access to capital, improve ESG ratings and maintain long-term viability.

Regulatory expectations, including the SARB's Climate Guidance and the Climate Change Act, are tightening climate regulations, with full compliance expected by 2028.

Absa is committed to a just and responsible transition to net zero by 2050, maintaining limited and carefully managed exposure to the coal, oil, and gas sectors – restricting new coal financing, viewing natural gas as a transitional fuel, and aligning all fossil fuel financing with emissions reduction glidepaths and credible client decarbonisation plans. However, we revised our oil and gas targets to focus on scope 1 and 2 emissions. This recalibration reflects the evolving global energy landscape and the challenges associated with client data quality.

The Group is also exploring opportunities to help reduce financial strain for customers who are indirectly affected by climate-related risks that impact infrastructure, employment, economic growth and insurance options.

In addition, we have implemented new sustainable investment policies designed to enhance the assessment and ongoing monitoring of the sustainability impacts associated with our investment portfolio. These policies also strengthen our oversight of customers' sustainability performance, ensuring alignment with our broader ESG objectives.

The integration of climate risk into credit, insurance and investment decisions is critical to maintain capital access, cost efficiency, business continuity and value creation.

### What it means for Absa

#### Possible business model impacts and effects on capitals



#### Financial capital

- ↑ Investors are seeking climate and environmentally-friendly opportunities, which will diversify our funding base and reduce funding costs
- ↑ Increased and diversified revenue from sustainability-related products and services
- ↓ Increased risk of impairments due to physical and transition events
- ↓ Increased reinsurance costs.



#### Social and relationship capital

- ↑ Supporting clients' transition paths
- ↑ Appreciate the social context to ensure a just transition, especially in Africa
- ↓ Reputational damage if Absa fails to deliver on sustainability commitments or regulations.



#### Human capital

- ↑ Increased ESG skills and talent.



#### Natural capital

- ↑ Low-carbon societies and businesses
- ↑ Food and water security
- ↓ Increased consumption of water and electricity as we embed a pan-African footprint.

#### Opportunities

- Lead the way in sustainable finance
- Increased insight into clients' sustainability needs and roadmaps to net zero can lead to new financing and investment opportunities, including nature-positive financing
- Capital allocation to environmentally responsible businesses
- Access to sustainable green loans and bonds
- Contribute to a just transition and responsible consumption
- Opportunity to drive business continuity for clients.

#### Principal risks affected

Credit | Capital and liquidity | Insurance | Strategic, sustainability and reputation | Model | Operational and resilience | Compliance

**Performance 2025 *An active force for good in everything we do***

#### 2025 Scorecard metrics affected

- Own carbon emissions reduction
- Gross sustainable financing.
- Other**
- Aggregated ESG loans and ESG bonds – climate portion
- Total electricity use.

#### Value to others

- Stakeholders impacted**
- Investors | Customers | Regulators and industry bodies | Society | Employees | Planet
- SDGs impacted**
- SDG 7** **SDG 8** **SDG 13** **SDG 16**

#### Future strategic objectives affected

- New growth opportunities
- Customer-led growth

# Our strategy<sup>LA-IA</sup>



During our strategic planning process, we reassess our business model and primary macro dynamics. We identify opportunities and adjust strategic objectives through cross-functional risk management and integrated planning. Rigorous evaluation is applied to strategic opportunities and risks.

## Our strategy

### Win with our customers, building trust and scaling for growth

#### 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%**

2027 - 2030

## A case for change

**Our strategy has evolved, anchored in winning with our customers, building trust and scaling for growth**

As we conclude the 2025 strategy cycle, we have delivered key milestones in digital enablement, customer primacy, sustainability leadership, and pan-African integration. These achievements have strengthened our franchise and established a solid foundation for the next phase of our strategic journey.

However, the operating environment continues to evolve rapidly. Customers increasingly expect seamless digital experiences, tailored solutions, and faster, more responsive services. Competitive intensity is rising across traditional banks, fintechs, and non-banking platforms, while economic volatility, regulatory shifts, and rising capital require sharper execution, greater agility, and more disciplined allocation of resources.

At the same time, we have strong momentum, a dependable franchise, improving operational discipline, a growing presence across the continent, and a leadership team aligned behind a common ambition. This creates a clear opportunity to reposition the Group for sustainable, high-quality growth.

Our refreshed strategy responds directly to this context. It balances growth and resilience, accelerates customer relevance, and sharpens execution focus across all businesses and regions.

## Our strategy continued

### Strategic pillars<sup>LA-IA</sup>

Our refreshed strategy is organised around four pillars that guide all strategic decisions and resource allocation across the Group. These Board-approved pillars reflect where we will focus our efforts over the medium to long term.



#### Customer-led growth

We aim to grow by winning the trust, loyalty and day-to-day business of our customers. This means delivering reliable basics, reducing pain points, and offering simple, relevant propositions for households, youth, entrepreneurs, SMEs, and corporate and institutional clients, resulting in differentiated customer experiences.

We will prioritise:

- Consistency of excellence in service and customer experience
- Digital and other platform experiences that are intuitive and consistent
- Strong frontline capability and service culture
- More distinctive value for priority customer segments.



#### Diversified, pan-African business

Absa is one of the few financial institutions with meaningful scale across Africa. We will strengthen our South African franchise while growing priority markets across the continent, supported by shared capabilities, common platforms and consistent standards.

We will:

- Deepen our presence in high-potential markets
- Improve returns in challenged markets through scale, discipline and efficiency
- Enhance corridor capabilities to connect African clients to regional and global opportunities
- Move toward more unified architectures, processes and customer experiences.



#### Drive excellence

We will simplify how we work, reduce costs, modernise our technological landscape and improve productivity. Excellence is central to how we release capacity for growth and create space to reinvest.

Our focus areas include:

- Disciplined capital allocation
- End-to-end process simplification
- Faster time-to-market
- Structural cost reduction
- Improving our technology performance, resilience and affordability.



#### New growth opportunities

We will invest selectively in future engines of growth where we have the strategic right-to-win. These include:

- Digital and data-driven customer opportunities
- Wealth and investments
- Expansion of value-added services.

These opportunities expand our relevance, diversify our revenue mix and build future readiness.

#### Material matters link

- Earnings momentum and customer-led trust
- Evolving regulation and compliance requirements
- Digital advances, disruption and stewardship
- Culture transformation and talent care
- Climate change and a just transition.

#### Material matters link

- Geopolitical and sovereign risk exposure
- Earnings momentum and customer-led trust
- Evolving regulation and compliance requirements
- Digital advances, disruption and stewardship.

#### Material matters link

- Earnings momentum and customer-led trust
- Evolving regulation and compliance requirements
- Digital advances, disruption and stewardship
- Culture transformation and talent care.

#### Material matters link

- Geopolitical and sovereign risk exposure
- Earnings momentum and customer-led trust
- Evolving regulation and compliance requirements
- Digital advances, disruption and stewardship
- Culture transformation and talent care
- Climate change and a just transition.

#### Capitals



#### Capitals



#### Capitals



#### Capitals



## Our strategy continued

### Strategic horizons and measurement<sup>LA-IA</sup>

Our strategy is delivered over two horizons.

#### Horizon 1 (Short-term – 2026)

Strengthen our foundations, stabilise technology, improve productivity and capital efficiency, enhance colleagues' value proposition and deliver consistent service.

Key indicators: RoE, digitally active customers, cost-to-income, customer experience index, colleague experience index, reliability, frontline capability, and technology stability.

#### Horizon 2 (Medium-term – 2027+)

Accelerate customer growth, deepen primary relationships, expand non-interest revenue (NIR), scale priority and digital-first businesses, pursue new opportunities and targeted market expansion, and sustain performance to support long-term value creation.

Key indicators: active customers, transactional activity, NIR growth, SME and wealth penetration, digital adoption, new platform growth and cost-to-income trajectory.

### Strategic trade-offs and shifts<sup>LA-IA</sup>

Balancing competing priorities is essential for creating and safeguarding long-term value for all stakeholders. As a purpose-led Group, our decision-making is guided by a structured framework that ensures every action aligns with our strategic objectives. This approach enables us to navigate the complexities of competing priorities with clarity and focus, advancing resilience and adaptability across the Group.

**From wide-ranging opportunity pursuit to prioritising the most attractive growth areas**

**Evolving to a focused strategy that targets geographies, sectors and customer segments where the Group holds clear competitive differentiation.**

Prioritised investment enhances margin quality, reduces earnings volatility, and supports stable long-term growth trajectories. Focus enables skilled teams to concentrate on high-value opportunities, thereby improving productivity depth of capability in priority segments.

Capitals outcome

**From operational complexity to structural simplicity and agility**

**Transitioning toward streamlined, simplified operating models that enhance decision speed, reduce cost, clarify accountability and deliver more consistent customer outcomes.**

Simpler structures clarify accountability, enhance employee empowerment, and reduce operational friction. Streamlined processes improve customer experience, strengthen trust, and enhance the reliability of service delivery.

Capitals outcome

**From market-specific operating models to an integrated pan-African business**

**Shifting toward a harmonised pan-African business architecture that leverages shared capabilities, scale and cross-market client flows while reducing costs.**

A unified approach strengthens cross-market client relationships, promotes consistent service, and enables deeper regional partnerships. Integration and improved synergies will strengthen our financial capital.

Capitals outcome

**From uneven capital deployment across the portfolio to disciplined, high-return capital allocation**

**Moving toward redeploying capital into priority markets and businesses where risk-adjusted returns are demonstrably stronger.**

Focused capital deployment supports improved returns on capital, optimised risk-adjusted performance, and stronger balance sheet resilience.

Capitals outcome

### While ensuring

**Phased execution**  
Sequencing initiatives for credibility and momentum

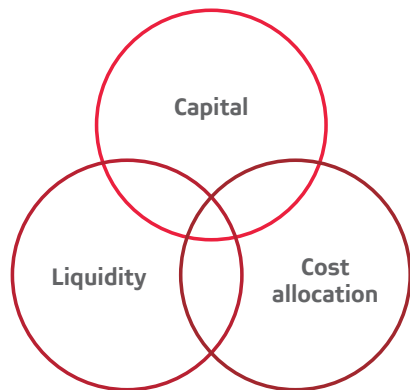
**Delivery consistency**  
Clear accountability with measurable outcomes

**Winning mindset**  
We win by putting customers first

## Our strategy continued

### Resource allocation<sup>LA-IA</sup>

Financial resource allocation is a core mechanism through which the Group balances sustainable value creation while maintaining resilience. Within Absa's Financial Resource Management Framework, this involves the disciplined deployment of scarce financial resources, including capital, liquidity, funding and cost capacity, across the balance sheet and income statement in line with the Group's regulatory requirements, risk appetite, targeted returns and strategic priorities to deliver sustainable shareholder value.



### Capital allocation

Capital allocation is guided by a clear hierarchy of priorities, ensuring the Group remains resilient while optimising shareholder and stakeholder outcomes.

#### Priority 1: Systemic resilience and regulatory sustainability

The foremost capital priority is maintaining sufficient capital to meet regulatory requirements and ensure long term sustainability. The Group targets a CET1 ratio of between 11% and 12.5%, comprising the regulatory minimum of 8.5% and an internal management buffer. This buffer provides resilience against stress scenarios and supports the Group's role as a systemic bank.

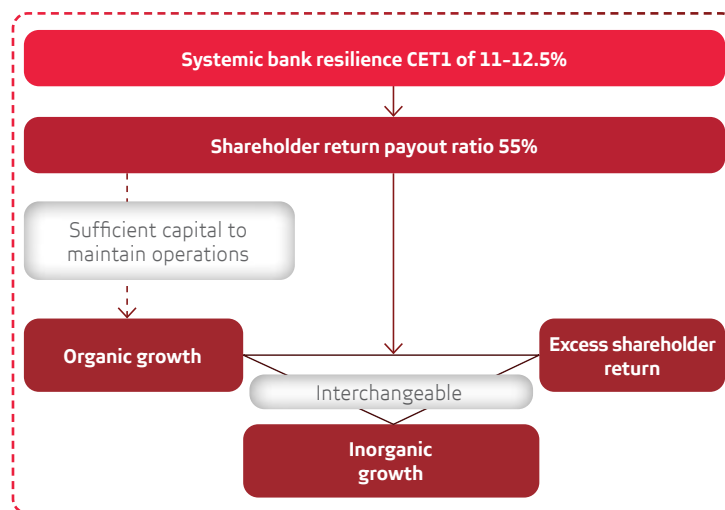
#### Priority 2: Baseline shareholder distributions

The Group seeks to deliver sustainable and predictable returns to shareholders, once regulatory and operational capital requirements are met. This is reflected in the current dividend payout ratio of 55%, which balances shareholder distributions with the need to retain capital to support future growth and resilience.

#### Priority 3: Growth and excess returns

Capital in excess of these requirements is allocated to support:

- Organic growth initiatives
- Inorganic growth opportunities
- Excess shareholder returns.



These allocations are continuously assessed and rebalanced to support value creation, taking into account prevailing market conditions, strategic opportunities and return expectations.

Capital allocation planning recognises both the supply of capital, primarily through retained earnings, and the demand in support of business growth requirements. Capital demand is assessed against available supply. The prioritisation of capital allocation considers sustainable value generated for shareholders. The capital planning horizons is currently done annually on a three-year rolling basis with returns on deployed capital assessed on an ongoing basis. Adjustments to capital allocations are made intra-year in response to evolving customer needs and macroeconomic conditions.

The primary lens or assessing return on capital is a customer/segment/sector lens, ensuring capital is allocated where total customer value meets required hurdles.

Other lenses evaluated include minimum product hurdles, business unit returns and legal entity returns, including the various geographies where the Group has a presence. Capital allocation is prioritised for those customer segments in geographies that will deliver the highest return.

### Liquidity management

Liquidity is a critical enabler of sustainability and resilience within the Group's Resource Allocation Framework. The availability and supply of this resource are assessed through a similar lens to capital, first covering regulatory requirements (i.e. LCR and NSFR) and then trading off competing business requirements.

Assets and deposits are priced using a matched fund transfer pricing principle that ensures appropriate reward and/or cost is recognised relative to value. Pricing is dynamically adjusted in response to changing market pricing and the bank's internal requirements.

### Cost allocation

Cost allocation decisions are made in support of strategy delivery. This covers both business-as-usual initiatives and specific change initiatives. Costs associated with strategic change initiatives are planned and allocated across the Group's strategic objectives for 2026 as follows:

- Customer led growth: 24%
- Diversified pan African business: 10%
- Drive excellence: 47%
- New growth opportunities: 19%.

This cost allocation reflects a deliberate shift from legacy programmes toward higher-return, customer-led growth opportunities. Alongside this, targeted investment in our drive-excellence initiatives is strengthening operational efficiency, enabling scalable growth and improving customer experience.



## Performance against strategy 2025... an executive overview

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# Group Chief Executive Officer's message



“

*What I can promise is focus, stability, and a relentless commitment to executing on our strategic priorities so that we win with our customers and scale for growth.*”

”

**Kenny Fihla,**  
Group CEO

I am privileged to write to you as I reflect on my nine months serving as Absa's Group CEO. Stepping into this leading role, I was confident about the quality and strength of the franchise. My primary focus was to understand whether the organisation was ready to commit to disciplined and sustained execution that would unlock its full potential. In the initial months, I engaged with colleagues, customers, regulators, and stakeholders across our countries of operation. What became clear to me was that everyone recognises Absa's huge potential and is ready to be part of Absa's growth story. This is a bank built on strong foundations, which gives me confidence in what we can achieve, especially as a leading pan-African bank.

Absa has solid businesses. CIB is a formidable franchise that serves customers across various industries, including corporates, financial institutions, and public sector entities, with a growing and diversified presence across Africa. Our PPB and BB operations serve just over 13 million customers. Our Africa Regions business now contributes about a third of the Group's earnings and is growing faster than our South African operations, further solidifying our pan-African reach, and connecting regional inter- and intra-Africa corridors.

Our balance sheet is strong, with a CET1 ratio of 12.7%.

My engagements also revealed the depth and experience of our deeply talented people. However, parts of our Group have operated without the sharpness of focus and integration that a business of this scale requires.

**My task is to focus Absa on execution, efficiency and disciplined capital allocation by connecting our strengths and directing them with greater precision toward the opportunities that matter most.**

## Our focus and progress underway

We have taken the time to craft the Group's strategy – setting our direction of travel and laying the groundwork through early progress across our focus areas.

**Customer-led growth.** Customers are the heart of our business. This means organising around customer needs rather than internal structures, deepening relationships across our businesses, and measuring ourselves by the value we create for customers. As banking products become increasingly commoditised, we know that the experience we offer matters more than ever. This means being clear about where we want to compete, addressing the pain points that matter most to our customers, and delivering reliable services. CIB, BB, and our PPB franchise serve customers who need more from Absa than they are currently getting.

**Diversified, pan-African business.** Absa operates in 12 African countries, and our Africa Regions business continues to demonstrate its strategic importance, growing headline earnings by 25% and now representing 31% of Group earnings. We identified substantial opportunities across the continent that we are well-positioned to capture, while continuing to broaden our footprint to reduce concentration risk and achieve a more balanced earnings mix. To fully capture the pan-African opportunity, we will run the Group on a pan-African basis. The creation of PPB in 2025 unified our retail capabilities and marked the first key step in our pan-African operating model. PPB and BB operate as pan-African businesses alongside our CIB, no longer divided between South Africa and Africa Regions. This change will maximise synergies and economies of scale between business units and countries.

## Group Chief Executive Officer's message continued

**Operational excellence.** Cost discipline and capital allocation are top priorities in eliminating complexity that does not serve customers and reinvesting in capabilities that do. We are committed to delivering gross cost savings of R5 billion by the end of 2027. In 2025, we delivered R1.7 billion, taking cumulative savings to R3.1 billion – more than half of our medium-term commitment. Our cost-to-income ratio is not yet where we want it to be, and we are taking deliberate steps to improve it, including reducing unnecessary spend, lowering reliance on consultants, and building a stronger culture of cost awareness. Therefore, we have reduced planned strategic investment for 2026 by 30%, as we distinguish between investments that drive returns and expenditures that sustain legacy processes. Likewise, capital will be deployed with tighter discipline, directed toward areas where it can support growth and generate broader revenue opportunities.

**New growth opportunities.** We are exploring new growth opportunities to address evolving customer needs and a rapidly changing operating environment, which may involve partnerships or acquisitions. Our recent acquisitions in Mauritius and Uganda are important steps in this direction. The Uganda acquisition, relating to Standard Chartered's Wealth and Retail Banking portfolio, will broaden our retail and wealth offering in that market. We are also expanding value-added services and launching a Mobile Virtual Network Operator. An important question for us is how best to accelerate our digital journey, including how deeper collaboration with fintech partners can help us deliver value to our customers faster.

**People and culture.** I am acutely aware that Absa has had multiple leadership changes in recent years. Stability at the top is not a "nice to have". It is a pre-condition for execution. I have made several permanent appointments across our three core businesses and supporting functions, and I am building a Group Executive Committee that combines institutional knowledge of Absa with fresh perspectives, is obsessed with delivering customer value with excellence, taking personal ownership for outcomes, and winning together. I am proud that, for the fifth consecutive year, Absa has been recognised as a Top Employer by the Top Employers Institute.

I see 2025 as a year in which the foundations for the next phase were put in place. The months since my appointment have reinforced my conviction that the organisation has the capability and resolve to move from stabilisation into more consistent execution. The work now is to turn the progress made into consistency across markets, businesses, and customer experiences. That means sharper execution, firmer accountability, and a continued focus on applying our balance sheet, technology, and talent where they make the greatest difference.

## 2025 financial performance

The Group delivered a stronger financial performance, supported by a steady 5% revenue growth and disciplined balance sheet management. We improved RoE to 15%, while preserving a solid capital position (CET1 of 12.7%), which continues to underpin balance sheet resilience. At the same time, we saw some pressure on the cost-to-income ratio (53.8%) as we invested to support delivery and strengthen our operating platform. We are clear on what is needed to improve efficiency and returns over time, while maintaining balance sheet strength.

These are encouraging results, and I want to be direct about what they mean and what they do not mean. They demonstrate that the franchise is fundamentally healthy and that the actions taken under previous leadership are bearing fruit. I am under no illusion about the work ahead. We need to sustain confidence with investors, with customers, and within the Group itself. That will take consistent execution over multiple reporting periods, not a single set of results. I am committed to transparency about our progress and our shortcomings alike.

I want to acknowledge Charles Russon, who steadily led the Group as Interim CEO during a period of transition. The financial results for the first half of 2025 reflect the discipline that he and the broader leadership team brought to the Group. I also want to thank the Board, under the leadership of Sello Moloko and René van Wyk, for the trust they have placed in me.

Thank you to all our colleagues for their commitment to delivering results through a period of significant change. To our customers, thank you for choosing Absa and for allowing us to serve you, which is central to our purpose. And to our shareholders, thank you for your patience and your continued investment in Absa. We are committed to repaying that trust with results.

It is indeed a privilege to lead Absa at such a pivotal moment in our journey, and we are energised and fully committed to what lies ahead. As we move forward, my focus is clear: to lead a bank that delivers predictably and converts Africa's opportunity into tangible progress for the people and economies we serve, guided by our purpose of *Empowering Africa's tomorrow, together ... one story at a time.*

# Group Financial Director's message



“  
**Headline earnings rose 12% to nearly R25 billion, driven by strong non-interest income and lower credit impairments, reflecting a resilient and well-diversified performance.**”

**Deon Raju,**  
 Group Financial Director

## Overview

The global and regional operating environment remained challenging during 2025, characterised by geopolitical uncertainty, volatile capital flows and uneven economic growth across our markets. In South Africa, economic growth remained subdued despite easing inflation and lower interest rates, while growth across our Africa regions was more resilient, albeit impacted by currency movements and country-specific pressures. Read more in **Our External Environment in 2025**.

Against this backdrop, the Group delivered an improved performance, underpinned by continued progress on credit quality, and resilient non-interest income growth. These outcomes reflect the disciplined execution of our strategic priorities, particularly around risk management, productivity and capital allocation.

The Group delivered improved results in 2025 with the following salient features:

- Headline earnings grew by 12% to R24.8 billion, with divisional headline earnings as follows: PPB increased 7% to R7.5 billion, BB declined 8% to R3.9 billion, while AR PPB & BB grew 51% to R2.5 billion and CIB rose 14% to R13 billion. The loss in Head Office, Treasury and other operations reduced 5% to R2.2 billion. From a geographic perspective, Africa Regions grew 25% to R7.8 billion, supported by strong pre-provision profit growth and flat impairments, while South Africa grew 7% to R17 billion from lower credit impairments as pre-provision profit was flat.
- The net asset value (NAV) increased 8% to R172 billion, resulting in an RoE that improved to 15% from 14.8%.
- Pre-provision profits grew 4%, reflecting revenue growth of 5% to R115.7 billion, while operating expenses increased 6% to R62.2 billion, resulting in a cost-to-income ratio of 53.8% (2024: 53.2%) and slightly negative JAWS.
- Impairments decreased 6% to R13.4 billion, mainly due to lower impairments in PPB, driven by lower interest rates and management actions on origination and collections. This resulted in a CLR of 88bps from 103bps, well within the Group's target range of 75–100bps.
- Group capital levels remained strong and above the Board target range, with a CET1 of 12.7%. Dividends per share increased by 12% to R16.35, based on a 55% payout ratio.

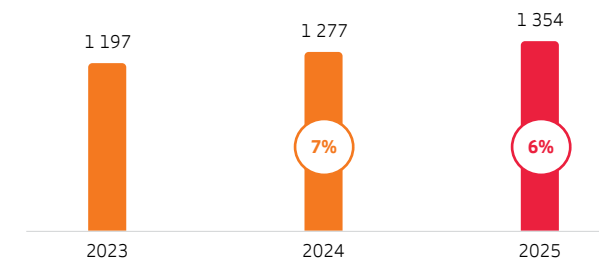
## Subdued NII growth

NII rose 4% for the full year, reflecting improved momentum in the second half, which increased by 5% vs growth of 3% in the first half. Balance sheet growth moderated during the year, with net customer loans increasing 6% and customer deposits growing 6%, reflecting both competitive market conditions and deliberate risk appetite management. Reported balance sheet growth was impacted by rand appreciation, which masked stronger underlying growth in CIB and AR.

## Net customer loans

Net customer loans increased by 6% year-on-year (up 7% in constant currency), reflecting a gradual improvement in lending momentum through the second half of the year. PPB loan growth increased 3%, as the business continued to prioritise balance sheet quality over volume growth. BB loans increased 6%, driven by solid growth in commercial asset finance and commercial property finance. Lending activity was supported by client acquisition in targeted segments, although growth was moderated by selective risk appetite application in a competitive environment. CIB delivered the strongest growth, with net customer loans increasing 10%, driven by higher utilisation of overdrafts and overnight finance, as well as continued client activity in core corporate and institutional segments. Growth was broad-based across South Africa and AR. Africa Regions PPB and BB net customer loans were broadly flat in rand terms, as strong underlying growth in constant currency was offset by rand appreciation. In constant currency, lending increased by approximately 10%, supported by growth in retail mortgages and improving business banking demand across several markets.

### Net customer loans (Rbn)

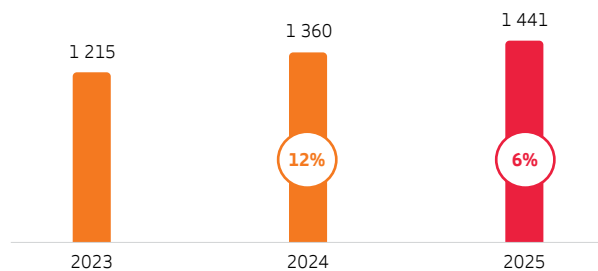


## Group Financial Director's message continued

### Customer deposits

Deposit growth of 6% (up 8% in constant currency) slowed off a high base driven by CIB, which increased by 6% with double-digit growth in both cheque and call deposits, although foreign currency deposits fell 9% given rand strength at year end. BB increased by 7% with faster growth in transactional deposits (up 11%), and PPB growth increased by 3% as fixed deposits decreased 4%, and savings and transmission deposits grew 7% reflecting portfolio optimisation initiatives. AR deposits were also flat, despite rising 8% in constant currency.

#### Customer deposits (Rbn)



### Change in NIM

The NIM decreased by 10bps to 4.53%, driven primarily by deposit margin compression (-16 bps), lower asset margins (-1bp) and lower policy rates in AR. This was partially offset by the continued contribution of the South African structural hedge, which has performed in line with its design objectives and favourable endowment benefit for AR given a higher equity position.

Key business units NIM	2025 %	2024 %
<b>PPB</b>	<b>2.90</b>	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
<b>BB</b>	<b>3.63</b>	3.74
<b>AR PPB and BB</b>	<b>9.25</b>	8.74
<b>CIB</b>	<b>2.53</b>	2.65
Transactional Banking	2.42	2.64
Investment Bank	2.66	2.66
<b>Absa Group</b>	<b>4.53</b>	4.63

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

#### PPB

Transactions and Deposits: Margin remained broadly stable, decreasing by 1bps to 2.03%, following portfolio optimisation initiatives.

Unsecured Lending: Margin contracted by 8bps to 9.50% (2024: 9.58%), reflecting the strategic downsizing of the loan book, changes in customer mix and a deliberate focus on onboarding higher-quality customers.

Home Loans: Margin remained stable at 1.71% (2024: 1.70%), benefiting from reduced funding costs offset by higher interest in suspense due to NPL growth.

Vehicle and Asset Finance: Margin remained stable at 3.12%, supported by improving flow margins following the strategic shift toward value creation and profitability implemented in the second half of 2024.

#### BB

Margin contracted by 11bps to 3.63% (2024: 3.74%), driven by deposit mix effects from strong growth in higher-yielding client products and competitive pricing pressure on overdrafts, as well as higher interest in suspense linked to single-name stage-3 exposures.

#### Africa Regions PPB and BB

Margin expanded materially by 51bps to 9.25% (2024: 8.74%), driven by a favourable country and product mix, higher contribution from fixed-rate customer loans, and a shift toward lower-cost deposits.

#### CIB

Transactional Banking: Margin contracted by 22bps to 2.42% (2024: 2.64%), reflecting declining interest rates in key markets, growth in low-margin deposits and pricing pressure, despite balance sheet growth.

Investment Bank: Margin remained stable at 2.66%, as increased pricing pressure from heightened competition was largely offset by lower funding costs.

## Strong Markets performance underpinned NIR growth

NIR increased by 7% to R41.8 billion, accounting for 36% of Group revenue (2024: 35%). Performance was supported by a strong recovery in trading income, while growth in fees and commissions remained muted and net insurance income declined.

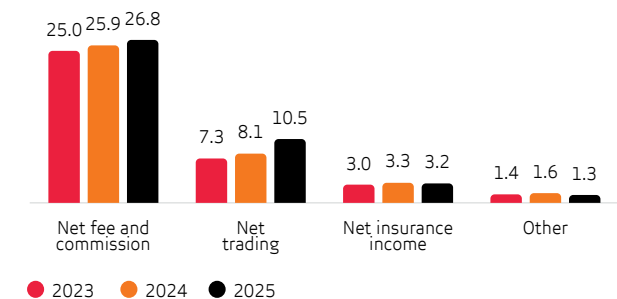
Net fee and commission income grew 3% and represented 64% of total NIR. Gross fee and commission income increased 5%, driven by 4% growth in transactional fees and commissions on higher customer numbers and 16% growth in merchant income to R3.8 billion, reflecting pricing initiatives and interchange fee reclassification, despite a decline in merchant turnover. This was partially offset by a 19% increase in fee and commission expenses, driven by higher merchant acquiring charges and the reclassification of cash-in-transit fees from operating expenses.

Net trading income, excluding the impact of hedge accounting, increased 30% to R10.5 billion, underpinned by a strong performance in Global Markets. Global Markets income rose 31% to R11.3 billion, with Markets South Africa increasing 41% and Markets AR growing 23%.

Net insurance income declined 3% to R3.2 billion, reflecting the sale of three AR insurance entities in the first half of the year. Insurance South Africa decreased 2%, with Life Insurance down 8% due to modelling updates and lower Personal Loans volumes dampening credit life, partly offset by 29% growth in Non-Life Insurance.

Other operating income increased 2% to R886 million, while profit on the disposal of property was lower year-on-year.

#### NIR (Rbn)



## Group Financial Director's message continued

### Disciplined cost management

Operating expenses	2025 Rm	2024 Rm	Change %
Staff	36 373	33 654	8
Property	1 982	1 969	1
Depreciation	3 200	3 124	2
Technology	7 078	6 848	3
Amortisation	2 839	2 729	4
Professional fees	3 329	3 127	6
Marketing	2 298	2 125	8
Communication	1 561	1 544	1
Cash transportation	966	1 242	(22)
Other	2 608	2 146	22
<b>Total</b>	<b>62 235</b>	<b>58 508</b>	<b>6</b>

Operating expenses increased 6% year-on-year, with staff costs rising 8% and non-staff costs contained at 4%, reflecting disciplined cost management alongside continued investment in the franchise.



Staff cost growth was driven primarily by inflationary salary increases, together with 15% higher bonuses and 16% growth in deferred cash and share-based payments, reflecting improved performance and targeted investment in key senior talent.



Within non-staff costs, continued investment in digital capabilities was evident in higher professional fees and IT spend. During the year, the Group impaired R2.4 billion of computer software assets, resulting in a reduction in the carrying value of intangible assets. Marketing costs increased 8%, driven by higher spend on brand, campaigns and sponsorships.



These increases were partly offset by ongoing optimisation of the property portfolio, which resulted in low growth in depreciation and property costs of 2% and 1% respectively, as well as a notable reduction in cash transportation costs. Within other operating expenses, equipment costs increased 22%, primarily due to higher rental costs for merchant devices in the Acquiring business.

The Productivity Programme remains on track and delivered R1.7 billion in gross cost savings during the year, taking cumulative savings to R3.1 billion of the gross productivity commitment of R5 billion by 2027. A significant portion of these savings has been reinvested in:



- Digital and data capabilities



- Technology modernisation and cybersecurity

- Enhancing customer experience and operational resilience.

These investments are critical enablers of sustainable, returns-focused growth and we believe that there are further opportunities to increase the net cost take out to support our lower CTI ambitions.

### CLR continues to reduce across most portfolios

Credit performance improved materially during the year. The Group's CLR reduced from 1.03% to 0.88%, with a pronounced improvement in the second half as macroeconomic conditions stabilised and the benefits of earlier credit actions became evident.

PPB recorded lower impairments across most portfolios, particularly in Vehicle and Asset Finance due to enhanced collections, revised credit origination and exiting certain higher-risk segments in prior years. The pre-legal book in Home Loans continued to improve, although its late-stage legal book remains under pressure. Unsecured Lending's credit loss ratio reduced slightly, reflecting a large improvement in Card. Despite improving delinquencies, Personal Loans rose given non-recurring benefits in the base from forward-looking assumptions and one-off model changes.

BB credit impairments increased due to a small number of single-name exposures, although underlying portfolio quality remains sound with improved recoveries and model updates in SMEs partially offset higher single-name Commercial charges in the first half.

AR PPB and BB benefited from improved collections and portfolio mix. CIB delivered credit losses at the bottom end of its target range driven by lower stage 3 provisions in South Africa, while an improved portfolio construct reduced performing book provisions in CIB Africa regions.

Stage 1 gross customer loans grew 6%, reflecting book growth and improving loan quality, while our distressed loans decreased. Total stage 1 and 2 coverage decreased, mostly due to PPB's improved new business performance, given tighter credit granting and a shift to higher quality origination. Gross stage 3 loans, or non-performing loans, declined 2% as most areas reduced. This was partially offset by Mozambique sovereign exposures moving to stage 3.

Consequently, NPLs improved to 5.6% of our loans from 6.1%. NPL coverage decreased to 46%, reflecting several large write-offs and recoveries. Combining these factors, total loan coverage reduced from 4.1% to 3.7%, which remains appropriate for the current environment.

Key business units CLR	2025 %	2024 %
PPB	1.69	1.89
Transactions and Deposits	2.41	3.95
Unsecured Lending	7.34	7.43
Home Loans	0.34	0.39
Vehicle and Asset Finance	1.26	1.62
<b>BB</b>	<b>0.55</b>	<b>0.49</b>
<b>AR PPB and BB</b>	<b>1.41</b>	<b>1.81</b>
<b>CIB</b>	<b>0.21</b>	<b>0.27</b>
Transactional Banking	0.26	0.27
Investment Bank	0.20	0.27
<b>Absa Group</b>	<b>0.88</b>	<b>1.03</b>

## Group Financial Director's message continued

### Returns continue to improve

Our RoE improved from 14.8% to 15%, slightly below cost of equity of 15.1%. The improvement was driven by PPB and AR PPB and BB on the back of lower impairments and by CIB supported by strong trading income growth. We remain well capitalised, with our CET1 ratio improving to 12.7%, slightly above the top end of our 11% to 12.5% Board target range, and comfortably above regulatory requirements. Furthermore, the liquidity position remained healthy and liquidity metrics, LCR 127.4% (2024: 126.7%) and NSFR 117.2% (2024: 117.22%), were comfortably within risk appetite and above the minimum regulatory requirement. Read more in ***A diversified franchise with deliberate, returns-focused growth.***

### 2026 guidance

The macro forecasts on which our guidance is based were made before the latest developments in the Middle East, which could increase energy prices and inflation, plus reduce global risk appetite for some time. Prior to the conflict, our baseline for South Africa was for 1.9% GDP growth, low 3% average inflation and a further 50bps of rate cuts in 2026. Our baseline was for 5.3% GDP-weighted growth across our Africa Regions countries, with lower to flat policy rates for all, except Botswana. Refer to our **Outlook** section for more detailed medium-term views on South Africa and key African markets.

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 NIR growth above NII.
- Mid to high single-digit growth in both customer loans and customer deposits.
- Our CLR to improve slightly, into the bottom half of our 75bps to 100bps through-the-cycle target range.
- Low to mid single-digit growth in operating expenses, producing positive operating JAWS and mid single-digit pre-provision profit growth.
- An RoE of around 16%. Other reserves have increased our equity more than we expected, reducing our RoE while supporting our NAV.
- Our Group CET1 ratio to finish 2026 at the top end of our Board target range of 11% to 12.5%.
- To maintain a dividend payout ratio of 55% for 2026.
- The rand appreciation to be a headwind to Group revenue and earnings growth in 2026.

Refer to our **Outlook** section for our medium-term guidance.

### Medium-term guidance

Improving returns remains a core strategic priority for the Group. We reiterate our medium-term RoE target range of 16% to 19% for the period 2027 to 2030, with the ambition to improve RoE to well within this range by 2028. The pathway to higher returns is underpinned by a focused set of structural drivers that are expected to deliver sustainable earnings growth, widening operating leverage and improved capital efficiency.

**NIR growth** – Accelerating revenue growth, particularly from NIR, is a key driver of improving returns. We aim to increase the contribution of fee-based and trading income across the Group, with a specific focus on PPB and BB, where the scale of the franchise provides a meaningful opportunity to enhance capital-light revenue streams.

**NII growth** – We expect NII growth to improve from the muted levels experienced in 2025, supported by a gradual recovery in balance sheet momentum. This improvement is expected to be led by Africa Regions, where higher structural growth, improving product mix, and favourable demographics support stronger medium-term lending and deposit growth.

**Cost containment and productivity** – The Group continues to target improved cost discipline, particularly non-performance costs, with a focus on PPB, BB and Head Office. Together with the ongoing delivery of productivity benefits, these actions are expected to generate positive operating JAWS and support a reduction in the CTI ratio toward 50% by 2028.

**CLR** – Credit quality is expected to remain supportive of returns over the medium term. While impairments are not the primary driver of RoE improvement, we expect the CLR to remain in the bottom half of the through-the-cycle target range over the next three years, reflecting disciplined underwriting, improved portfolio mix and a more stable macroeconomic environment.

**Capital** – The Group's capital position is expected to remain robust, with the CET1 ratio maintained at the top end of the Board's target range over the medium term, supporting a dividend payout ratio of 55%. This provides balance sheet resilience while enabling continued investment in growth and disciplined capital allocation.

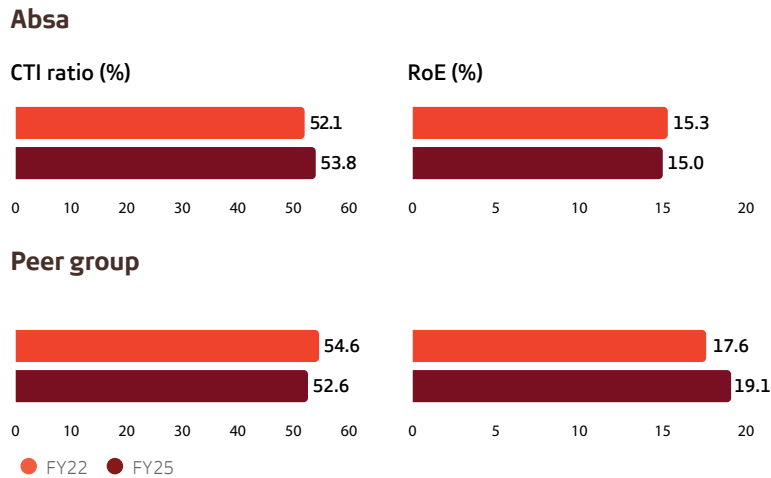
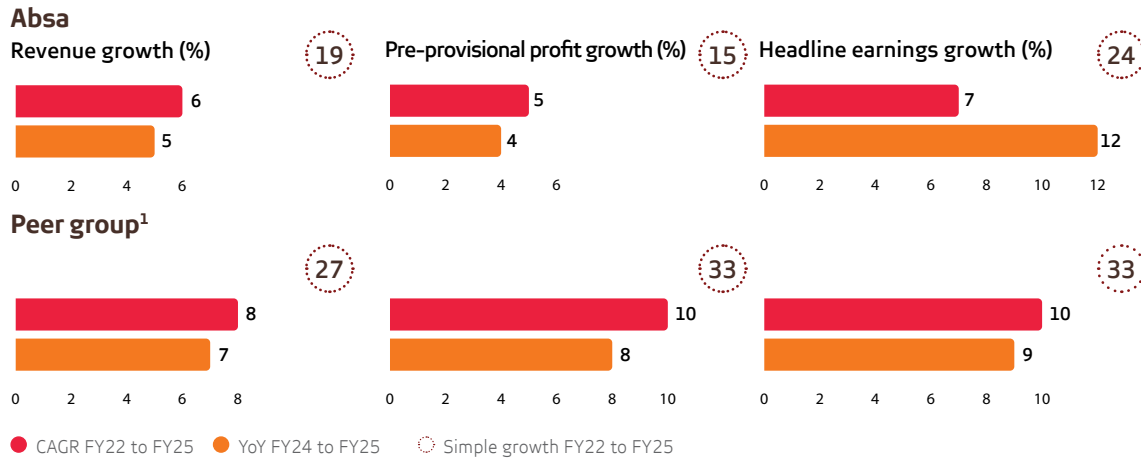
Collectively, these drivers are expected to result in materially higher economic profits over the medium term, particularly when compared to the past three years, during which Group RoE has been slightly below the cost of equity. As returns improve, we expect a corresponding uplift in value creation for shareholders.

Click or scan  
to view our  
results webcast



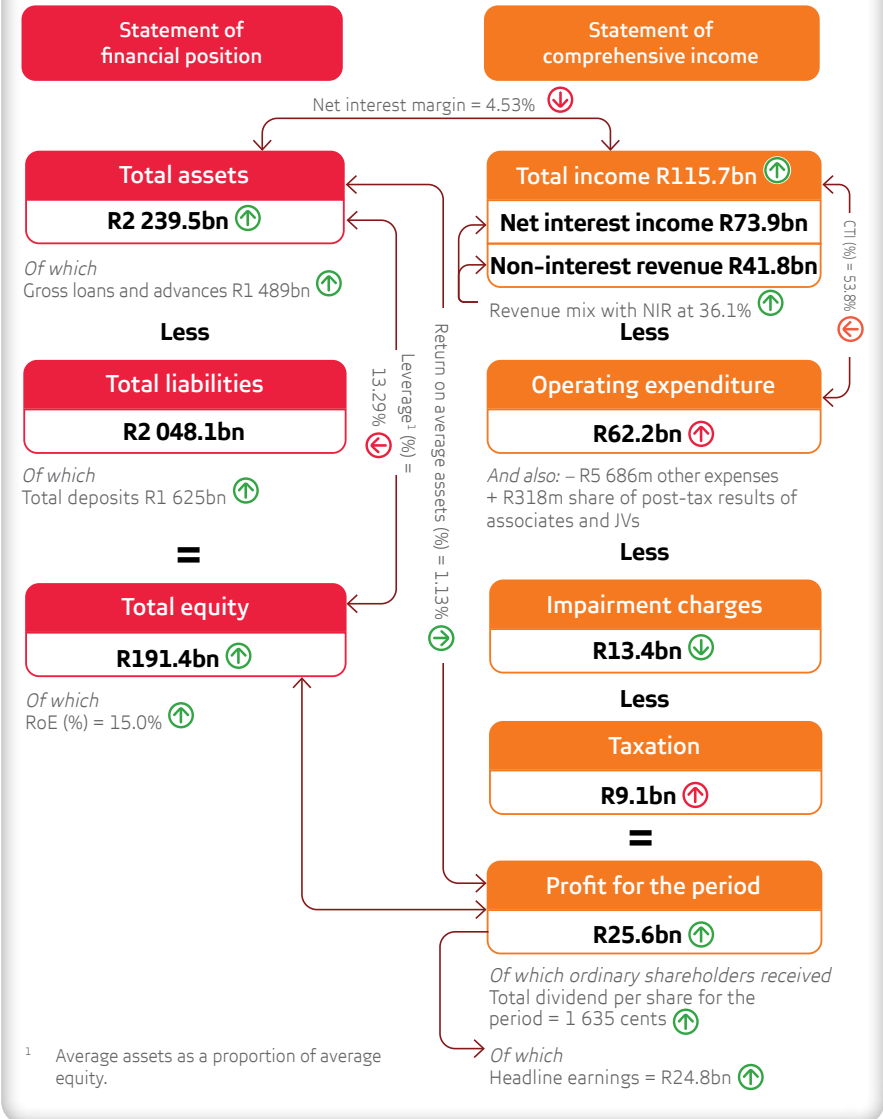
## Group Financial Director's message continued

### Peer comparison



<sup>1</sup> Peer group = FirstRand, Nedbank and Standard Bank. Peer data is the average for the peer group. Absa, Standard Bank and Nedbank results are for the year ended 31 December 2022, 2024 and 2025. FirstRand results are inferred 12 months results for the period January to December 2022, 2024 and 2025.

### Finances at a glance



## Group Financial Director's message continued

### Overview of results

#### Statement of financial position

	2025 Rm	2024 Rm	Change %
<b>Assets</b>			
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	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)
<b>Total assets</b>	<b>2 239 479</b>	<b>2 068 695</b>	<b>8</b>
<b>Liabilities</b>			
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 securities in issue	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	22 562	21 188	6
Deferred tax liabilities	229	378	(39)
<b>Total liabilities</b>	<b>2 048 070</b>	<b>1 885 419</b>	<b>9</b>

	2025 Rm	2024 Rm	Change %
<b>Equity</b>			
<b>Capital and reserves</b>			
Attributable to ordinary equity holders:			
Share capital	1 657	1 658	(0)
Share premium	10 437	10 562	(1)
Retained earnings	148 758	139 199	7
Other reserves	11 559	8 755	32
	<b>172 411</b>	<b>160 174</b>	<b>8</b>
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
<b>Total equity</b>	<b>191 409</b>	<b>183 276</b>	<b>4</b>
<b>Total liabilities and equity</b>	<b>2 239 479</b>	<b>2 068 695</b>	<b>8</b>

#### Summarised statement of comprehensive income

	2025 Rm	2024 Rm	Change %
Net interest income	73 941	71 105	4
Non-interest income	41 756	38 844	7
<b>Total income</b>	<b>115 697</b>	<b>109 949</b>	<b>5</b>
Credit impairment charges	(13 410)	(14 304)	(6)
<b>Operating income before operating expenditure</b>	<b>102 287</b>	<b>95 645</b>	<b>7</b>
Operating expenditure	(62 235)	(58 508)	6
Other expenses	(5 686)	(4 196)	36
Other impairments	(3 157)	(914)	>100
Indirect taxation	(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
<b>Operating profit before income tax</b>	<b>34 684</b>	<b>33 223</b>	<b>4</b>
Taxation expense	(9 082)	(8 320)	9
<b>Profit for the reporting period</b>	<b>25 602</b>	<b>24 903</b>	<b>3</b>

# Strategic scorecard 2025

The strategic scorecard for 2025 (period under review) aligned with the strategic pillars as per the 2025 strategy. The detailed performance chapters which follow are also structured around the 2025 pillars. Our go-forward (2026 +) strategy and related measurement are discussed in the strategy chapter.

		Actual performance		Targeted performance	Why are these important?	
Group balanced scorecard 2025 – Metrics		2024	2025	2025	For further details on metric definitions, refer to our <i>Assurance Booklet 2025</i>	
A diversified franchise with deliberate, returns-focused growth	Headline earnings (Rbn)	22.1	24.8	23.7	●	<ul style="list-style-type: none"> <li>Focus on improving returns and growth</li> <li>Drives value at Group level</li> <li>Supported by metrics on divisional scorecards which specify the means by which value is created.</li> </ul>
	[YoY growth %]	10	12	8		
	(YoY growth % ex FX)	13	11	11		
	RoE (%)	14.8	15.0	15.1	● (R)	
A primary partner for our clients	Group customer experience index (revenue weighted)	101	103.3 <sup>RA-IA</sup>	Strong/Healthy competitor	● (R)	<ul style="list-style-type: none"> <li>Ensure focus on driving high-quality relationships</li> <li>Key metrics for the market</li> <li>Unlocks future NIR</li> <li>Proxy for primacy and market share.</li> </ul>
	Brand consideration (%)	43.4	44.3 <sup>RA-IA</sup>	45	● (R)	
	Active customer numbers (pan-RBB) (m)	11.4	11.8 <sup>LA-IA</sup>	12	● (R)	
	Client primacy (pan-CIB) (%)	42.3	42.1 <sup>RA-IA</sup>	42.4	● (R)	
A digitally powered business	Growth in digitally active customers – Group-wide (revenue weighted) (%)	14.2	13 <sup>LA-IA</sup>	9	●	<ul style="list-style-type: none"> <li>Reflects focus on driving for digital adoption</li> <li>Reflects focus on driving usage.</li> </ul>
	Growth in digital transactional volumes – Group-wide (revenue weighted) (%)	Baseline	10 <sup>LA-IA</sup>	6	● (R)	
A winning, talented and diverse team	CEBS (%)	72	71 <sup>LA-IA</sup>	74	● (R)	<ul style="list-style-type: none"> <li>Comprehensive measure of job satisfaction, advocacy, sentiment, ethos and engagement.</li> </ul>
An active force for good in everything we do	Own carbon emissions reduction from 2018 baseline (%)	43.6	45 <sup>LA-EA</sup>	Above glidepath	●	<ul style="list-style-type: none"> <li>Reflect critical measures underpinning ESG priorities</li> <li>Key metrics for the market.</li> </ul>
	Gross sustainable financing (climate, social and financial inclusion) (Rbn)	49	53.5 <sup>RA-IA</sup>	34	● (R)	

Performance modifiers include B-BBEE status at Level 1 and management control approach and control environments rated as satisfactory. All performance modifier targets were achieved.

(R) Linked to short-term incentive (STI) 2025. Read the details in the *Remuneration Report*.

● Not on target (<90% of YTD target) ● Materially on target (90-98% of YTD target) ● On target/improved (>98% of YTD target)



## Performance against strategy 2025... detailed stories

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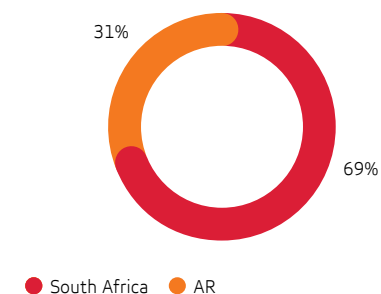
A diversified franchise with deliberate, returns-focused growth	45
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# A diversified franchise with deliberate, returns-focused growth

## Performance dashboard

	PPB		BB		AR PPB and BB		CIB	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm	2025 Rm	2024 Rm	2025 Rm	2024 Rm
NII	26 216	25 966	10 888	10 532	14 157	12 464	22 282	21 197
NIR	17 505	17 071	4 394	4 471	5 191	4 856	14 417	12 430
Total income	43 721	43 037	15 282	15 003	19 348	17 320	36 699	33 627
Headline earnings	7 535	7 037	3 865	4 211	2 519	1 663	13 008	11 423
Loans and advances	532 066	515 514	148 660	141 062	91 550	91 734	645 913	581 887
Deposits	367 515	355 561	260 747	242 811	147 962	147 831	669 482	597 675
	%	%	%	%	%	%	%	%
CLR	1.69	1.89	0.55	0.49	1.41	1.81	0.21	0.27
CTI	52.3	50.6	57.3	54.1	61.9	64.7	45.9	46.9
RoE	17.6	17.0	21.5	23.9	17.1	12.1	21.1	20.7

### Headline earnings (%)



### Highlights and awards

- New pan-African** operating model
- In-principle approval from PA for **Dubai office**
- Mauritius** and **Uganda** acquisitions.
- 51%** AR headline earnings increase
- PPB, AR and CIB **increase RoE year-on-year**.
- Global Finance:** Best Investment Bank for Infrastructure Finance Africa, Best M&A Bank Africa
- Euromoney Awards 2025:** Africa's Best Investment Bank for Debt Capital Markets
- EMEA Finance Achievement Awards:** Best IPO in Africa (Mid-Cap Category)
- House Awards 2025:** East Africa Investment Bank of the Year
- Global Banking & Finance Awards 2025:** Best Agri Business Bank (Botswana), Best Agri Financing Bank (Zambia).

### Operational challenges

- PPB:** Softer topline growth reflects the impact of credit measures implemented within Unsecured Lending, and heightened competition in the mortgage market. Deposits reflect a focus on value, following the margin optimisation initiative. The business experienced an increase in digital payments and value-added services.
- BB:** Operational losses, lower credit demand in agriculture, transport and logistics sectors, margin compression, single-name impairment and reduced transactional income constrained BB performance.
- CIB:** Our corporate business was challenged by pricing pressure, deposit mix changes and declining interest rates in key markets, which compressed margins.
- AR:** Liquidity challenges (limited availability of hard currency) limited our ability to provide FX propositions to our retail customers and trade clients.

### Link to material matters

- Geopolitical and sovereign risk exposure
- Earnings momentum and customer-led trust
- Evolving regulation and compliance requirements
- Digital advances, disruption and stewardship
- Climate change and a just transition.

#### Capitals affected



#### Contribution to SDGs

SDG 8

## A diversified franchise with deliberate, returns-focused growth continued



We generate competitive advantage through innovation, our unique insights and perspectives, and our ability to bring our products and services to market effectively and efficiently, while generating a financial surplus. We understand how our products and services meet our customers' needs.

### Client-focused operating model

We concluded the reorganisation of PPB in June 2025, bringing EB, PSC and Private Wealth Banking together into a single segment focused on retail customers in South Africa. The change also re-focused the streamlined BB segment. We anticipate sustainable franchise benefits over time as we align services and operations more closely with client needs and expectations. CIB and BB teams now manage clients inclusively, ensuring client relevance regardless of product location within Absa.

BB and CIB launched a wholesale client project to enhance collaboration across segments, leveraging all channels, including bankers, branches, ATMs, digital platforms, virtual channels and partnerships.

We switched to a bancassurance distribution model with key partners across our Africa regions, hence selling our insurance businesses in Botswana, Zambia and Mozambique.

A further decision was taken to refine the operating model down to three business units, with PPB and BB adopting a similar pan-African model to CIB. Our 2026 interim results will reflect this reorganisation.

### Diversified earnings and returns

CIB's headline earnings increased by 14% to R13 008 million (2024: R11 423 million), driven by total income growth of 9% and lower credit impairment charges (down 14%), partially offset by higher operating expenses (up 7%).

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

BB's headline earnings decreased by 8% to R3 865 million (2024: R4 211 million), 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.

AR's headline earnings increased by 51% to R2 519 million (2024: R1 663 million), driven by strong headline earnings growth in banking operations of 59%, partly offset by a decrease in insurance performance due to the sale of three of the insurance entities as part of our strategic repositioning to a distribution model.

Refer to the **Outlook** section where we discuss the macroeconomic outlook for geographies where we see opportunities for geographic diversification.

### Product and service advancements

We introduced differentiated offerings for targeted segments, expanded our franchise reach and bolstered growth opportunities. We also enhanced customer experience through digital innovation by improving the stability and functionality of the Absa Access and Business Internet Banking platforms, resulting in increased active customers and higher transactional volumes.

CIB expanded investor services capabilities across key African markets and launched custody businesses in Ghana, Uganda and Botswana. This service provides secure custody services for digital and traditional financial assets to institutional clients such as asset managers and pension funds. Absa Custody is now live in seven countries, providing clients with access to 81 markets via the Absa Investor Services platform.

Global Pay and Currency Investment Accounts gave customers access to international money transfers and multi-currency holdings via digital channels, with features like SWIFT outbound payments and foreign currency ordering.

BB and CIB launched a township economy value proposition in collaboration with Heineken and provincial liquor boards. The initiative has already supported over 1 175 businesses in townships with business and financial development training. BB also introduced ShopRed, a digital commerce platform designed to help SMEs quickly and easily create their own online stores. Further enhancements to the payments proposition included the launch of tiered pricing and seven-day settlements. Over 2 950 merchants migrated to tiered pricing and more than 850 merchants benefited from seven-day settlements. We also launched China UnionPay and contactless payments, allowing merchants to offer consumers more payment choices.

BB also simplified client segmentation and portfolio management and revised its service model to leverage all available channels. Targeted marketing and product enhancements in Islamic Banking reinforced BB's market leadership in this client segment.

Absa introduced Absa Rewards Travel, powered by Travelstart, through the Absa banking app, offering customers discounts of up to 100% on base flight fares. The launch enhanced the attractiveness of the Absa Rewards Programme and supported accelerated growth, with programme value increasing more than fourfold across all key metrics. Following implementation, our Absa Rewards membership base exceeded 2.6 million customers.

Our Ultimate Banking product continues to deliver integrated value through a bundled offering of transactional, savings, lending, life assurance and lifestyle benefits. Ultimate Banking customers benefit from multiple features and value-added services, including travel, grocery and foreign currency delivery.

PPB also launched a digital advice tool to improve advisor efficiency and promoted financial coaching tools such as Credit Coach and Savings Coach to support customer financial wellness. Credit Coach provides credit education and real-time repayment insights, while Savings Coach offers gamified savings features and personalised goal setting.

## A diversified franchise with deliberate, returns-focused growth continued

PPB's recently launched Eyenu Nonke ("for all of you/us") Funeral Cover, which is fit-for-purpose for the entry-level and inclusive banking (ELIB) customer segment. It gained sales traction as a simplified, inclusive product that covers both immediate and extended family, with appropriate benefit levels and subsidies (e.g. airtime and grocery benefits).

Wealth management offerings were expanded for high-net-worth clients, and a tailored solution for medical professionals was introduced in Private Wealth Banking. A Group-wide programme also strengthened retail distribution by leveraging banking channels to grow Non-life Insurance and Absa Rewards.

Absa is the first Visa issuer bank in sub-Saharan Africa to launch a business commercial credit card with Visa Spend Clarity "Plus" features. The card includes a virtual card option and, spend controls and is available in nine countries. The facility further supports transactional capabilities, cash flow and spend management for business bank customers.

In AR, we also expanded lifestyle benefits for Signature and Infinite credit card clients, launched a Wealth proposition in key markets and launched a multi-currency virtual card that includes FX savings options and the ability to create cards for family members. We strengthened financing propositions for commercial clients by introducing commercial asset finance in Botswana, Ghana, Kenya, Uganda, Tanzania and Zambia. Payment acceptance capabilities for SME customers were enhanced through the launch of mobile money acceptance via our MobiTap solution in Botswana, Kenya, Ghana, Uganda and Zambia, while similar capabilities are now available on conventional PoS devices in Ghana, Uganda and Zambia.

### New markets and partnerships

CIB obtained regulatory approval from the PA and secured in-principle approval from the Dubai Financial Services Authority to set up an office in Dubai, which is on track to start operating in 2026. By diversifying the CIB business, we are leveraging our geographical presence and product offering, bolstered by key regional appointments to support the AR franchise. Our presence in the US, UK and Asia corridors further supported our commitment to build connectivity for global clients and capture flows to and from the continent.

Absa Uganda entered into an agreement to acquire the domestic Wealth and Retail Banking business of Standard Chartered Bank Uganda, subject to the necessary regulatory approvals, which are currently on track, with integration planned for the fourth quarter of 2026.

Strategic alliances with fintechs, diaspora propositions and open banking initiatives continued to support diversification and innovation in our AR markets.

BB is diversifying its pan-African business by focusing on SME and commercial growth corridors and synergies in focus sectors and Islamic Banking. We also enhanced our lending propositions through expanded joint ventures and partnerships.

PPB continued to expand its reach and diversify its offerings by:

- Deepening existing strategic partnerships with, for example, Ford Financial Services, while Absa Vehicle and Asset Finance leveraged new relationships with original equipment manufacturers such as BAIC, BYD, Omoda and Jaecoo
- Introducing new partnerships such as the Shoprite/Checkers Group, Puma and Travelstart to broaden reward opportunities and enhance everyday value for customers
- Partnering with the International Finance Corporation (IFC) in promoting green and environmentally sustainable developments and housing by providing incentives to developers and home buyers.

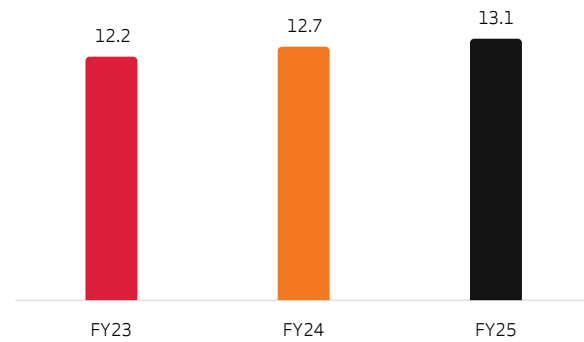
AR strengthened their partnership ecosystem across key markets by expanding their mobile lending footprint through a first-of-its-kind agreement with Airtel in Tanzania, and by launching a tailored insurance proposition for female-led SMEs in Ghana in partnership with Hollard, supporting income continuity for women entrepreneurs. They also renewed their strategic cards and payments partnership with Visa across AR markets, enabling us to deliver world-class payment innovations and advance financial inclusion where we operate.

Find out more... **Next steps 2026**

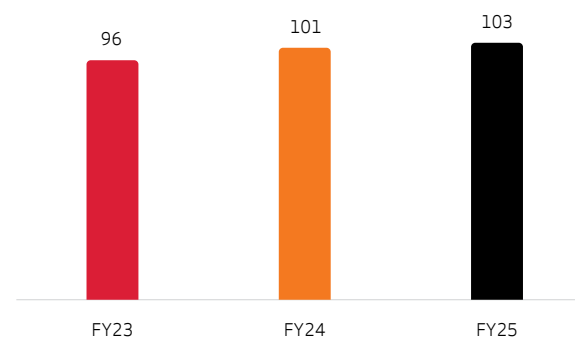
# The primary partner for our clients

## Performance dashboard

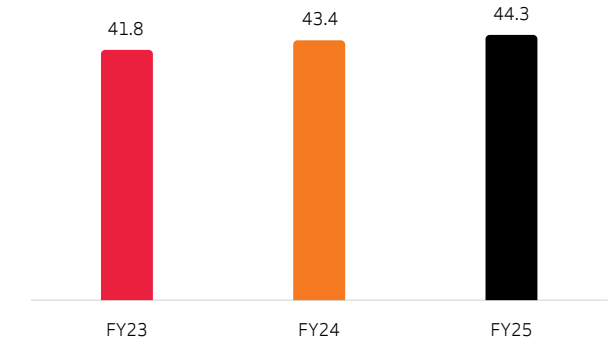
Total customers (millions)



Group customer experience index



Brand consideration (%)



### Highlights and awards

- 3% growth** in total customers
- Upward trend in **customer experience, TCF** and **brand consideration** scores
- Upward trend **average product holding**.

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- The Digital Banker:** Best new product of the year Africa – Absa Savings Coach
- Contact Centre World:** Best contact centre in EMEA
- International Investors Awards:** Bank of the year and best SME bank of the year (Mauritius)
- Global Banking & Finance Awards:** Best retail credit card The Digital Banker – Best new SME product of the year.

### Operational challenges

- Group:** Brand consideration scores lagging investment in initiatives.
- PPB:** Active transactional customers showed moderate growth. This was underscored by impactful early account activation strategies and sustained engagement throughout the lifecycle.
- BB:** Manual processes resulting in long turnaround times for customer onboarding.
- CIB:** Primacy growth was negatively impacted by a challenging year in transactional banking, with margin compression being a key factor, driven by a declining interest rate environment across several countries.
- AR:** Socio-political protests in some AR markets disrupted the operating environment.

### Link to material matters

- Geopolitical and sovereign risk exposure
- Earnings momentum and customer-led trust
- Evolving regulation and compliance requirements
- Digital advances, disruption and stewardship
- Climate change and a just transition.

**Capitals affected**

**Contribution to SDGs**

## The primary partner for our clients continued

### Customer primacy and acquisition

Customers increasingly view Absa as a full-service financial partner that can meet their needs at every stage of their lives.

PPB's primary objective is to cultivate a high-quality customer franchise. While the active customer base remained stable at 8.4 million, the portfolio quality improved markedly, reflecting strong growth, particularly in the higher-income segments.

Our core offerings in secured lending, unsecured lending and bancassurance support customers through key life stages while creating opportunities to attract new-to-bank customers and unlock meaningful cross-sell opportunities:

- Secured lending retained a strong presence backed by a robust credit and collections capability, in addition to distressed customer solutions.
- Integrated bancassurance propositions delivered value while reducing acquisition costs. Absa Life launched Absa Funeral products to branch sales consultants, digital channels and call centres.
- Our Unsecured Lending offering is continuously refined through segment-aligned propositions. This includes lifestyle-linked rewards for Private Wealth and affluent customers, integrated bancassurance and digital wallet enablement for the established middle segment.
- Transactional capabilities and deposits refreshed the flagship Ultimate Banking product along with expanded digital and VAS offerings.

CIB increased cross-sell and upsell opportunities, contributing to on-target primacy rates. CIB closed the following select deals:

- We supported Access Holdings' pan-African expansion by extending a USD50 million bridge loan
- We facilitated a USD31 million aircraft financing transaction for Aircraft Engine Lease Finance Inc
- We executed a USD75 million investment agreement with the Emerging Africa and Asia Infrastructure Fund to enhance infrastructure development across Africa and Asia.

Read about specific sustainable finance deals in [An active force for good in everything we do](#).

BB focused on enhancing sub-sector value propositions across the wholesale, retail, and franchise; manufacturing; transport and logistics; renewable energy; public sector; tourism and hospitality; and agriculture sectors, positioning the bank as a trusted advisor with deep expertise, and business and product knowledge. The business also increased cross-selling ratios across the SME and Commercial segments, and redefined primacy to drive value and improve the health of its transactional franchise. At year end, BB had 351,000 active customers.

AR improved primacy and acquisition through multiple new and enhanced products. Read more in the section [A diversified franchise with deliberate, returns-focused growth](#). Usage was driven by segment and sector-specific, customer-focused engagements and re-activation campaigns, achieving a 14% growth in active customer numbers to 3 million customers. New-to-bank customers increased by 24% year-on-year.

The Absa Customer Service Month campaign in October 2025 reinforced our commitment to customer obsession, expanding into a Group-wide programme that celebrated our service heroes and strengthened our service culture.

### Re-imagining our channel shape

We continue enhancing Absa's position as the first choice for customers through an optimised, accessible and integrated network.

The integration of our voice and branch channels has created a more connected and seamless customer experience, enabling effortless transitions between assisted and self-service interactions. This alignment has strengthened the continuity of customer journeys, improved service consistency, and enhanced our ability to resolve customer needs quickly and effectively.

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

This integrated approach ensures continued access to cash where required, while enabling a more sustainable, efficient, and customer-centric network aligned to evolving customer behaviour.

#### Rewarding and gaining loyal clients

The Absa Rewards Programme continues to be a key driver of business growth and customer loyalty. In 2025, programme membership grew by 28%, to surpass 2.6 million customers. Guided by voice-of-customer insights, Absa expanded the programme by introducing new partners, including the Shoprite/Checkers Group and Puma. These additions broaden reward opportunities, enhance everyday value for customers, and strengthen the Absa card's position as a preferred front-of-wallet choice.

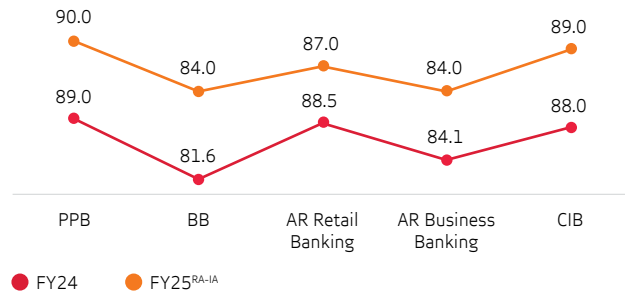
### Welcoming and seamless experiences

Satisfied customers are more likely to deepen their relationship with Absa. Our customer experience performance continues to strengthen, with customers recognising Absa for ease, reliability and responsiveness.

Measurement	Trend	2025 %	2024 %
Customer experience – PPB	↑	111 <sup>RA-IA</sup>	110
Customer experience – BB	↑	102 <sup>RA-IA</sup>	98
Customer experience – AR			
– Retail Banking	↓	102 <sup>RA-IA</sup>	105
– Business Banking	↓	98 <sup>RA-IA</sup>	99
Client experience – CIB	↑	95 <sup>RA-IA</sup>	89

## The primary partner for our clients continued

Treating Customers Fairly (TCF) scores (%)



Customer confidence in resolution channels strengthened and turnaround times improved although complaints volumes increased. Fraud-related matters remained the primary driver of negative sentiment and escalations, amplified by industry-wide increases in digital fraud attempts and sophistication. In response, we prioritised customer treatment, resolution quality and experience mitigation. Treating Customers Fairly scores confirmed no material disruption to customer experience.

PPB has implemented enterprise-wide service standards to elevate frontline excellence, supported by comprehensive training across branches and contact centres, as well as rigorous performance tracking. Service request processes have been standardised on Salesforce, enabling all Absa employees to log and manage requests centrally.

Additionally, a centralised complaints case management system now provides full visibility and tracking of customer issues, ensuring faster and more effective resolution.

PPB's headline customer experience metric increased to 111, alongside record-high social media sentiment as customers share positive service stories. We are focused on customer experiences that enable faster, more seamless services.

External recognition, such as the Direct Delivery team and Absa Insurance and Financial Advisors winning three gold medals at the 2025 Contact Centre World Performers Awards, is evidence of progress. Absa Life was also named among the top five "CX Today" finalists for the Best Customer Experience Deployment award alongside global industry leaders.

BB focused on improving turnaround times by enhancing onboarding capability and deepening sector expertise among frontline teams. BB launched a new straight-through digital onboarding journey, reducing onboarding turnaround time from over five days for SMEs to under 20 minutes for eligible segments.

AR's customer experience scores declined in both Retail and Business Banking, driven by rising customer expectations and minimal service disruptions. The business is actively addressing these pressure points through continued investment in digital platform stability and enhanced frontline capability and tools.

CIB's continued investment in digital channels resulted in higher client experience and satisfaction scores.

### Digital convenience

For digitally active customers, seamless engagements rely on convenient, digital experiences that meet their personal needs effortlessly. Our digital strategy continued to deliver strong results, driven by a client-centric focus on innovation and seamless experiences. Digital adoption accelerated with digital transaction volumes increasing 10% and digitally active customers growing by 13%.

Digital convenience must be matched with digital safety. Informed customers are our first line of defence against increasingly sophisticated online fraud, and we employ robust measures to safeguard them from such threats.

**Find out more... [A digitally powered business](#)**

### Brand affinity

Our journey to redefine how we connect with customers and stakeholders across Africa has continued to evolve since the launch of Absa's renewed purpose in 2023: *Empowering Africa's tomorrow, together ... one story at a time*. This purpose became the cornerstone of our brand strategy, *Your story matters*, which was rolled out across all business units and pan-African markets in early 2024.

In 2025, we further deepened our commitment to service delivery through human-centred empathy and intuitive, seamless and integrated customer experiences. Our brand strategy is more than a campaign; it is a lived experience that closely aligns with our business objectives, driving growth, innovation and meaningful value creation across the continent.

*Your story matters* reflects a human-centric approach to banking, recognising that our customers are more than account numbers – they are individuals with unique journeys, aspirations and potential. Our marketing and services deliver a range of brand experiences, from Premier League matches in the UK to transformation initiatives like Change Your Story, designed to bring our brand promise to life at every touchpoint.

Our commitment is embedded in Absa products, services and communications, ensuring a consistent and authentic experience across all markets. It also inspires our employees to align their efforts with our purpose, reinforcing a culture of empathy, innovation and excellence.

Early indicators show strong market resonance with our brand direction. More importantly, we are seeing real impact in how customers engage with us, how employees rally behind our purpose, and how our brand continues to shape the future of financial services in Africa.

#### Invested in your story

Following the launch of CIB's new brand positioning in 2024, we continued to embed our ethos of *Invested in your story* through thought leadership and a B20 Diamond sponsorship. The B20 South Africa served as the official G20 dialogue forum with the global business community to co-develop recommendations on trade, investment and inclusive growth.

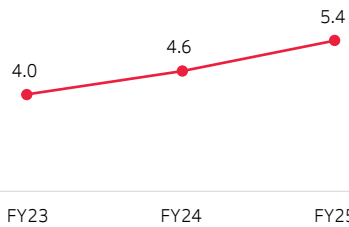
Other key strategic events, such as the launch of the Absa Africa Financial Markets Index 2025, the Mining Indaba, the Absa CIB Champagne in Africa festival and partnerships continue to further drive positive sentiment for the Absa CIB brand.

**Find out more... [Next steps 2026](#)**

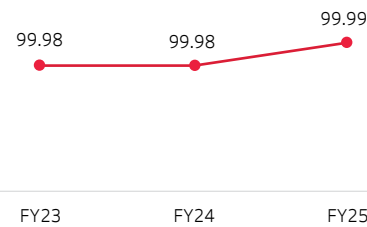
# A digitally powered business

## Performance dashboard

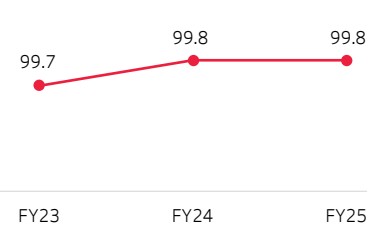
Digitally active customers - Total (millions)



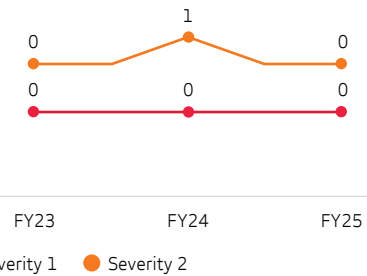
Service availability for the Group (%)



Retail digital channel availability (%)



Total severity 1 and 2 incidents



## Highlights and awards

- ↑ **10%** growth in digital transaction volumes
- Launching South Africa's **first stablecoin**
- More **innovative** Absa banking app features.

- ↑ **99.99%** Group service availability
- ↑ **1 650** consecutive days without a severity 1 incident
- ↓ **Decrease** in mean time to resolution
- ISO/IEC 27001:2022 **re-certified**.

- **Global Banking and Finance Review:** Best New Digital Wallet (Absa ChatWallet) and Best use of biometrics by a bank in South Africa (AbsalD)
- **IBS Intelligence Global Fintech Awards:** Best digital platform (Absaverse)
- **Euromoney Awards:** Africa's best Digital bank for SMEs
- **The Digital Banker:** Outstanding Digital Innovation in SME Banking – Africa and Best Payments Platform initiative Africa
- **The International Banker:** Best Sustainable Bank (Inclusive Banking through digital channels) South Africa.

## Operational challenges

- Legacy systems architecture presents integration challenges, reducing time to value
- Fragmented data environments impede seamless analytics and insight generation
- Uneven adoption of new digital tools (including AI) could slow the realisation of operational efficiency benefits.

### Link to material matters

- Earnings momentum and customer-led trust
- Evolving regulation and compliance requirements
- Digital advances, disruption and stewardship.

### Capitals affected



### Contribution to SDGs

**SDG 8** **SDG 10**



## A digitally powered business continued

### As a digitally powered business, we strengthened our focus on delivering simpler, more secure, and more accessible customer experiences in 2025.

We made targeted digital investments, serving more than 13 million customers across the bank. The Group accelerated technology modernisation to enhance stability, platform resilience, and performance while deepening our data- and AI-first approach. Strong digital adoption, secure modern platforms, and sustained investment in reliability continue to underpin improved customer outcomes and long-term value creation.

### A secure and trusted banking environment

In 2025, we delivered on our commitments to our customers and clients, further reinforcing Absa's position as a trusted and reliable bank. We continue to focus on service excellence and security across our operations, ensuring the resilience of our technology and core processes. We continued to invest in advanced cybersecurity and digital-trust capabilities, embedding these in our client value proposition. We maintained focus on the IT control environment, governance and risk management in line with evolving requirements in the operating environment. This disciplined and robust control approach provides the foundation for sustainable performance and long-term value creation for all stakeholders.

We upheld service performance across the bank, ensuring stability, operational resilience, and improved customer experience, achieving a Group service availability of 99.99%. There were no severity 1 or 2 incidents in 2025, marking 1 650 consecutive days without a severity 1 incident and 430 consecutive days without a severity 2 incident. Reductions in the incident numbers and quicker recovery time continue to improve the banking experience for our customers and clients.

As the banking environment undergoes rapid digital change, we continue to strengthen our security posture to ensure customers and clients can transact with confidence. In 2025, we enhanced information security governance and achieved recertification under International Organisation for Standardisation (ISO)/International Electrotechnical Commission (IEC) 27001:2022, reaffirming our commitment to global best practice.

Our security and fraud teams combined efforts to proactively detect and stop threats. We launched a public cybersecurity campaign across various media to promote digital safety. To fight digital fraud, we improved biometrics, real-time payment security, and added malware detection to the Absa app, preventing about 30 000 potential fraudulent transactions.

### Technology as a strategic differentiator

During 2025, we continued modernising Absa's technology landscape, improving platforms and digital capabilities that strengthened our ability to provide secure, seamless and intuitive banking experiences. These advances position technology as a core enabler of the Group's transformation, growth and long-term resilience. Our modernisation and innovation efforts deepen digital trust, elevated service and reinforced competitive differentiation across the markets we serve.

Through sustained investment, we continue to accelerate value delivery, improve agility, and enhance responsiveness to rapidly evolving customer and client needs. Thus, we ensure our technology environment remains a catalyst for reliability, confidence, and sustainable performance.

We accelerated our multi-cloud adoption strategy to strengthen resilience, flexibility and compliance across markets. In 2025, our cloud adoption rate tripled, resulting in more than 35% of our estate having transitioned to the cloud by year end. Data remains central to Absa's digital transformation, enabling advanced analytics and deeper customer insights. We introduced an AI-enabled customer master data management solution to replace legacy systems.

Our approach to adopting AI is supported by cloud-enabled scale and integrated data for trusted analytics and personalised experiences. During 2025, we expanded our focus from applied AI to Generative AI (GenAI) and Agentic AI, deploying solutions to improve productivity and customer experience. We also established the AI and GenAI Centre of Excellence to drive adoption and skills development across the bank.

We continue to modernise our security technologies in response to an evolving cyber landscape, integrating these capabilities with cloud, data and AI, including Agentic AI, for enhanced phishing detection and triage to support human expertise.

We continue to advance payments modernisation to provide customers and clients with more accessible, modern payment capabilities, including enhancements to PayShap, expanded real-time payment rails, and API integration for embedded banking capabilities.

To support inclusive and innovative financial services, Absa also continued to progress opportunities in digital assets, announcing plans for custody services with Ripple and participating in global blockchain initiatives with SWIFT.

### Absa leading with ZAR Supercoin launch

South Africa's first stablecoin, the ZAR Supercoin, launched in November 2025, is fully backed by rand reserves held in segregated accounts at Absa. The digital currency is licenced by the FSCA and redeemable 1:1 for the South African rand through approved channels. As the first FSCA-licenced stablecoin with institutional backing and segregated bank reserves, it is the most compliant and bank-integrated option in South Africa. Absa's support will help expand South Africa's digital economy and drive financial inclusion by bringing modern financial tools to underserved communities.

### Best-in-class digital skills

Top technology talent remains a critical element in enhancing customer and employee experiences.

Absa now employs 3 904 permanent technology staff in 11 countries, supporting a diverse workforce. Absa Talent Hubs help access critical skills and enable targeted talent strategies. The Prague Hub provides access to key skills in the EU, and the Kenya Talent Hub, which became operational in 2025, expanded our reach into a rapidly growing market with leading technology talent. We have technology colleagues in all our markets. We remain a large employer of technology skills in South Africa.

We are investing in digital skills through critical skills academies open to all colleagues and have expanded our young talent programmes after the success of the Quantum Leap Graduate Programme, which won the South African Graduate Employers Association's Best Digital Campaign Award 2025. The Cybersecurity Academy and Digital Academy remain two other specific skill initiatives. Over 6 000 colleagues participated in AI learning in 2025 as we accelerate GenAI and Agentic AI adoption.

By fostering a performance culture and investing in our people, we continue to strengthen the digital capabilities required for ongoing modernisation and progressively accelerate value delivery.

## A digitally powered business continued

### Agile execution to accelerate value delivery

Our digital transformation investments enable us to deliver faster, more innovative solutions that improve customer and client experiences, enhancing our competitiveness in a dynamic market. By integrating advanced digital skills across the Group, technology drives personalised interactions, easier processes, and better service quality. Some examples include:

#### CustomerOne



CustomerOne is our unified customer management solution. It continues to streamline onboarding, servicing, and data-driven interactions with our customers and clients. The platform, used across PPB and BB, added AI insights and API connectivity for better personalisation and faster value delivery. With Salesforce Agentforce AI, an African first, automation and service efficiency improved, including a 24/7 CustomerOne Support Agent in BB for basic employee queries.

#### Absa Access



Our single sign-on digital banking platform for CIB clients and employees continued to deliver strong experiences. CIB's digitally active client numbers increased by 7% for the year, supported by strong platform availability with enhanced security and service quality, culminating in the platform receiving ISO 27001 certification.

#### Data and AI enablement



In 2025, PPB unlocked R480 million in value by prioritising quality and data-driven products. Our integrated data platform reduces duplication and speeds up delivery across the Group. Ongoing investment in our data platforms ensures analytics are embedded in customer experiences. We use behavioural analytics and transaction intelligence to inform migration strategies, usage insights, and credit decisions. Data tools support service-to-sales conversations, while AI and machine learning drive efficient cross- and upselling through personalised engagement. GenAI helps generate insights, connect customer interests with bank capabilities, and improve fraud detection.

#### Payment innovations



Digital payments and value-added services have increased transaction volumes. PayShap volumes increased by 175%, and VAS values by 39% during 2025, all supporting NIR. Digital payment volumes grew 11% year-on-year. BB boosted commercial payments through China UnionPay and Shoprite API integration, enabling faster, more secure transfers.

#### The Absa banking app



The Absa banking app has become the Group's main customer engagement platform in South Africa. Customer adoption grew to 3 million, with downloads doubling to 2.2 million, while app ratings remained at a high 4.8/5. Abby, the AI assistant, now supports over 1.4 million customers and helped increase digital activity by resolving more than 90% of queries. New features like "Hide My App" and integration with the Department of Home Affairs for Smart ID and passport applications enhanced functionality. The Savings Coach feature drove a 48% rise in savings and investment sales. Digital receipts and usability improvements, such as fingerprint-only debit card verification, have all increased adoption rates, further boosting efficiency and convenience.

#### ATMs



We enhanced our South African ATM network by enabling self-service Western Union withdrawals and home loan confirmation letters, increasing channel convenience. The shift of cash deposits to self-service ATMs continued and now accounts for 87% of transactions, showing strong customer adoption and enabling secure, convenient banking around the clock. Additional digital features let customers redeem Western Union funds directly to their Absa accounts, broadening service access for South Africans and temporary residents.

#### Digital transformation investments in AR



We are advancing our core platforms and integrating digital channels across all markets, building a scalable architecture driven by APIs to speed up product launches and enhance digital customer engagement and transaction rates. Some key initiatives include:

- The launch of Spark 2.0, an enhanced digital wallet, in Ghana, Seychelles, and Uganda, to promote financial inclusion
- BB customer onboarding implemented in Zambia, Seychelles, and Uganda, leading to a 99.6% improvement in turnaround time
- Absa Uganda introduced Digi Loans and Online Account Opening, providing quicker and more accessible banking services
- Continued rollout of MobiTap, which lets merchants receive contactless card payments
- A multi-currency virtual card that enables customers to save and make purchases in several foreign currencies.

All our digital initiatives support the Group's strategic objectives, using technology to boost business value, improve customer experience, and deliver long-term sustainable returns.

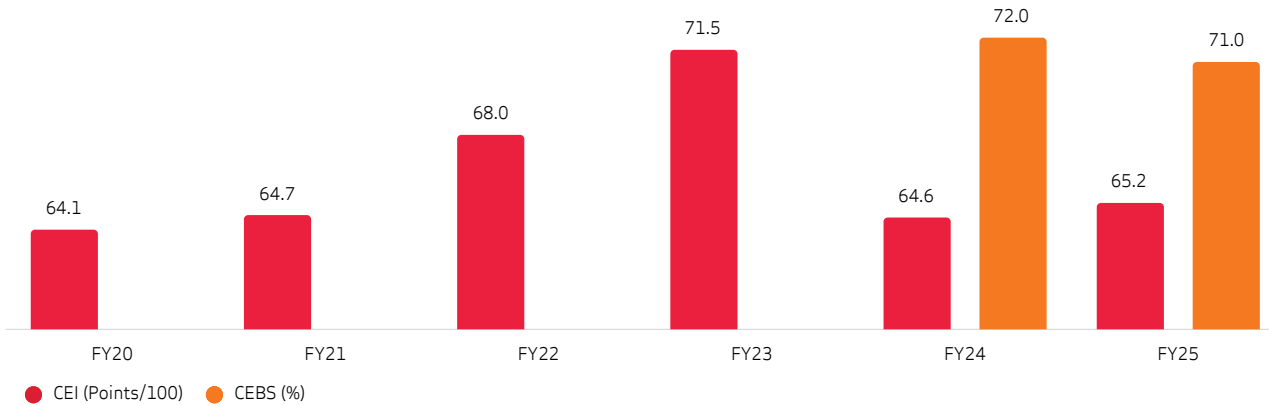
We are focused on delivering tangible digital, data and technology benefits to customers, clients, and employees. We are progressively modernising our technology, where we have much still to do, while increasing the adoption of innovative technologies. We do this within a rapidly changing technology and security environment, while addressing evolving regulatory requirements across our markets. We remain dedicated to maintaining a stable, secure, and well-managed IT control environment as we adopt solutions that enhance customer and client experiences and align with our Group's strategic objectives. We will also continue to invest in employee skills to enable adoption and create value for our stakeholders.

Find out more... [Next steps 2026](#)

# A winning, talented and diverse team

## Performance dashboard

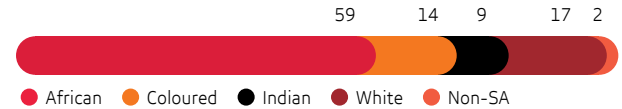
### Employee experiences



We assess how effectively we live our values through our annual employee survey and regular pulse surveys, course-correcting any areas of improvement.

- ↑ **R118 million** eKhaya Colleague Share Scheme dividend paid (2024: R114 million)
- ↑ **R36.4 billion** in staff costs (2024: R33.6 billion)

### Race (%)



## Highlights and awards

- ↑ Overall **job satisfaction** stable
- ↑ **Employee advocacy** trending up
- ↑ Improved **confidence in leadership**.
- **Top Employer Institute:** Maintained Top Employer Africa certification for the fifth consecutive year (Absa Bank Limited, Absa Bank Botswana, Absa Bank Kenya, Absa Bank Mauritius, Absa Bank Zambia and Absa Bank Ghana taking the number one spot)
- **CHRO Awards:** Absa Group Chief Human Capital Officer (CHRO) of the year and won the CHRO Talent Management and Learning and Development awards
- **Forbes:** World's Best Employers for 2025, ranking 97th globally among the top 900 large multinational organisations
- **Global Banking & Finance awards:** Absa Bank Botswana (Best Bank for HR and Recruitment in Botswana).

## Operational challenges

- Driving consistent employee experience across our pan-African footprint requires heightened focus as we continue to embed culture and EVP at scale
- Balancing delivery capacity and prioritisation is critical with multiple strategic initiatives underway
- Transitioning to the pan-African operating model continues to reshape business designs, roles and capabilities, creating delivery pressure in the short term
- Attracting and retaining deep specialist skills like digital and data, senior talent and women in leadership roles at pace, remains a challenge where market competition is high
- The scarcity of digital, data and specialist skills continues to affect execution pace, reinforcing the need for targeted capability investment.

## Link to material matters

- Earnings momentum and customer-led trust
- Digital advances, disruption and stewardship
- Culture transformation and talent care.

### Capitals affected

### Contribution to SDGs

## A winning, talented and diverse team continued

### Culture as a competitive advantage

Culture is a strategic driver of sustainable performance, execution discipline and employee commitment.

In 2025, we moved beyond defining our culture to actively embedding it across the Group, with clearer leadership expectations and stronger alignment in how we work together.

We used the areas of improvement identified by the 2024 employee survey and the organisational culture assessment to provide the clarity and direction needed to accelerate change. These insights informed targeted action across the Group, including the launch of a Culture Transformation Programme and new culture blueprint to strengthen clarity, trust and momentum.

#### Our culture blueprint

Our culture transformation journey is anchored in two core principles:

- Our employees must feel safe, valued, empowered and supported to contribute meaningfully
- Our leaders must consistently model behaviours that build trust and cultivate a workplace experience that strengthens how we serve our customers and amplifies our positive impact in the communities we serve.

In 2025, we implemented a three-phased approach:

1. **Discover:** A Group-wide culture assessment, supported by employee focus groups and leadership interviews, to identify strengths and gaps
2. **Design:** Co-creation of the culture blueprint, defining how we serve our customers with excellence, show up as leaders and colleagues, and drive the right outcomes
3. **Activate and sustain:** Embedding the mindsets and behaviours that will bring our aspirational culture to life.

Accountability for embedding the culture blueprint sits with every leader at every level. Leadership expectations are reinforced through performance contracts, leadership effectiveness scorecards and targeted leadership interventions, ensuring that culture is actively lived and measured rather than inspirational.

We are embedding the culture blueprint by enabling our leaders to serve as chief culture officers and by building a network of over 300 culture ambassadors across our 12 markets, reinforcing shared behaviours and ways of leading, deciding and delivering.



The culture blueprint has strengthened leadership alignment, improved clarity of expectations and reinforced a shared focus on customer value, ownership and execution discipline. These foundations support the delivery of the Group strategy by enabling faster decision-making, improved collaboration and more consistent leadership behaviours.



## A winning, talented and diverse team continued

### Employee experience

We are committed to listening and continuous engagement with our employees, thereby embedding our values, brand identity and culture. We are deliberate in connecting our purpose to daily behaviours that demonstrate leadership and inclusivity.

In 2025, we conducted our bespoke employee experience survey during a period of significant internal transition, including the launch of the refreshed Group strategy, new senior leadership appointments, and the commencement of our operating model implementation. Against this backdrop, survey results reflect areas of stability and areas requiring continued focus. Job satisfaction remained steady and employee advocacy increased, signalling growing confidence in Absa as an employer of choice.

At the same time, the expectation-versus-experience score continued its downward trend, highlighting a gap between employee expectations and lived experience. This indicates that employees are seeking greater consistency, follow-through and alignment across markets, particularly during periods of transformation.

The Group's overall CEBS of 71% remains stable year-on-year (2024: 72%), although behind Global Banking Benchmarks (78% in 2023 to 77% in 2024). Improvements were recorded in leadership, with confidence in senior leadership increasing by two percentage points, reflecting progress in leadership visibility and engagement. AR markets continue to perform strongly, while several South African units, undergoing further structural and operational shifts remain areas of focus for improving employee experience.

Survey insights also highlighted opportunities to strengthen the consistency of follow-through on agreed action plans. Managers actively engage their teams in creating local improvement actions; however, sustained momentum will be reinforced through enhanced tools, improved visibility of actions and stronger leadership accountability.

To embed meaningful and ongoing improvement, each business unit is developing refreshed employee experience action plans that align with the culture transformation priorities. Absa continues to invest in improving online dashboards, deeper analytics, and targeted enablement for people managers. This will ensure that actions are owned, visible, and embedded into daily working rhythms, positioning us for improved outcomes in the 2026 survey cycle.

### Our distributed leadership model

As the Group continues to operate in an increasingly complex and fast-changing environment, leadership consistency, accountability and depth are critical enablers of strategy execution, performance delivery and effective risk management.

Leadership plays a pivotal role in shaping our culture and enabling delivery of the Group strategy. As culture carriers, our leaders model the trust, collaboration and performance focus that underpin our culture vision. Through the Leadership Effectiveness Measure, we strengthen consistency and alignment by providing a unified view of leadership impact, accountability, development and succession health across the Group.

Strengthening the overall leadership bench and closing senior leadership gaps through external market mapping and talent investment remain a top priority. The Absa Leadership Academy continues to act as a catalyst for organisational performance and cultural transformation, with 14 888 colleagues participating in various leadership development initiatives during 2025, of which 74% were women. This reflects Absa's deliberate and intentional investment in building a representative, capable and future-ready leadership pipeline.

Targeted programmes, including the Top Talent Accelerated Development and Manager Excellence programmes, continued to deliver enterprise value, reinforcing leader agility and future readiness in critical business areas.

These interventions were reinforced through coaching enablement, Leader as Coach development, and targeted learning support, resulting in more confident, capable and future-ready managers. The benefits are already visible: improved employee experience with increased confidence in leaders, stronger talent retention, greater leadership consistency, and a more inclusive culture. Manager Excellence has become a strategic enabler of Absa's long-term sustainability and organisational success by enabling people leaders.

Succession planning and leadership transitions continued to mature at both enterprise and business unit levels, supported by clearer behavioural expectations and stronger consequence management. This reflects a shift towards a culture of shared accountability, where leaders hold themselves and others accountable for delivery, employee engagement and the lived experience of Absa's purpose, culture and values.

### Home of Africa's leading talent

Competition for scarce and digital skills remains high across Africa, yet Absa continues to demonstrate strong talent resilience and depth. Headcount remained stable at 37 033 employees, whereas employee turnover marginally increased within appetite to 7.4%, absenteeism remained constant at 1.4%<sup>RA-IA</sup> and high-performer retention remained stable at 95.5%<sup>RA-IA</sup>. We continue to amplify our employer brand externally and internally to attract, engage, and retain top talent.

Our targeted development programmes, including the Top Talent Accelerated Development and Manager Excellence programmes continue to deliver enterprise value. Since its inception in 2019, our Top Talent Accelerated Development Programme has achieved 90% retention, 20% promotion and 12% lateral mobility across our Top Talent alumni succession network. These programmes also drive discretionary retention, with high-potential leaders attributing their decision to stay at Absa directly to their programme experience. The value of this retention consistently exceeds programme investment, proving our leadership ecosystem keeps top talent by choice, not default.

We have strengthened our approach to succession management by broadening enterprise exposure, deepening leadership capability across businesses, and expanding leadership development across the Group. Succession standards were deliberately raised to prioritise leadership readiness, strengthening leadership depth and succession quality. This has been valuable in revealing areas where succession coverage requires targeted focus towards strengthening the quality of our succession plans.

We developed bespoke talent and succession health metrics that highlight progress and areas with succession gaps in talent pipelines. Where gaps are identified, pipelines are restored through the acquisition of senior talent from the external market and the acceleration of internal talent in the "ready later" category.

Talent management is increasingly embedded as a leader-owned discipline, with clear accountability for bench strength and succession outcomes at every level. Female representation in leadership pipelines increased by 6%, with AR representation improving by 2% year-on-year, demonstrating meaningful progress in building a leadership team that mirrors the clients and communities we serve.

## A winning, talented and diverse team continued

### Diversity and equity

We continue to build a workforce that reflects the diversity of our markets. In South Africa, we have made good progress in this regard as reflected below. Designated group<sup>1</sup> representation stands at 91.5% of our total South African workforce of which 62.7% are female.

#### Employment equity % by occupational level

Management level	Designated groups	2025 %	2024 %
Top	Male	35.7	30.8
	Female	35.7	38.5
	Overall	71.4	69.2
Senior	Male	31.7	32.8
	Female	38.7	38.1
	Overall	70.4	70.9
Middle	Male	33.8	33.4
	Female	53.2	53.0
	Overall	87.0	86.4
Junior	Male	24.9	24.5
	Female	71.9	73.1
	Overall	96.8	97.6
Disability	Overall	1.0	0.9

Diversity outcomes are improving. Women represent 47% of top talent, driving 52% of promotions and 51% of lateral moves, while 83% of promotions are from South African AIC<sup>2</sup> groups or AR employees.

While overall designated group representation remains strong, progress across leadership levels continues to vary by segment, influenced by external skills availability and succession timing. Targeted development, internal mobility and accelerated succession interventions remain a focus to support sustained progress.

In 2025, leadership effectiveness has been strengthened through 215 coaching journeys and inclusion initiatives like Ignite Her and Leading for Belonging, with further enhancements underway through the upcoming digital coaching platform. We have advanced Manager Excellence through centralised resources, targeted campaigns, a People Manager Community of Practice and expanded learning interventions – doubling manager engagement while embedding inclusion and future-ready skills.

### Supported and enabled employees

Our EVP and dynamic skills strategy support our commitment to build a digitally enabled, future-fit, high-performing and flexible workforce. The dynamic skills strategy provides a structured approach to evolving critical and emerging skills, with learning pathways aligned with business priorities and performance imperatives. Our capability academies in data, technology and future-focused banking are strengthening technical depth across the continent, while analytics and predictive insights guide future workforce planning.

The Group invested R538 million in training and development (2024: R580 million), of which R438 million (2024: R466 million) supported employee learning and R100 million supported advanced learners and unemployed youth. Critical skills investment accounted for 76.3% of total spend, exceeding the Group's target of 54%. This focus supports the delivery of the Group strategy by strengthening critical capabilities, improving workforce resilience and reducing reliance on scarce external skills.

For performance management, AI (machine learning and Copilot) is used to improve the quality of objectives, feedback and performance coaching conversations. We have also revised our performance rating scale to ensure consistency. These improvements promote more frequent, forward-looking performance management practices, enhancing accountability and clarity while recognising results and behaviours.

We also recognise that sustained performance requires wellbeing. The Group's holistic wellness strategy integrates physical, mental and financial wellbeing, supported by wellness centres, digital wellness tools and the Wellness for Leaders Programme. Participation in wellness initiatives continues to rise, reflecting growing engagement with available resources and supporting sustained performance in a high-demand operating environment.

Remuneration frameworks are market-related, equitable and performance-linked. They reinforce pay fairness, alignment with Group results and recognition of individual contribution. Together, these frameworks underpin Absa's ability to attract, motivate and retain high-performing talent.

Refer to our **Remuneration Report** for pay differentials.

The Pinnacle Group Recognition Awards achieved 25% year-on-year growth in participation, reinforcing shared success and belonging across our markets.

We also continue to nurture a shared sense of ownership through the eKhaya Colleague Share Scheme, where employees participate directly in the value they help create. In 2025, R118 million was distributed to eligible employees. eKhaya provides employees in South Africa with an equity ownership interest in the Absa Group. Employees in participating AR and other international office entities were given the opportunity to participate, subject to local entity circumstances and approvals, in the eKhaya Colleague Phantom Share Scheme, which is the cash equivalent of that implemented in South Africa.

Our contributions to black economic ownership improved through the work of the CSI Trust (established as part of the eKhaya transaction). This has delivered high-impact development outcomes through a portfolio of funded initiatives that address systemic barriers in education, digital inclusion, youth employability, and economic participation. Read more in our **B-BBEE Report**.

Find out more... **Next steps 2026**

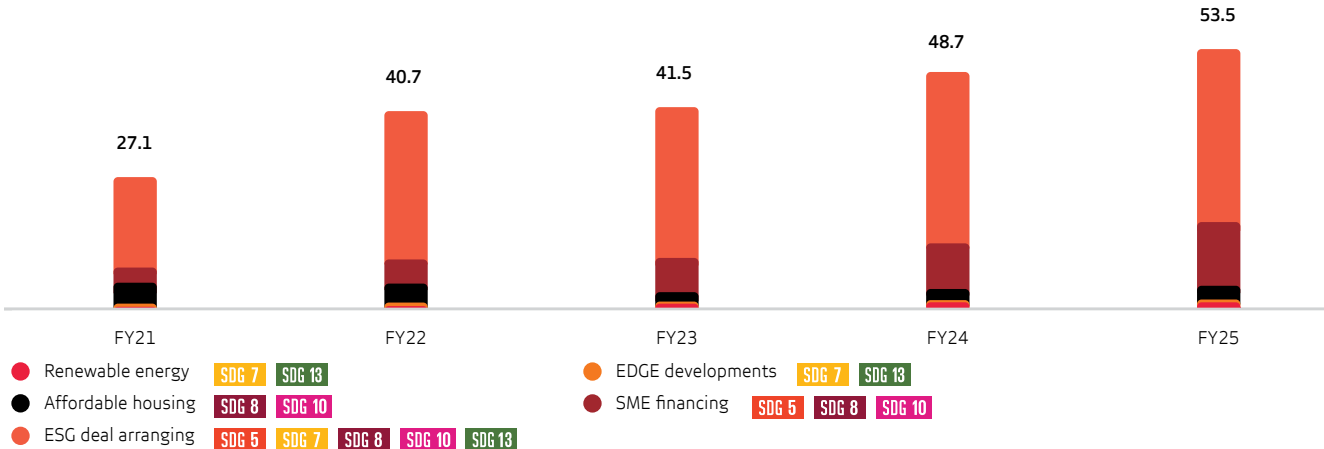
<sup>1</sup> Designated groups comprise African males, Coloured males, Indian males, African females, Coloured females, Indian females, White females and all persons with disabilities.

<sup>2</sup> All African, Indian or Coloured people qualifying for South African citizenship by birth or descent, or people who were naturalised before 27 April 1994.

# An active force for good in everything we do

## Performance dashboard

### Gross sustainable finance (Rbn)



We have identified our strategic objectives and gauged how their achievement will enable our purpose and contribute to the SDGs.



Click to read our detailed **SCR**

## Highlights and awards

- New revised **Sustainability Framework**
- 45%** reduction in own carbon emissions. On track to achieve a 51% reduction in 2030.
- Decrease in **coal, oil and gas-financed emissions**.
- Global Finance's Sustainable Finance Awards 2025:** Sustainable Finance Deal of the Year in Africa (Developing African Capital Markets Tanga Water Infrastructure Green Revenue Bond), Best Impact Investing Solution: Africa, Best Bank for Sustainable Finance: Kenya and Sustainable Finance Award 2025 (Absa Bank Botswana)
- Euromoney Awards:** Africa's Best Bank for ESG and South Africa's Best Bank for ESG (CIB)
- Global Banking and Finance Awards:** Best CSR Bank in Uganda
- World Economic Magazine Awards:** Best Sustainable Bank (South Africa, Ghana and Mauritius).

## Operational challenges

- Improving data sources to enable effective implementation of our transition plans
- Balancing climate risk considerations, social expectations and business priorities while ensuring the consistent application of frameworks, standards and policies across diverse regional contexts
- Lengthy, manual credit sanctioning process for AR's SMEs, limiting the efficiency of inclusive financing.

## Link to material matters

- Geopolitical and sovereign risk exposure
- Earnings momentum and customer-led trust
- Evolving regulation and compliance requirements
- Climate change and a just transition.

### Capitals affected



### Contribution to SDGs



## An active force for good in everything we do continued

### Environmental and climate action

Banks play an important role in climate-change mitigation. By integrating climate risks into our operations, setting fossil fuel reduction targets and enhancing our sustainability capabilities, we aim to foster resilience, drive sustainable impact and support our customers in meeting their own climate objectives. We want to contribute to Africa's transition in a way that is just and fair for all. To achieve our net zero goal by 2050, we established specific targets to reduce our financed and own operational emissions. These targets align with global efforts to limit global temperature rise to well below 2°C. Financed emissions constitute the majority of the Group's carbon footprint. Insured and facilitated emissions represent a significant component of our scope 3 profile.

#### Financed emissions

Climate-sensitive sectors	Drawn exposure Rbn		% of Group gross loans and advances <sup>4</sup>	
	2025	2024	2025	2024
<b>Real estate</b>	<b>443.7</b>	436.9	<b>25.4</b>	27.0
<b>Transport and logistics</b>	<b>178.3</b>	166.3	<b>10.2</b>	10.3
<b>Water</b>	<b>0.3</b>	0.1	<b>0</b>	0
<b>Agriculture</b>	<b>67.4</b>	69.5	<b>3.9</b>	4.3
<b>Manufacturing</b>	<b>61</b>	52.6	<b>3.5</b>	3.3
<b>Construction</b>	<b>12.4</b>	10.8	<b>0.7</b>	0.7
<b>Electricity<sup>3</sup></b>	<b>4.4</b>	6	<b>0.3</b>	0.4
<b>Mining and quarrying<sup>1</sup></b>	<b>38.3</b>	30.5	<b>2.2</b>	1.9
<b>Total</b>	<b>805.9</b>	772.7	<b>46.1</b>	47.9

	Limit Rbn	2025	2024	2025	2024
<b>Of which fossil fuels</b>					
– Coal	<b>2.3</b>	<b>0.2<sup>LA-EA</sup></b>	0.4	<b>0.01</b>	0.0
– Oil	<b>17.4</b>	<b>15.8<sup>LA-EA</sup></b>	16.8	<b>0.9</b>	1.0
– Gas	<b>7.5</b>	<b>1.7<sup>LA-EA</sup></b>	2.1	<b>0.1</b>	0.1
	<b>27.2</b>	<b>17.6</b>	19.3	<b>1.01</b>	1.1

High emission sector

<sup>1</sup> Excludes fossil fuels for upstream activities.

<sup>2</sup> Financed emissions are reported once a year and have a delay of one year before they are made available, hence the 2024 figures for fossil fuel emissions performance.

<sup>3</sup> Excludes renewables.

<sup>4</sup> R1 489 per the AFS, plus off-balance sheet loan commitments as at 31 December 2025.

While these activities provide a different lens compared to lending, integrating both perspectives enables us to design strategies and products that drive a more effective transition within our asset finance businesses. Work is underway to develop these calculations, which will form a critical input into our Climate Transition Plan. Our insurance business has also enhanced its modelling capabilities to better understand how climate change, and in particular adverse weather events, will affect our portfolio. These insights strengthen risk selection, pricing and event monitoring. We are also looking at new potential commercial insurance opportunities that ultimately support climate resilience for our customers. In addition, we have implemented new sustainable investment policies designed to enhance the assessment and ongoing monitoring of the sustainability impacts associated with our investment portfolio. These policies also strengthen our oversight of customers' sustainability performance, ensuring alignment with our broader environmental, social and governance objectives.

	Financed emissions (tCO <sub>2</sub> e)	
	2025	2024
Mortgages	<b>1 144 750<sup>LA-EA</sup></b>	1 080 927 <sup>LA-EA</sup>
Commercial Property Finance	<b>1 789 863<sup>LA-EA</sup></b>	1 511 494 <sup>LA-EA</sup>
Passenger cars	<b>685 678</b>	619 324
Vans	<b>299 169</b>	312 496
Trucks	<b>91 918</b>	56 995

These sectors have been prioritised due to materiality to our portfolio, and exposure to climate transition risk.

	2024 <sup>2</sup>	2023	2030 targets
Coal (ktCO <sub>2</sub> e)	<b>1 623<sup>LA-EA</sup></b>	1 686 <sup>LA-EA</sup>	25% reduction from 2022 baseline.
Oil and gas (gCO <sub>2</sub> e/MJ)			
– Scope 1 and 2 upstream	<b>4.31<sup>LA-EA</sup></b>	4.95	Target revision to scope 3. Read more on the next page.
– Scope 3 upstream	<b>76.41<sup>LA-EA</sup></b>	75.91	

## An active force for good in everything we do continued

The **real estate sector** represents our largest balance sheet exposure. This year, we refined real estate mortgage baseline emissions calculations and introduced additional data fields to improve the granularity and relevance of our models. We also incorporated satellite imagery and computer vision technologies to improve emissions estimation, as our data assets are essential to guiding both current and future strategies. Our insurance business also made progress in quantifying emissions for insured motor and real estate assets with a clear intention of determining a glidepath for insured emissions reduction.

We are refining our approach to emissions disclosures and target-setting within the fossil **fuel sector**. While our position on coal remains unchanged, we are revising our oil and gas targets to focus on scope 1 and 2 emissions. This recalibration reflects the evolving global energy landscape and the practical challenges associated with scope 3 emissions data. Nonetheless, we will continue to track and monitor scope 3 emissions to support future enhancements in our methodology and client engagement.

Scope 1 and 2 emissions remain a significant component of the **oil and gas sector's** transition strategy, accounting for approximately 15% of global total energy-related emissions. Reducing these operational emissions is essential to addressing climate change and achieving net zero.

Our approach aligns with the aspirations of the Oil and Gas Decarbonisation Charter, which seeks to accelerate reductions in scope 1 and 2 emissions across the sector.

Our revised scope 1 and 2 target for oil and gas is a 15% reduction in emissions intensity against a 2022 baseline by 2030.

- **Coal:** Scope 1, 2, and 3 emissions from thermal and metallurgical coal declined by 14% cumulatively since 2022 (target 25%).
- **Oil and gas:** Scope 1 and 2 emissions intensity declined by 17% cumulatively since 2022. In contrast, scope 3 emissions intensity has increased marginally over the same period, which is consistent with the fact that critical enablers required to reduce scope 3 emissions have not materialised at the pace needed.

### Own emissions

Absa has committed to reducing operational carbon emissions by 51% by 2030, using 2018 as the baseline year. Progress toward this target is assessed annually against the defined emissions-reduction glide path from 2018 to 2030. As at December 2025, a 45.06% reduction in carbon emissions had been achieved, exceeding the 2025 glide path target of 30%.

## Sustainable finance

Having achieved our R100 billion sustainable financing target, which was set for December 2025, in 2024, we set a new ambition to mobilise between R350 billion and R400 billion in sustainable finance by 2030 from 2021. This target will be cascaded to different business units, further embedding sustainable financing as the norm across the Group.

	Social impact Rbn	Environmental and climate action Rbn	Gross sustainable finance Rbn	How our business units contribute
BB	-	1.4	1.4	Renewable energy
PPB	2.8	0.6	3.4	Affordable housing and EDGE-certified home loans
AR	13.1	-	13.1	Mobile and SME lending
CIB		35.6	35.6 <sup>1</sup>	Finance deals
<b>Total 2025</b>	<b>15.9</b>	<b>37.5</b>	<b>53.5</b>	
2024	12	37.1	49	
2023	9.6	32.5	42.2	
2022	9.1	31.8	40.9	
2021	8.0	19.7	27.7	
<b>Cumulative</b>	<b>54.7</b>	<b>158.7</b>	<b>213.3</b>	

<sup>1</sup> Select CIB transactions incorporated some social financing components, however the majority of the deals relate to environmental and climate action.

BB achieved a cumulative R2.8 billion of embedded **renewable power** by the end of 2025 and aims to finance R5 billion over the medium term (until end-2026). Fundamental building blocks to drive financing volumes have been established, with the expectation to grow renewable energy lending at a compound annual growth rate (CAGR) of 26% by 2026. We further enhanced credit standards and reviewed our loss given default models to assess the credit risk posed by climate change. This supports differentiated risk-based pricing for renewable energy financing.

Absa continued to advance its commitment to inclusive housing finance, empowering more South Africans to access **affordable home ownership**. Our Home Loan portfolio delivered R2.8 billion in financing for affordable housing, enabling 4 843 customers access to home ownership. Of this, 69.3% were women-led households.

## An active force for good in everything we do continued

Our Commercial Property Finance offering further extended our reach across the affordable housing spectrum, supporting fully and partially subsidised units alongside conventional developments.

Through the Government's First Home Finance housing subsidy programme, 513 families accessed funding support, unlocking R226 million in financing. This underscores our continued role in facilitating access to government-backed housing solutions. We also prioritised borrower education, equipping 5 756 customers with knowledge on financial management, property maintenance and the importance of sustainable home ownership. Our focus remains on delivering high-impact, targeted education to support long-term housing.

Over the past year, we financed R574 million (2024: R444 million) in Excellence in Design for Greater Efficiencies (**EDGE**)-certified home loans, enabling 469 customers to access homes that are more resource efficient in both water and energy. These homes are designed to be cheaper to run and deliver improved long-term sustainability outcomes.

This progress was enabled through our partnership with the IFC under the Market Accelerator for Green Construction (MAGC) Programme, which is a partnership between the UK government and IFC. The MAGC Programme combines concessional finance and advisory support to drive sustainable building development. Qualifying homebuyers purchasing properties in EDGE-certified projects generally receive a mortgage rate reduction, supporting the affordability of greener homes. EDGE certification provides assurance that homes meet minimum standards for energy and water efficiency, thereby reducing environmental impact and improving household resilience.

In our AR markets, we facilitate financial inclusion through affordable services, accessible entry points into the financial system and a **holistic SME offering**, that combines access to finance with capacity-building workshops, mentorship opportunities and market access initiatives.

In addition, our Women in Business proposition is designed to meet the unique needs of **women entrepreneurs**. It provides targeted financial solutions, business support and networking opportunities to help women-led businesses thrive in often challenging environments. We achieved growth in active inclusive banking customers, with AR's SME customer base growing by 5% to 122 000 customers. In South Africa, BB onboarded over 6 100 women-owned businesses and issued 730 new facilities to women-owned businesses to the value of R293 million, supported by the African Development Bank to waive initiation fees and increase access to finance.

CIB's **sustainable finance deal** activity remained ahead of target, with significant deals including:

- Acting as lender and sustainability coordinator to Leapfrog Climate Fund, extending a green loan to the value of R1.1 billion
- Lender to G7 Renewable Energies to the value of approximately R1.4 billion, delivering 140MW of renewable energy
- Contributing R4.7 billion towards Seriti Green's 155MW wind project.

<sup>1</sup> Reflected at spot as at transaction/agreement date.

## Sustainable capital raising

Group Treasury supported the Group's sustainability objectives by issuing ESG bonds totalling R5.4 billion in 2025, increasing its aggregate ESG funding and capital to R30.8 billion. The total comprises listed bonds of R15.9 billion, loans of R13.6 billion and green deposits of R1.3 billion. Absa remains committed to advancing environmental and social priorities through innovative financial solutions for our investors. Absa's Sustainable Finance Issuance Framework (SFIF) adheres to the International Capital Markets Association and the Loan Market Association principles and guidelines.

Sustainable capital raising 2025 (Rm)	Green	Social	Total ESG capital and funding
<b>ESG bonds</b>			<b>15 899<sup>LA-EA</sup></b>
Issued under SFIF prior years	<b>9 478</b>	<b>1 000</b>	<b>10 476</b>
Issued under SFIF 2025	<b>5 423</b>		<b>5 423</b>
<b>Aggregate ESG loans<sup>1</sup></b>			<b>13 642<sup>LA-EA</sup></b>
Bilateral/syndicated prior years	<b>5 442</b>	<b>1 700</b>	<b>7 142</b>
Non-SFIF prior years	<b>4 500</b>	<b>2 000</b>	<b>6 500</b>
<b>Green deposits</b>			<b>1 292<sup>LA-EA</sup></b>
Issued under SFIF 2025	<b>1 292</b>		<b>1 292</b>
			<b>30 833</b>

Find out more... **Next steps 2026**

# Value over time



Our Integrated Report communicates the short-, medium- and long-term value we have created, preserved or eroded for our providers of financial capital and other key stakeholders. Our key performance indicators and management information measure how well we deliver against our strategic objectives. They also measure the value we are creating, preserving or eroding across the capitals that are material to our business model. We recognise that value creation for one type of capital may create, preserve or erode value across another.



## Financial capital

Net outcome: Positive

Primary interest group: Investors	Unit	Five-year trend	Long term		Medium term		Short term 2025	Assurance type
			2021	2022	2023	2024		
Revenue	Rbn	↑	85.9	96.8	104.6	109.9	115.7	AFS
Non-interest revenue growth	%	↑	2	18	1	6	7	AFS
Headline earnings	Rbn	↑	17.8	19.9	20.1	22.1	24.8	AFS
Total operational risk losses	Rm	↓	893	-18	524	417	555	LA-IA
Gross loans and advances	Rbn	↑	1 134	1 258	1 321	1 403	1 489	AFS
Total deposits	Rbn	↑	1 174	1 242	1 340	1 509	1 625	AFS
Net interest margin	%	↑	4.46	4.56	4.68	4.63	4.53	AFS
CTI ratio	%	↓	56.5	52.1	53.2	53.2	53.8	AFS
Credit loss ratio	%	↓	0.77	0.96	1.18	1.03	0.88	AFS
Stage 3 ratio	%	↓	5.4	5.29	6.05	6.11	5.63	AFS
RoE	%	↑	14.6	15.3	14.4	14.8	15.0	AFS
Return on average assets	%	↑	1.13	1.16	1.07	1.11	1.13	AFS
Return on risk weighted assets	%	↑	1.96	2.16	1.96	2.02	2.06	AFS
CET1	%	↑	12.8	12.8	12.5	12.6	12.7	AFS
Total capital adequacy ratio	%	↑	17.9	16.6	15.8	15.8	15.8	AFS
Net stable funding ratio	%	↑	116.1	113.4	118.1	121.7	117.2	AFS
Liquidity coverage ratio	%	↑	116.8	124.6	124	126.7	127.4	AFS
Total shareholder return	%	↑	30	35	-9	24.3	34.4	LA-IA

### Legend

**EXT:** External source/rating agency. **LA-IA:** Limited assurance by Group Internal Audit. **RA-IA:** Reasonable assurance by Group Internal Audit.  
**AFS:** Extracted from the Annual Financial Statements, which carry reasonable assurance. **LA-EA:** Limited assurance by External Audit.

## Value over time continued



### Human capital

Net outcome: Positive

Primary interest group: Employees	Unit	Five-year trend	Long term		Medium term		Short term 2025	Assurance type
			2021	2022	2023	2024		
Colleague experience benchmark score	%	↓	N/A	N/A	N/A <sup>1</sup>	72	<b>71</b>	LA-IA
Colleague experience index	Points/100	↑	64.7	68	71.5	64.6	<b>65.2</b>	LA-IA
Management control – employment equity	Points/12	↑	9.18	9.8	10.14	9.99	<b>10.36</b>	EXT
Women in senior leadership	%	↑	35.0	37.0	38.78	39.67	<b>39.85</b>	RA-IA
Employee headcount	Nr	↑	35 267	35 451	37 107	36 779	<b>37 033</b>	RA-IA
Turnover rate	%	↓	8.7	9.2	7.3	6.8	<b>7.4</b>	RA-IA
Employee training and development spend – employees	Rm	↑	407	499	479	466	<b>438</b>	RA-IA
Female-to-male ratio (gender equality)	%	↓	61:39	61:39	61:39	60:40	<b>60:40</b>	RA-IA
Employee headcount below the age of 40 (age neutrality)	%	↓	54.8	52.2	50.5	52.4	<b>50.0</b>	RA-IA
AIC employees (South Africa only) (race equality)	%	↑	77.3	79.3	80.9	81.6	<b>82.0</b>	RA-IA
Absa Way Code of Ethics training completion	%	=	N/A <sup>2</sup>	98.5	95.5	93.0	<b>98.3</b>	RA-IA

<sup>1</sup> Metric introduced in 2025 along with its comparative.

<sup>2</sup> Training cycle 2021 had a 2022 due date.

## Value over time continued



### Intellectual capital

								Net outcome: Positive	
Primary interest groups: Clients and employees	Unit	Five-year trend	Long term		Medium term		Short term 2025	Assurance type	
			2021	2022	2023	2024			
Digitally active customers – total	Rm	↑	2.9	3.2	4	4.6	5.4	LA-IA	
Growth in digitally active customers – Group-wide composite measure	%	↓	N/A <sup>1</sup>	19	9.3	14.2	13	LA-IA	
Growth in digital transaction volumes – Group-wide revenue weighted	%	↑	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	10	LA-IA	
Total severity 1 and 2 incidents	Nr	↓	3	0	0	1	0	RA-IA	
Retail digital channel availability	%	↑	99.4	99.5	99.7	99.8	99.8	RA-IA	
Service availability for the Group	%	↑	99.97	99.96	99.98	99.98	99.99	RA-IA	
Brand value ranking <sup>3</sup>	Rank	⊖	5th	5th	5th	6th	5th	EXT	
Brand value <sup>3</sup>	Rm	↑	20 538	21 254	25 334	26 285	27 331	EXT	
Brand consideration	%	↑	N/A <sup>1</sup>	38.7	41.8	43.4	44.3	RA-IA	



### Manufactured capital

								Net outcome: Sustained	
Primary interest group: Clients	Unit	Five-year trend	Long term		Medium term		Short term 2025	Assurance type	
			2021	2022	2023	2024			
ATMs	Nr	↓	8 666	6 475	6 410	6 347	6 240	RA-IA	
Outlets	Nr	↑	988	998	1 010	1 016	1 035	RA-IA	
PoS devices	Nr	↑	124 898	114 895	129 270	136 436	145 813	LA-IA	
Property and equipment	Rbn	⊖	16	15	15.8	16.3	16.1	AFS	

<sup>1</sup> Metric not tracked at the time.

<sup>2</sup> Metric introduced in 2025.

<sup>3</sup> Brand Finance Africa.

## Value over time continued

Our value-over-time analysis presents the stocks and flow of capitals from one year to the next in a continuous value-creation process over the short, medium and long term.



### Natural capital

Primary interest group: Planet	Unit	Five-year trend	Long term		Medium term		Short term 2025	Assurance type
			2021	2022	2023	2024		
Net outcome: Positive								
Sustainable financing – Group (portion related to climate and environment)	Rbn	↑	19.7	31.8	32.5	37.1	37.5	RA-IA
CDP rating	Rating	=	B	B	B	B	B	EXT
S&P SAM Index	Percentile	↓	93	89	92	90	91	EXT
Aggregated ESG loans	Rbn	↑	N/A <sup>1</sup>	11.7	17	13.6	13.6	LA-EA
ESG bonds	Rbn	↑	N/A <sup>1</sup>	4.5	6.6	10.9	15.9	LA-EA
Total electricity use <sup>3</sup>	GWh	↓	225.7	216	222.6	195.4	183.4	LA-EA
Own carbon emissions reduction	%	↑	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	43.63	45.06	LA-EA



### Social and relationship capital

Primary interest groups: Society, regulators and industry bodies, clients, investor communities and suppliers	Unit	Five-year trend	Long term		Medium term		Short term 2025	Assurance type
			2021	2022	2023	2024		
Net outcome: Positive								
Learner training and development spend	Rm	↑	73	139	129	114	100	RA-IA
Group total customers	Number	↑	11.4	11.7	12.2	12.7	13.1	N/A
Of which pan-RBB customers	Number	↑	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	11.4	11.8	N/A
Client primacy – pan-CIB	%	↑	N/A <sup>3</sup>	N/A <sup>3</sup>	41.2	42.3	42.1	RA-IA
Group customer experience index (revenue weighted)	%	↑	N/A <sup>3</sup>	81	96	101	103.3	RA-IA
Sustainable financing – Group (portion related to social impact)	Rbn	↑	8	9.1	9.6	12	15.9	RA-IA
B-BBEE status	Level	=	1	1	1	1	1	EXT

In **Outlook** we assess how changes in the external environment may impact on the continued availability and affordability of the capitals our business model relies on.

<sup>1</sup> Metric not tracked at the time.

<sup>2</sup> 2024 value restated. Refer to **Basis of preparation and presentation**.

<sup>3</sup> Metric not previously disclosed.



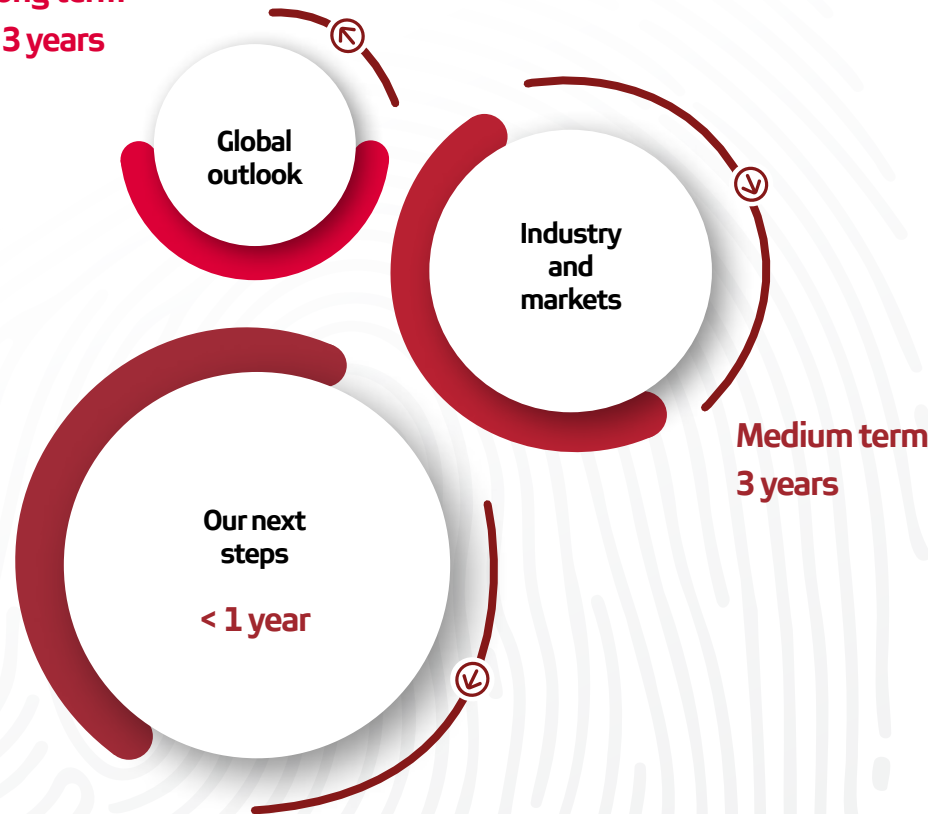
**IR 2025 Assurance Booklet**  
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# Outlook<sup>LA-IA</sup>

Long-term value creation requires future focus, responsive strategic planning and consideration of available resources.

Taking into account the decade-long global risk outlook and the more immediate medium-term changes in our industry and key markets, enables us to assess potential impacts on our strategic objectives and identify the actions we need to take now, today.

**Long term**  
**> 3 years**



## Most severe global risks in the next decade<sup>1</sup>

### Long term (10 years)

- |  |   |                              |   |
|--|---|------------------------------|---|
| ① Extreme weather events                   | ● | ⑥ Natural resource shortages | ● |
| ② Biodiversity loss and ecosystem collapse | ● | ⑦ Inequality                 | ● |
| ③ Critical change to Earth systems         | ● | ⑧ Cyber insecurity           | ● |
| ④ Misinformation and disinformation        | ● | ⑨ Societal polarisation      | ● |
| ⑤ Adverse outcomes of AI technologies      | ● | ⑩ Pollution                  | ● |

#### Risk categories:

- Economic
- Environmental
- Geopolitical
- Societal
- Technological

## Medium- to long-term trends in the financial services industry

### Our future customers

The future banking customer is digitally native, expecting seamless, mobile-first experiences that integrate financial services into their daily lives. They value hyper-personalised interactions, where products and advice are tailored to their unique behaviours and goals. Ethical considerations play a major role in their choices. They prefer institutions that demonstrate transparency, data protection, and a commitment to environmental and social responsibility. These customers are also financially curious, seeking tools and education that support their financial wellness. While they embrace automation and self-service, they still appreciate human support for complex decisions, and expect a smooth omnichannel experience. Ultimately, the future customer is empowered, informed, and expects banking to be as intuitive and integrated as the rest of their digital world.

#### Impacted capitals



#### Continued affordability and availability

Africa's growing youth population and large unbanked demographic provide ample future customers (availability), although competition for customers remains fierce and affects cost-to-serve (affordability).

#### How it links to our strategic pillars

##### Customer-led growth

Affects our ability to deliver intuitive and consistent digital experiences. It affects our value proposition to customers and the identification of priority segments.

##### New growth opportunities

Affects digital and data-driven customer experiences, payment solutions and potential for the digital bank.

<sup>1</sup> World Economic Forum, Global Risk Perception Survey 2025-2026.

## Outlook continued

### Technology in future

Africa's financial landscape is undergoing a rapid transformation, driven by digital innovation. By 2030, the continent's digital payments economy is projected to reach USD1.5 trillion, fuelled by internet penetration, financial inclusion, and fintech maturity. Instant payments are replacing traditional methods, while central bank digital currencies (CBDCs) and stablecoins reshape the monetary ecosystem. Stablecoins alone traded USD27.6 trillion in 2024. Open banking, API-driven integrations, and embedded finance are creating interconnected ecosystems where payments seamlessly integrate into everyday platforms. Advanced data analytics and AI are becoming indispensable for personalisation, fraud prevention, and behavioural insights. Meanwhile, cross-border transactions are set to surge from USD329 billion in 2025 to USD1 trillion by 2035, powered by mobile money and fintech-led efficiencies. Together, these trends signal a future of inclusive, intelligent, and borderless financial services across Africa.

#### Impacted capitals



#### Continued affordability and availability

Technology is more freely available but requires significant financial capital investment due to rapid onset. Human capital availability constraint due to skills scarcity.

#### How it links to our strategic pillars

##### Customer-led growth

Affects our ability to deliver intuitive and consistent digital experiences.

##### Driving excellence

Affects our ability to improve our technology performance, resilience and affordability.

##### New growth opportunities

Affects digital and data-driven customer experiences, payment solutions and the potential for a digital bank.

### Regulator's outlook

As Africa's technology future accelerates toward a more digital, data-driven financial ecosystem, Smart Cash stands out for preserving the continent's uniquely high reliance on physical cash – modernising it rather than replacing cash to ensure inclusion and accessibility.

The SARB's Smart Cash initiative is a national strategy to modernise South Africa's physical cash system by lowering costs, improving access, and keeping cash viable for inclusive economic participation, while supporting the transition to a more digital payments ecosystem.

Smart Cash will reduce banks' control over cash infrastructure, compress certain fee revenues, and require greater collaboration, while also materially reducing operating costs, cash-related risk, and capital tied up in physical cash. Over the medium term, it shifts banks from owning cash infrastructure to using shared utilities, while supporting financial inclusion obligations.

SARB is also considering extending cash regulations beyond lenders and may introduce operating licences for cash-in-transit companies, retailers and some payment service providers. A draft regulatory framework is expected in early 2027.

Technology is constantly evolving; therefore, the way we operate and the regulatory focus must adapt as well. Across South Africa and AR, regulators' oversight mechanisms are evolving to include digital assets, fintech, custody, AI use, model risk management, data ethics, cybercrime and cybersecurity.

Other continued focus areas include prudential resilience and capital, financial crime and AML effectiveness, consumer protection and South Africa's move from JIBAR to ZARONIA rates.

#### Impacted capitals



#### Continued affordability and availability

Reduced operating expenditure on cash infrastructure and a move to shared manufactured capital (ATMs). Improved access for entry-level customers. Technology and information system resilience increase and data is better protected. Increased consumer protection.

#### How it links to our strategic pillars

##### Customer-led growth

Increased inclusiveness.

##### Driving excellence

Affects our ability to improve our technology performance, resilience and affordability.

##### New growth opportunities

Affects digital and data-driven customer experiences, payment solutions and the potential for a digital bank.

## Outlook continued

### Africa's ESG trajectory

Africa is at a pivotal point in its ESG journey, facing urgent climate threats, social development needs, and governance reforms. The continent's future depends on addressing these interconnected challenges and leveraging unique opportunities.

#### Climate: High vulnerability, low emissions

Africa emits less than 4% of global greenhouse gas emissions but suffers disproportionately from climate events like droughts and cyclones. The UN's 2024 Emissions Gap Analysis stresses the need for adaptation investments related to disaster preparedness, resilient infrastructure, and improved agriculture. Africa's rich renewable resources position it as a potential "green powerhouse," but closing the USD1.3 trillion annual investment gap is essential. Public funds currently dominate; therefore, unlocking private capital through blended finance and innovative instruments is critical to efficiently allocate capital to support climate action. Effective climate action can bring cleaner air, more energy access, and green jobs, helping Africa leapfrog into a sustainable economy.

#### Social equity: Driving inclusive development

ESG in Africa must focus on inclusive growth and wellbeing. Fewer than 6% of Africa's SDGs are on track, with setbacks in poverty, hunger and climate action. Priorities include investing in youth education, expanding clean energy access to over 600 million people, and promoting green industries to drive economic growth. Social financing tools can help, but real improvements in people's lives will measure the ESG success.

#### Governance: The enabler of ESG progress

Strong governance unites climate and social goals under the ESG Framework. Effective governance ensures transparency, accountability, and integration of ESG principles into decision-making. By building robust institutions and regulatory environments, Africa can accelerate progress toward its climate and social objectives.

Africa's ESG future is at a turning point. By tackling climate vulnerability, advancing social equity, and strengthening governance, the continent can turn challenges into opportunities for sustainable, long-term prosperity.

### Medium-term outlook in key presence markets

#### South Africa – our primary market and listing geography

##### South Africa's investment grades:

- Fitch long-term issuer default rating: BB- (Stable)
- Fitch short-term issuer default rating: B
- Standard & Poor's foreign currency long-term sovereign: BB (Positive)
- Standard & Poor's local currency long-term sovereign: BB+
- Moody's foreign currency long term: Ba2 (Stable)

South Africa's economic outlook continues to improve, as reforms are helping to stabilise critical economic infrastructure, particularly energy and logistics. The decision in 2025 to lower the inflation target for monetary policy to 3% is a significant macro policy reform with the potential to deliver substantial macro benefits in the years ahead. As reforms gather steam, there are signs of improvement in private sector sentiment as shown by a Bureau for Economic Research survey.

Real economic activity is beginning to respond positively. We estimate that the South African economy expanded by 1.4% in real terms in 2025, after an average growth of just 0.6% in the previous two years. Domestic reforms are likely to anchor further improvement in growth in the coming years as the business environment shows promise and private investment is unlocked. We forecast real GDP growth of 1.9% for 2026 with further acceleration to an average of 2.1% through 2027–2028. Resilient global economic growth and higher precious metals prices should be supportive, but ongoing trade tensions are a risk.

The outlook for inflation and interest rates is supportive of an improved economic environment. Inflation averaged a two-decade low of 3.2%. We forecast headline inflation to average 3.0% in 2026, 3.5% in 2027, and to slowly converge towards the central bank's 3% target towards the medium term. As inflation settles close to the central bank's new target, we expect the SARB to cut the repo rate by 50bps in 2026 and by a further 25bps in 2027 to 6%. We expect the monetary policy rate to settle at this level for some time. However, ongoing global uncertainty remains a key risk to the outlook.

After a protracted period of rising debt, public finances are also showing signs of stabilisation. South Africa's public debt-to-GDP ratio likely peaked in fiscal year 2025/26 and should moderate gradually over the medium term. While the direction of travel for credit ratings also looks positive, the path to investment grade is steep. Ratings agencies are likely to require a sustained track record of reform implementation, growth improvement and public debt consolidation as a pre-condition for further credit rating upgrades.

#### Impacted capitals



#### Continued affordability and availability

Human capital availability constraint due to ESG skills scarcity.

#### How it links to our strategic pillars

##### Customer-led growth

Affects our value proposition to priority customer segments.

##### Diversified, pan-African business

Provides the opportunity to deepen our presence in high-potential markets and enhances corridor capabilities to connect Africa to regional and global clients.

##### Driving excellence

Affects capital allocation.

##### New growth opportunities

Provides opportunities in payment and merchant solutions, SME ecosystems and investment.

## Outlook continued

### Regional analysis

AR markets showed strong resilience during 2025, despite heightened geopolitical and trade policy uncertainty. A strong rally in key commodity prices boosted markets such as Ghana and Zambia, whereas favourable weather conditions and a continued focus on infrastructure development underpinned strong growth in East African markets. However, the ongoing crisis in the global diamond industry further weighed on Botswana's economy, while Mozambique's fiscal challenges remained a constraint on economic growth despite being removed from FATF's greylist.

The medium- to longer-term outlook remains constructive amid deepening reforms across the region. In addition, infrastructure investment, subdued inflation, looser monetary policy, favourable weather conditions, and ongoing multilateral support are likely to underpin growth prospects. Risks remain tilted to the downside and include geopolitical concerns, shifting global trade alliances, increasingly volatile weather and a slowdown in reforms for those markets approaching elections.

As in recent years, growth in East African markets is likely to continue to outpace other regions, driven by infrastructure investment. Kenya, Tanzania and Uganda are expected to grow by at least 5% over the next few years. It is expected that Uganda's growth will be bolstered further once it becomes a commercial oil producer in the second half of 2026. Kenya and Tanzania are also increasing their efforts to develop their hydrocarbon resources. Fiscal risks have increased in Kenya and Uganda, but remain manageable.

West Africa's growth has also picked up noticeably, and the outlook for Ghana and Nigeria remains solid, driven by lower inflation and policy rates. Nigeria's growth is further boosted by plans to continue increasing oil output, whereas higher gold and cocoa output will likely drive Ghana's economy. Furthermore, Ghana is planning a major infrastructure ramp-up (by 141%) this year.

The pattern of divergent growth rates in southern Africa is likely to persist. However, for the first time since 2023, all countries are likely to see an expansion in output. Botswana's two-year-long recession is expected to end as the weakness in the diamond sector is offset by continued solid growth in the non-mining sector. Mozambique is looking forward to a possible IMF programme, while Zambia is looking to renew its programme after the August elections. Favourable weather conditions, improving demand and rising copper output and prices are likely to stimulate economic activity in Zambia.

The macro forecasts on which our guidance is based were made before the latest developments in the Middle East.

A prolonged bout of military action could see higher energy prices and lower global risk appetite, which for South Africa would likely translate into a weaker rand, somewhat higher inflation, a cautious approach to interest rate cuts and somewhat weaker economic growth. We see the bar for the Monetary Policy Committee to reverse course on rates as quite high and think it unlikely that the global environment would trigger the onset of a rate hiking cycle.

Current events pose a similar risk to our baseline forecasts for African regions.

Baseline scenario for Absa's top five presence countries	2025	2026	2027
<b>South Africa</b>			
Real GDP (%y/y)	1.9	2.1	2.2
CPI (% avg)	3.2	3.6	3.3
Policy rate (% eop)	6.25	6.00	6.00
<b>Ghana</b>			
Real GDP (%y/y)	5.0	5.1	5.3
CPI (% avg)	6.5	9.8	12.2
Policy rate (% eop)	14.0	14.0	16.0
<b>Kenya</b>			
Real GDP (%y/y)	5.3	5.1	5.0
CPI (% avg)	5.1	5.6	5.7
Policy rate (% eop)	7.75	7.5	7.5
<b>Tanzania</b>			
Real GDP (%y/y)	6.4	6.6	6.8
CPI (% avg)	3.9	4.4	4.8
Policy rate (% eop)	5.75	5.75	5.75
<b>Mauritius</b>			
Real GDP (%y/y)	3.6	3.8	3.8
CPI (% avg)	3.9	4.4	4.3
Policy rate (% eop)	4.50	4.50	4.50

Source: Absa Economic Research Q1 2026, SSA Viewpoints pages 17, 21, 24, 35. South Africa Q1 2026 Quarterly Perspectives page 13.

## Outlook continued

### Executive opinion survey 2025<sup>1</sup> – Top five risks over the next two years

South Africa	Kenya	Ghana	Tanzania	Mauritius
Lack of economic opportunity or unemployment	Lack of economic opportunity or unemployment	Lack of economic opportunity or unemployment	Erosion of human rights and/or civic freedoms	Debt (public, corporate, household)
Insufficient public services and societal protections (including, education, infrastructure, pensions)	Insufficient public services and societal protections (including, education, infrastructure, pensions)	Adverse outcomes of AI technologies	Debt (public, corporate, household)	Talent and/or labour shortages
Crime and illicit economic activity	Debt (public, corporate, household)	Insufficient public services and societal protections (including, education, infrastructure, pensions)	Lack of economic opportunity or unemployment	Lack of economic opportunity or unemployment
Disruptions to critical infrastructure	Economic downturn (e.g. recession, stagnation)	Decline in health and wellbeing	Misinformation and disinformation	Natural resource shortages (food, water)
Economic downturn (e.g. recession, stagnation)	Adverse outcomes of AI technologies	Inflation	Biodiversity loss and ecosystem collapse	Poverty and inequality (wealth, income)

#### Risk categories:

Economic  
 Environmental  
 Geopolitical  
 Societal  
 Technological

#### Impacted capitals



#### How it links to our strategic ambitions

The economic outlook in our markets has a pervasive effect across all our strategic objectives, namely: Customer-led growth, diversified, pan-African business, driving excellence and new growth opportunities. It affects the Group directly and indirectly through our customers.

<sup>1</sup> World Economic Forum – Global Risk Report 2026, pages 83-90.

## Outlook continued

### Medium-term guidance

To maintain relevance and achieve success in the medium term, we respond to prevailing trends by continuously monitoring the horizon for strategic opportunities to execute our strategy and create value over time.

#### 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

From a geographic perspective, we have an over-concentration in South Africa, Ghana and Kenya. We expect contributions from the African regions to increase over the medium term, given the stronger GDP in the rest of our African markets. Looking at our footprint, we see significant opportunities in Tanzania and Uganda, given the infrastructure investments needed, as well as Mozambique, despite current sovereign debt challenges.

**We reiterate our RoE target range of 16% to 19% for the period 2027 to 2030** and 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. We see four drivers improving RoE:

- Stronger NII growth in the upper single digits over the medium-term
- Solid non-interest income growth, which is broad-based across fees, insurance and trading revenue
- Direct operating cost growth contained over the medium-term, widening JAWS. Combining improved revenue growth with well-contained costs, we expect our cost-to-income ratio to approach 50% by 2028
- We also expect our CLR to cyclically improve further over the medium term, albeit with less impact than the above.

Continued balance sheet optimisation initiatives and an improved RoE should increase our CET1 over the medium term.

## Outlook continued

### Building tomorrow starts today.

#### Next steps 2026...

In 2026, we will strengthen our foundations, stabilise technology, improve productivity and capital efficiency, deliver a consistent service to our customers, and enhance our colleague value propositions. Our programmes will therefore focus on:

- Building brand trust and delivering improved customer experience
- Diversifying our revenue streams and market presence
- Reducing costs and efficiently allocating capital
- Laying the groundwork for digital and growth scaling.

We have clear activities that align with our four strategic pillars, which will include:

- **Segment-led propositions and credit enablement:** Strengthen growth across SME, commercial and affluent retail segments by establishing bespoke credit standards and refined lending frameworks, alongside differentiated, segment-specific value propositions that better meet client needs and risk profiles, increasing everyday usage and wallet share
- **Distribution-led growth and access expansion:** Expand customer reach and improve sales effectiveness by leveraging the branch network, agency partnerships and enhanced payment and remittance capabilities, enabling greater penetration in affluent retail and priority business segments and sectors
- **Customer-focused delivery:** Deliver customer outcomes and improved experiences by leveraging technology to capture new growth opportunities, including digital and value-added services
- **Pan-African reach:** Drive organic and review inorganic opportunities across Africa, developing alternative revenue streams while focusing on Africa-China, intra-Africa, and global CIB opportunities to scale our presence and offerings
- **Digital transformation:** Maximise productivity and deliver superior customer experiences to unlock operating leverage and improved returns.

We will also focus on the following key enabling activities to support our strategic focus areas:

- **Culture enablement:** Embed our performance culture to enable efficiency, growth and a great place to work
- **Talent and succession:** Ensure we have the best talent in critical roles with strong succession planning, enabled by investing in the development of critical skills, competitive reward and retention strategies
- **Organisational and leadership resilience:** Strengthen resilience through enterprise leadership capability and clear accountability as we evolve to our pan-African operating model
- **Trust and security:** Deliver secure, resilient services underpinned by robust cybersecurity capabilities and a strong control that promotes digital integrity by reducing digital fraud for customers (i.e. building customer trust)
- **Financial inclusion at scale:** Drive inclusion through innovative, customer-focused solutions in BB and PPB, with a sharpened focus on key African markets
- **Sustainable finance leadership:** Enhance our sustainable finance offering across the continent, targeting infrastructure, water systems, renewables, economic inclusion, and food security.

Perspectives on next steps from our leaders and those who govern us: **Group Chief Executive Officer's message, Effective governance structures (focus areas)**



## Value created through sound governance

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# Protecting value through strong governance

## Ethical leaders<sup>LA-IA</sup><sup>1</sup>

The **Board Charter** is the constitution that guides our Board and its committees in their activities, decisions, and dealings with each other, with management, our stakeholders and the Group as a whole. It is designed to guide directors and external audiences on how we approach critical issues within the Group. It aligns with the Memorandum of Incorporation (MOI), the South African Companies Act, King V, the JSE Listings Requirements, the Basel Practices on Governance, the Financial Sector Regulation Act and the SARB Directive 4/2018. The Board confirms that the Group has conducted itself in compliance with the provisions of the Companies Act and is operating in conformity with our MOI.

**View the Board Charter here:** <https://www.absa.africa/about-us/corporate-governance/>

We consider actual and potential **conflicts of interest** at each Board and committee meeting, in the **Absa Group Conflicts Register** (which is reviewed at least every three months) and in the annual assessment of directors' independence.

**View the conflicts register here:** <https://www.absa.africa/wp-content/uploads/2026/03/Absa-Group-Directors-Conflicts-Register.pdf>

The section on **Governance objectives** provides an overview of the Board's actions in fulfilling its overarching governance role. It demonstrates how the Board steers the Group by setting strategic direction, approving policies, and monitoring execution, while ensuring accountability through transparent reporting and disclosure. This approach reflects a balanced focus on internal operations, external economic, social and environmental contexts, and both past performance and future orientation.

- SD**
- The Board is satisfied that it has covered all dimensions of its governance role and fulfilled its responsibilities in accordance with its charter for the reporting period.
  - The Board is satisfied that its members, both individually and collectively, continue to embody and promote the core characteristics of effective leadership (integrity, competence, responsibility, accountability, fairness and transparency).

## Board performance evaluations

The Group evaluates the performance and effectiveness of the Board, its committees and individual directors, including the Chairman, in line with section 64(B)(b)(iv) of the Banks Act, 1990. The Directors' Affairs Committee (DAC) oversees the performance evaluation process. The methodology may differ year-on-year, but it generally takes the form of a detailed questionnaire, which is supplemented every second cycle with individual interviews with each director. The Board, through the DAC, approves the methodology applied in that particular year. The questionnaire covers areas such as independence, ethical management and conflicts of interest.

The Board also appraises the extent to which its committees have delivered on their mandate and supported the Board in doing so.

Following the governance review and a comprehensive Board effectiveness process conducted by Korn Ferry in 2024, the Group deferred its 2025 Board evaluation process to 2026, given the movements in Board membership and the need for new Board members to have spent meaningful time in their positions so as to be able to contribute to the evaluation. Approval for deferral was sought from and granted by the PA.

Additionally, following the 2024 Board culture and dynamics review, the Board culture is shifting from collaborative and consensus-driven toward more decisive, outcome-oriented decision-making. Work to achieve this cultural evolution is ongoing.

The 2024 evaluation assessed the Board, its committees, the Chairman and individual directors against eight dimensions of effectiveness which align with King V competencies (integrity, competence, responsibility, accountability, fairness and transparency), to ensure that directors maintain sufficient working knowledge of the organisation and its context, act with due care, skill and diligence in informed decision-making, and have the capabilities required to lead ethically and effectively.

The review confirmed that the Board collectively brings the appropriate balance of knowledge, skills, diversity, and experience. Four dimensions were rated "meets expectations" and four were rated "above average," with overall scores ranging from 3.47 to 4.07 (out of 5) and an aggregate score of 3.78. Committees were found to be effective, skilled and committed to their mandates. The committees considered the 2024 outcomes/recommendations and actioned them in 2025, improving their efficiency and composition by adding certain skillsets.

<sup>1</sup> LA-IA = Limited assurance is not provided over King V specific disclosure statements in orange text. Refer to the detailed **Assurance Booklet 2025**.

## Protecting value through strong governance continued

### An ethical bank<sup>LA-IA</sup><sup>1</sup>

The Board assumes ultimate responsibility for the Group's ethical performance and adherence to human rights principles.

## Organisational ethics

### Policy-related initiatives

- The Absa Way Code of Ethics outlines our values and expected behaviours when engaging with our colleagues, customers, shareholders, governments, regulators, business partners, suppliers, competitors and the broader community. The Absa Way Code of Ethics and Group Conflict of Interest Policy are reviewed and approved annually by the SSEC, with the Board approving the final Conflict of Interest Policy.
- The **Absa Supplier Code of Ethics** serves to implement the environmental, social and corporate governance imperatives within supplier relationships (which would include third parties).
- The Ethics Management Plan includes training for general and senior leadership roles, promoting a culture of speaking up.
- The Insider Trust Programme aims to prevent insider threats and mitigate the associated risk.
- The GACC oversees the Group's financial crime control environment, including anti-money laundering, counter terrorist financing, know-your-client, customer due diligence and fraud risk management. Its mandate includes reviewing and recommending the Financial Crime Risk Management and Compliance Programme (RMCP) for Board approval, as well as overseeing alignment with the Anti-money Laundering Policy and receiving reports from management pursuant to relevant Customer and AML Standards, which set out processes for identification and verification of customers, beneficial ownership checks, enhanced due diligence for higher-risk categories, sanctions and adverse media screening, transactional monitoring, senior management approvals and regulatory reporting. The GACC further receives reports on compliance matters, internal control weaknesses, fraud incidents and trends, and updates from internal and external audit. This regular reporting strengthens the combined assurance model and enables the committee to monitor the effectiveness of AML/KYC controls and management's response to emerging risks across the Group.
- The RMCP covers the Group Sanctions Policy, the Group Anti-bribery and Anti-corruption Policy, and associated standards.
- 98.8%<sup>LA-EA</sup> of employees completed preventing financial crime training in 2025 (2024: 99.3%).
- The Employment Relations Policy, Conduct Risk Framework, Fraud Group Risk Policy, Conflicts of Interest Standard and C-Zone compliance monitoring system serve as mechanisms for monitoring employee conduct.

### Oversight-related initiatives

The Board, with the help of the SSEC, oversees various governance arrangements to embed an ethical culture and monitors the various outcomes and initiatives described below:

- Internal Audit conducted an outcomes-based assessment of conduct ethics risk for the year under review.
- The annual Global Absa Ethics Day was held on 15 October 2025 with the theme of "Ethics re-envisioned".
- Our ethics ambassadors drive the conversation on ethics risks and tools.
- Ethics and priority whistleblowing and investigations teams manage ethics and conduct risks.
- 2025 ethics survey: Conducted in June 2025, the third iteration of our ethics survey saw a 64% completion rate (up from 58% in 2023), reflecting increased employee engagement.
- Absa concluded a total of 2 073 disciplinary cases (2024: 1 787), of which 592 related to ethical breaches (2024: 535). These ethical breaches included dishonesty, negligence, abuse or misappropriation of resources, non-adherence to procedures, and conduct that could bring the Group's name into disrepute.
- Absa's whistleblowing platform is audited regularly (internally and externally). This year, 622 tip-offs were received, resulting in 137 substantiated cases with six dismissals, two resignations, and 10 warnings. All other substantiated matters have either been confirmed as remediated by the business or are currently being implemented and will be confirmed.
- The SSEC endorses the process in place for protected disclosure or whistleblowing to detect breaches of ethical standards and suspected fraud, and dealing with such disclosures appropriately.
- The Group Exit and Onboarding Committee is a management committee that makes decisions regarding high-risk customers and clients and related financial, compliance, conduct and reputational risk.



- The Board is satisfied that arrangements for the prevention and detection of fraud, corruption and money-laundering are effective and that significant incidents have been appropriately responded to, to manage consequences and prevent future occurrences.
- The Board is satisfied with the effectiveness of the organisation's management of ethics in creating an ethical culture.

<sup>1</sup> LA-IA = Limited assurance is not provided over King V specific disclosure statements in orange text. Refer to the detailed **Assurance Booklet 2025**.

## Protecting value through strong governance continued



### Responsible corporate citizenship

**SD** The Board is satisfied that the organisation's purpose, values, as well as the impacts and outcomes of its activities and outputs are congruent with responsible corporate citizenship.

The Board sets and steers the strategic direction for responsible corporate citizenship and delegates key aspects of this mandate to the SSEC, which exercises oversight of ethics, stakeholder relationships, sustainability and corporate citizenship.

Through the SSEC's comprehensive mandate, the Board ensures that the Group's purpose, values and impacts remain aligned with good corporate citizenship, supported by the committee's approval of key policies and strategies, including sustainability, environmental health and safety strategy, the Conduct Risk Framework and the citizenship strategy linked to the Group's ambition to be an active force for good.

The committee monitors how the Group's activities affect its standing as a responsible corporate citizen across workplace matters such as:

- Diversity, inclusion, fair and responsible pay, employment equity, employee wellness and alignment to the International Labour Organization decent work and UN Global Compact labour and human rights principles.
- Socio-economic factors, including transformation, and B-BBEE scorecard performance. The Board also takes proactive measures to enhance race and gender diversity across all levels of the organisation.
- Societal considerations, including customer fairness, complaints handling, advertising compliance, stakeholder engagement, community development and good corporate citizenship.
- Environmental impacts, including sustainability risks, net zero commitments, sensitive sector metrics, climate change, occupational health and safety and performance against UNGC environmental principles.

Through regular reporting, strategic approvals and ongoing monitoring, the SSEC enables the Board to maintain accountability for Absa's impacts and outcomes, ensuring alignment with the principles of responsible corporate citizenship over time.

Read more about corporate citizenship in the **SCR** and <https://www.absa.africa/corporate-citizenship/>

### Strategy, performance and sustainable value creation<sup>LA-IA</sup>

**SD** The Board ensures that Absa's **purpose** is realised through **our strategy** and **business model** that create sustainable value across economic, social and environmental dimensions.

Our strategy drives performance by aligning purpose with execution, enabling measurable impact across **our relationships with others**.

Through integrated thinking, the Board evaluates the availability and impact of key resources and relationships, monitors performance against **balanced scorecard** metrics, and oversees the Group's strategy execution and implementation, as well as its strategic response to the external environment. In addition, it ensures ongoing assessment of the Group's longer-term viability, considering its dependence on critical resources and relationships, its solvency and liquidity, and its ability to continue operating as a going concern.

### Governance objectives 2025<sup>1</sup>

**Our governance structures support value creation in the short, medium and long term through actions aligned with clearly defined objectives.**

#### Corporate strategy

An important event was the appointment of the new Group CEO, Kenny Fihla, to put the Group's leadership on a firm footing with focused onboarding support from the Board.

The Group CEO's initial priorities – finalising the operating model review and refreshing the strategy – were completed in rapid succession.

The operating model revision introduced organisational changes that commenced earlier in the year with the creation of PPB, aligned with investor expectations, followed by the decision to create three pan-African business units (CIB, PPB and BB). These changes were fundamental shifts for our business. The Africa Regions' role was refined to focus on the Africa Regions strategy, to extract value from our geographic footprint (being our presence markets) and to capture any RoE-enhancing expansion opportunities on the continent.

<sup>1</sup> The 2025 governance objectives are in line with the previously approved Group strategy.

## Protecting value through strong governance continued

The Board supported this model as it paves the way for better client focus and synergies across the continent while facilitating the sharing of best practice across jurisdictions in our presence markets. These shifts will further enable banking revenue growth to increase market share where appropriate, while delivering enhanced returns.

The Board will oversee the continued embedment of the operating model and the financial performance generated by the approved strategy.

The Board supported the Group CEO's appointments to his leadership team by approving regulated roles and considering remuneration for all executive hires.

During this time, it was important for the Board, through its committees, to actively monitor the control environment with notable improvements throughout the year and risk step-downs in key areas.

In terms of stakeholder relationship management, it has progressed meaningfully, supported by more frequent, effective communication with our regulators. The PA assessed the Group's risk profile as being on an improving trajectory, particularly in corporate governance, compliance and credit risk. This is supported by our financial performance trajectory, which regulators have received positively.

### Material matters linked to governance actions

- Geopolitical and sovereign risk exposure
- Earnings momentum and customer-led trust
- Evolving regulation and compliance requirements
- Digital advances, disruption and stewardship
- Culture transformation and talent care
- Climate change and a just transition.

#### Capitals



#### Stakeholders



## A digitally powered business

The Board, through the Information Technology Committee (ITC), has scrutinised the environment across the technology estate, in terms of:

- Converged security, cyber and information risks (third-party and access management)
- Business technology performance (including certain aspects of business unit-specific architectural direction)
- Technology investment, stability and technology risks (including people, estate-wide issues, resilience and performance)
- Strategic initiatives
- Progress on the technology remediation programme, data, security and digital risks and controls
- Finance and combined assurance.

There has been much progress, particularly in cyber protection and maintaining overall stability. The ITC prioritised cyber risk, cloud, data and AI initiatives and monitored progress made in these areas.

The Board has overseen the ongoing strengthening of controls. However, it remains challenging to derive value from our technology assets. The ITC is challenging the business to demonstrate benefits realisation from strategic investments and has had numerous discussions regarding the impairments of intangible assets. Amortisation costs are expected to decline over time.

Much of the clarity regarding the IT strategy and architecture depends on the business strategy and leadership, which will inform the approach and priority investments going forward. The Board will oversee progress along the technology roadmap and architecture in 2026.

### Material matters linked to governance actions

- Digital advances, disruption and stewardship.

#### Capitals



#### Stakeholders



## A winning, talented and diverse team

At each of its meetings in 2025, the SSEC received reports on various topics and risks related to people and culture. Focus areas included:

- Employee experience results
- The Group Culture Transformation Programme
- Gender diversity and employment equity
- Absa's culture transformation strategy.

The Board's focus was on management succession and bench strength.

We recognised the shift in priority toward a high-performance, delivery-oriented culture, with management taking steps to emphasise and support performance management overall. The SSEC welcomed the approach and noted the cultural direction of travel. While there has been progress on the Group's Culture Transformation Programme and on reporting to the SSEC and the Board, there is more to be done to shift the culture dial. It will take time to see demonstrable progress.

The Remuneration Committee (RemCo) has engaged with management on its performance management approach to strengthen the link between performance and remuneration, retaining scarce and critical skills, and, more recently, attracting critical skills.

Pay review mandates and outcomes were approved and monitored, including race and gender split for all long-term incentive (LTI), STI and cost-to-company awards in the context of fair pay. The RemCo continues to focus on, check and challenge any race- and gender-related pay disparities, with reasons required for any disparity related to persons doing work of equal pay.

Notwithstanding significant progress across a variety of human capital initiatives and despite presentations to committees and the Board on succession planning, management bench strength remains a challenge. However, recent senior hires greatly improve bench strength. RemCo has been supportive of a change to remuneration norms to ensure attraction of new leadership and retention through change programme investments.

Actions related to the colleague engagement score measured in Q4 of 2024 are tracked and reported, with key "hotspots" identified. While the 2025 colleague engagement survey benchmarked outcomes were lower than anticipated, confidence in senior leadership improved from the prior year. Changes to the operating model and the associated uncertainty were key factors in the scorecard outcomes.

## Protecting value through strong governance continued

Customer centricity is a fundamental aspect of the culture journey, and its outcomes will be a key determinant of the Group's performance trajectory and success. While regular and useful reports are submitted to the committees on conduct, customer experience and complaints, the Group's customer-centricity capability still needs to mature further and has to be embedded as an ethos in every colleague. The Board has challenged management on the metrics used to measure customer experience, and work is underway to mature the approach and reporting in this regard.

The eKhaya Colleague Share Scheme has been well-received and provides employees with a good way to experience shareholder value.

While clear progress has been made between 2024 and 2025, there is still work to be done to strengthen the succession bench, deliver benefits from various culture initiatives in 2026, improve colleague engagement survey outcomes, and establish a more effective link between pay and performance.

The SSEC ensured the integrity of the 2024 B-BBEE Report and SCR, and approved sustainability-linked targets for various financing standards to ensure value creation within the economic, social and environmental context. The SSEC has supported corporate citizenship initiatives, including through the Absa Africa Advisory Board and the Absa CSI Trust (formed as a key pillar of the Absa B-BBEE scheme).

Further to the development of the Stakeholder Framework, the Board oversaw the approach to rebuild reputation and trust with investors and regulators throughout 2025. The Board provides direction on stakeholder engagement to obtain actionable insights that will improve relationships. It also endorses management's progress in managing the Group's reputation, with the DAC dealing with reputation risk on an ongoing basis.

Besides the significant move in the share price in H1 2025, which benefits our investors and employees, we believe the Group has added value to our stakeholders. Value creation is particularly related to the communities in which we operate, with many of Absa's initiatives showcased throughout this <IR> and our broader reporting suite.



### A focus on innovation

Board members support innovation by, inter alia, promoting:

- The use of GenAI and other forms of AI in the workplace, while also considering the impact on jobs and the risks inherent in deploying AI tools in the business
- Leveraging data to improve customer information analysis and the resultant improvement in customer offerings
- The benefits of cloud adoption (including the reduction of physical data centres), while considering the risks of cloud adoption, in particular the risks of data being housed in a particular jurisdiction and the geographic regulatory requirements in some presence countries for data centres
- Cybersecurity solutions to ensure robust protection of our business and of customers' information
- Automation in all areas of the business, including in the collections space, to improve our impairment position
- Migration of the Group's consolidation and reporting systems to new technologies to improve efficiency and enhance accuracy.

#### Material matters linked to governance actions

- Culture transformation and talent care.

##### Capitals



##### Stakeholders



#### Material matters linked to governance actions

- Geopolitical and sovereign risk exposure
- Earnings momentum and customer-led trust
- Evolving regulation and compliance requirements
- Digital advances, disruption and stewardship
- Culture transformation and talent care
- Climate change and a just transition.

##### Capitals



##### Stakeholders



### An active force for good in everything we do

Updates on a range of topics have been provided to the SSEC and the GRCMC, which include sustainability risks and the Basel Climate Risk Programme, featuring physical risk assessment results and climate risk stress testing.

The SSEC further provided oversight of the new Sustainability Framework and ratings, the UN Principles for Responsible Banking (PRB), UN Global Compact's Principle 10 on Corruption and the Organisation for Economic Co-operation and Development Good Practice Guidance.

## Protecting value through strong governance continued

### Our Board<sup>LA-IA</sup><sup>1</sup> As at date of publication

#### Independent non-executive directors

**René van Wyk 69**  
Chairman<sup>2</sup>



BCom, BCompt (Hons), CA(SA)  
Five years and eight months

**Nonhlanhla Mjoli-Mncube 67**  
Lead Independent Director



PgCert (Engineering Business Management), Fellowship in Urban Development, Masters in Regional and Urban Planning  
Five years and five months

**Alison Beck 66**



BCom, CA (Scotland), Associate Diploma (Institute of Bankers South Africa)  
Two years and four months

**Alpheus Mangale 50**



National Diploma in Computer Systems Engineering; Post Graduate Certificate in Management; AMP  
Two years and nine months

**Brian Kennedy 66**



BSc Eng (Electrical), MSc Eng and MBA  
Two months

**Fulvio Tonelli 66**



BCom (Hons); CA(SA)  
Five years and nine months

**Paul Smith 71**



BCom, CA(SA) and AMP (Wharton)  
Two months

**Peter Mageza 71**



Chartered Certified Accountant, Fellow of the Association of Certified Chartered Accountants  
Two years and eight months

**Rose Keanly 67**



BCom (Hons), BSc  
Six years and seven months

**Sindi Zilwa 58**



BCom (Hons), CA(SA), Cert. Dir.  
One year

**Tasneem Abdool-Samad 52**



BCom, CA(SA)  
Eight years and two months

**Zarina Bassa 61**



BAcc, CA(SA)  
One year

#### Executive directors

**Kenny Fihla 59**  
Group Chief Executive Officer



MSc in Financial Economics, MBA  
Nine months

**Deon Raju 48**  
Group Financial Director



BAcc (Hons), CA(SA), CFA  
One year and eleven months

Biographies can be found at [www.absa.africa/about-us/board-and-management](http://www.absa.africa/about-us/board-and-management)  
Refer to the **NoM** for professional positions held by each Board member.

SD

- The Board is satisfied that the chairman is independent.
- The Board is satisfied that its composition reflects the appropriate mix of competencies, diversity and independence for it to fulfil its obligations objectively and effectively.

Board and committee attendance<sup>3</sup>  
**97%**  
(2024: 95%)

Number of Board and committee meetings<sup>3</sup>  
**78**  
(2024: 99)

<sup>1</sup> LA-IA = Limited assurance is not provided over King V specific disclosure statements in orange text. Refer to the detailed **Assurance Booklet 2025**.

<sup>2</sup> Refer to **King V DF: Board Committee details** for details on which committees, and in what capacity, the Chairman serves.

<sup>3</sup> As at 31 December 2025.

## Protecting value through strong governance continued

### Tenure



Average tenure: **3.1 years**

### Independence



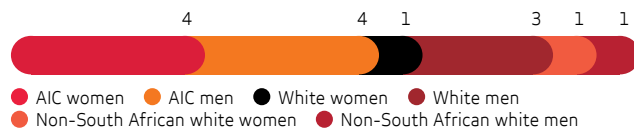
Board independence: **86%**

### Age



Average age: **62.3 years**

### Race and gender representation



Target<sup>1</sup>: **40%** AIC and **30%** women

Actual: **57%** AIC and **43%** women

### Skills, experience and knowledge of our Board (Collective view of 14 members)



There is a range of skills on the Board. In all cases, the Board is of the view that it is more than adequately covered and has well-capacitated committees.

- Deep coverage
- Good coverage

The Board's succession plans are designed to strengthen these skills in the future. The Board has recently appointed two members with strong banking and risk management experience.

### Changes since the 39th AGM

AGM minutes <https://www.absa.africa/wp-content/uploads/2025/09/Minutes-for-June-2025-AGM.pdf>

#### Additions

- Kenny Fihla
- Brian Kennedy
- Paul Smith.

#### Resigned

- Sello Moloko**
- Ihron Rensburg**
- John Cummins.**

#### Stepped down

- Charles Russon.

#### Other

It is with great sadness that we report the passing of **Ms Luisa Diogo** in January 2026.

### Changes proposed at the 40th AGM

#### For election

- Brian Kennedy
- Paul Smith.

#### For re-election

- Rose Kearny
- Alison Beck
- Tasneem Abdool-Samad
- Fulvio Tonelli.

Absa's Director **Nomination Policy** ensures a formal, transparent process for appointing directors that supports Board diversity, independence, and competency. The DAC oversees nominations, succession planning, and performance evaluations, including attendance and contributions. All candidates undergo background checks, including verification of qualifications and screening for conflicts or politically exposed status. Profiles of nominees are shared in AGM notices. Newly appointed directors receive timely induction, including sessions with executives across businesses and functions, as well as the committee chairs. Ongoing professional development is provided through regular briefings on legal, regulatory, governance, and emerging risk matters, ensuring directors remain fit and proper and capable of navigating economic, social and environmental complexities. Succession planning and rotation arrangements are in place to maintain continuity and refresh perspectives.

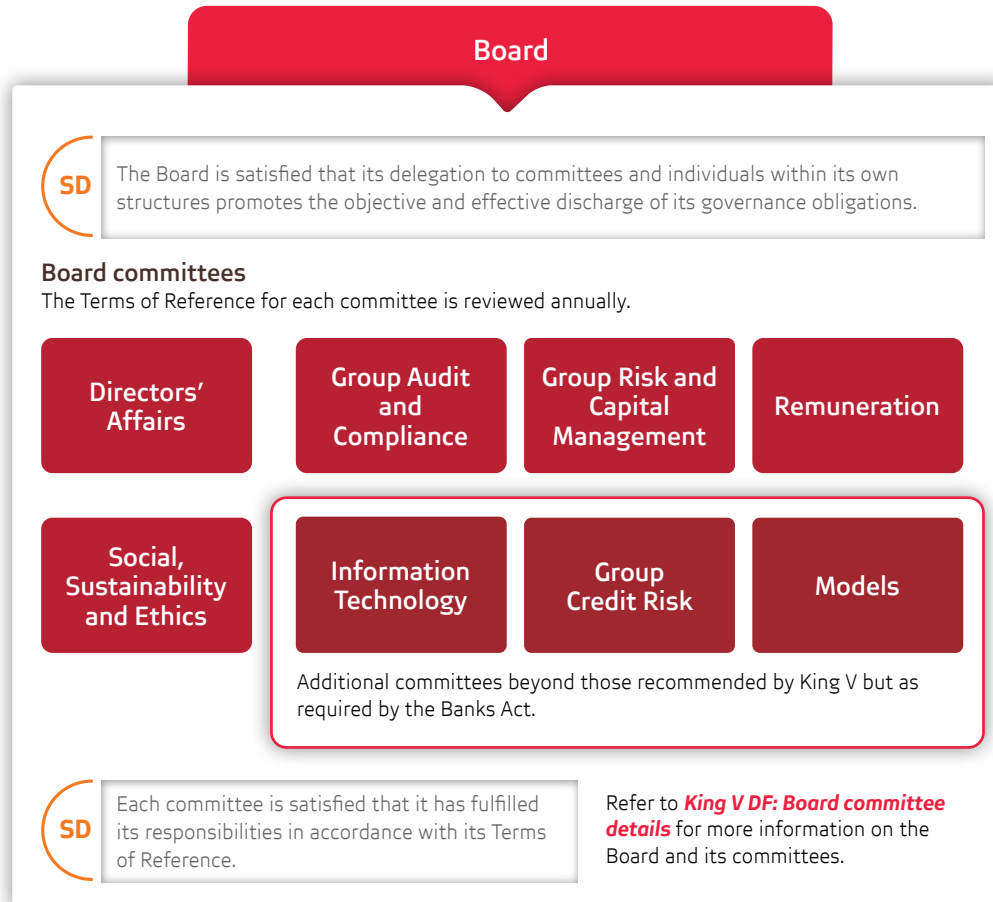


The Board is satisfied with the process and outcomes of its nomination of suitable candidates to serve as its members and its support of members' ongoing development.

<sup>1</sup> As at 31 December 2025.

## Protecting value through strong governance continued

### Effective governance structures



Our governance structures and processes support the decision-making which enables us to navigate the necessary trade-offs between the capitals.

### Directors' Affairs Committee

**René van Wyk**  
*Committee Chair*



#### 2025 focus areas and material decisions

- The appointment of the Group CEO and the change of Group Chairman
- Matters of reputation risk
- Regulatory relations
- Board and committee composition
- Succession planning (at a Board and executive level)
- Setting, monitoring and measuring Board governance objectives.

#### 2026 focus areas

- Regulatory relations (key regulatory commitments and relationships)
- Succession planning for executive management and Board
- Major subsidiaries, board composition, skill sets and effectiveness.

## Protecting value through strong governance continued

### Group Audit and Compliance Committee

**Tasneem Abdool-Samad**

*Committee Chair*



#### 2025 focus areas and material decisions

- Control environment and continuing pace of remediation
- Particular focus, together with the ITC, on the residual risk profiles of the technology estate; and strengthening the control functions capability
- Regulatory compliance posture across Africa, annual KYC refresh (CIB, BB, PPB, AR), and continued enhancements in regulatory reporting
- Ongoing monitoring of fraud risk activities (documentation and related controls)
- The Group's financial reporting (with specific reference to enhancing cash flow disclosures per JSE guidance and financial reporting control effectiveness and ongoing expected credit loss processes)
- The committee noted Internal Audit's conclusion that, for the period 1 January 2025 to 31 December 2025, the Group's governance, risk management and internal control processes remained effective.

#### 2026 focus areas

- Sustainability of the Group's control environment
- Continued improvement in regulatory reporting
- Improvements in operational risks, in particular fraud risks given recent trends in the market
- Continued focus on financial crime
- Together with the GRCMC, reviewing responses and disclosures in respect of Basel IV reforms, including monitoring pre-implementation reviews.

The following matters are discussed in the GACC's report included in the **AFS**:

- The committee's view on the effectiveness of combined assurance
- The committee's view on the external auditors' independence and audit quality
- Significant matters the GACC has considered regarding the AFS and how the committee addressed them
- The committee's view on the independence of the Group Chief Internal Auditor (CIA) and the internal audit function and delivery of assurance in accordance with internal audit standards
- The committee's view on the independence and effectiveness of the Chief Compliance Officer and the compliance function
- The committee's view on the effectiveness of the Group Financial Director and the finance function
- The committee's opinion on the effective design and implementation of internal financial controls.

### Group Risk and Capital Management Committee

**Fulvio Tonelli**

*Interim Committee Chair*



#### 2025 focus areas and material decisions

- Capital adequacy, liquidity and funding strategy
- Macroeconomic and geopolitical updates, including sovereign risk, country-specific reviews, and impacts on risk appetite metrics and performance
- Approval of annual cyclical stress outcomes
- Review of cost of equity for Absa Group, Absa Bank, and AR
- Updates on regulatory reforms (interest rate risk, Basel IV finalisation, Monetary Policy Implementation Framework)
- Management of third-party risk.

#### 2026 focus areas

- Risks posed by activities in non-presence markets
- Risk posed by geopolitical events
- Regulatory developments as part of the Basel IV finalisation, appropriate courses of action to manage cost and capital impact, and ensure regulatory compliance
- Further evolution of impact assessment pertaining to third-party risk
- Capital, liquidity and funding management across the Group.

## Protecting value through strong governance continued

### Information Technology Committee

**Peter Mageza**  
Committee Chair



#### 2025 focus areas and material decisions

- Maintaining operational stability and resilience of technology infrastructure
- Remediating the IT control environment (cybersecurity, ransomware, access management, backup/restore, and cloud security)
- Cloud adoption and data centre optimisation
- Cybersecurity solutions and remediation of third-party cyber risks to ensure robust protection for customers and the Group
- Technology talent management initiatives and assessment of GenAI impact on automation of job functions and responsibilities.

#### 2026 focus areas

- Advancing the Group's technology transformation roadmap by accelerating digital transformation, data usage, cloud adoption and, where possible, modernisation of the core banking platform
- Building resilient, stable, scalable, lower-cost-to-serve technology platforms, tailored to regulatory environments across Africa
- Continuous monitoring and mitigation of risk associated with third parties
- Leveraging data and embedded AI-powered solutions to optimise and create hyper-personalised customer offerings
- Deploying and leveraging AI to improve efficiency, enable customers and unlock customer value
- Ongoing attraction, development and retention of scarce skilled resources
- Continuous intensive effort and investment to secure the Group and ensure a safe IT control environment.

### Group Credit Risk Committee

**Fulvio Tonelli**  
Interim Committee Chair



#### 2025 focus areas and material decisions

- Overall lending portfolio health, including loan loss ratios, vintages, impairments, and comparatives to peers
- Deep dives into key books and geographies (Mozambique, Botswana, diamond industry, agriculture, renewable energy, automotive) considering macroeconomic conditions and consumer stress
- Single-name exposures on the watchlist and actions taken to mitigate risk
- Group exposures and further advances linked to renewables financing
- Oversight of large exposures exceeding 10% of tier 1 qualifying capital in line with SARB requirements.

#### 2026 focus areas

- The Group's loans and advances growth in the context of the macroenvironment, concentration risks and exposures
- Bringing the CLR back into the Board-target range and management thereof across the Group
- Monitoring the impacts of sovereign risk on the Group.

### Remuneration Committee

**Rose Keanly**  
Chairman



Read more in **Rewarding value creation**.

## Protecting value through strong governance continued

### Social, Sustainability and Ethics Committee

**Nonhlanhla Mjoli-Mncube**

*Committee Chair*



#### 2025 focus areas and material decisions

- Review and approval of Organisational Health metrics for STI and LTI
- Setting and measuring performance against the Financial Sector Transformation Scorecard and Department of Labour commitments
- Approval of sustainability-related reports and targets, baseline emissions, fossil fuel targets, and decarbonisation pathways, plus monitoring progress on sustainable financing and green loans
- Oversight of human capital strategy, employee experience survey results, culture transformation, and adherence to ethics standards and policy implementation
- Reputation and brand management, corporate citizenship activities, stakeholder engagement, and participation in global forums (G20, B20)
- Customer health and fair treatment, including customer experience metrics (NPS, voice-of-customer, complaints index), product suitability reviews.

#### 2026 focus areas

- Progress on the Group Culture Transformation Programme
- Consumer relationships/customer experience (integrating the brand promise)
- Stakeholder engagement and management
- ESG (including sustainability risk, ESG metrics and progress on net zero commitments and sensitive sector targets)
- Corporate citizenship
- Customer health.

### Models Committee

**Alison Beck**

*Committee Chair*



#### 2025 focus areas and material decisions

- Approval of the material risk models, both on a periodic and an inception basis, in accordance with the Group Model Risk Policy, and regulatory requirements
- Progress of the Model Risk Platform Upgrade Project
- Impact of the replacement of PA directive 7 of 2015 with Directive 11 of 2026 on the treatment of distressed restructures, and the proposed Credit Risk Roadmap Directive 12 of 2025
- Design and operational effectiveness of governance controls applied across the model lifecycle
- Review of the Absa Group's model risk operating model and governance processes against market practice, and business objectives.








#### 2026 focus areas

- Approval of new regulatory models in scope of the committee, prior to submission to the PA
- Inception and annual validations of material models in the scope of the committee, including regulatory, credit economic capital, impairment and Group-level models
- Close-out of the Model Risk Platform Upgrade Project
- Approval of the Model Risk Framework, model risk appetite and model risk economic capital statements
- Implementation of Directive 11 of 2025, in line with the timelines of Directive 12 of 2025
- Oversight of the Groups model risk management ecosystem
- Measurement and tracking of organisational model maturity
- Capacity and capability of resources of the model risk management functions.

## Protecting value through strong governance continued

### Executive Committee<sup>LA-IA</sup> As at date of publication

Biographies can be found at [www.absa.africa/about-us/board-and-management](http://www.absa.africa/about-us/board-and-management)

<p><b>9mos</b> <b>9mos</b></p>  <p><b>Kenny Fihla 59</b> Group Chief Executive Officer</p>	<p><b>4Y 10mos</b> <b>27Y 3mos</b></p>  <p><b>Deon Raju 48</b> Group Financial Director</p>	<p><b>11Y 10mos</b> <b>19Y 8mos</b> <b>PO</b></p>  <p><b>Charles Russon 59</b> Group Executive: Africa Regions</p>	<p><b>3Y 9mos</b> <b>29Y 1mos</b> <b>PO</b></p>  <p><b>Faisal Mkhize 53</b> Chief Executive: Business Banking</p>	<p><b>3Y 3mos</b> <b>3Y 3mos</b></p>  <p><b>Jeanett Modise 63</b> Group Chief Human Capital Officer</p>
<p><b>3Y 3mos</b> <b>3Y 3mos</b></p>  <p><b>Johnson Idesoh 55</b> Group Chief Information and Technology Officer</p>	<p><b>5Y 3mos</b> <b>5Y 3mos</b></p>  <p><b>Prabashni Naidoo 50</b> Group Chief Governance Officer</p>	<p><b>1Y 11mos</b> <b>18Y 8mos</b></p>  <p><b>Rajal Vaidya 60</b> Group Chief Risk Officer</p>	<p><b>5Y 10mos</b> <b>1mos</b></p>  <p><b>Rushdi Solomons 44</b> Group Chief Internal Auditor<sup>1</sup></p>	<p>Effective 1 April 2026 <b>PO</b></p>  <p><b>Sitoyo Lopokoiyit 50</b> Chief Executive: Personal and Private Banking</p>
<p><b>3Y 3mos</b> <b>3Y 3mos</b></p>  <p><b>Sydney Mbhele 52</b> Group Chief Brand, Marketing and Corporate Affairs Officer</p>	<p><b>3mos</b> <b>4mos</b> <b>PO</b></p>  <p><b>Zaid Moola 47</b> Chief Executive: Corporate and Investment Banking</p>			

### Leadership changes

#### Appointed

- Kenny Fihla
- Zaid Moola
- Rushdi Solomons
- Sitoyo Lopokoiyit.

#### Resigned

- Akash Singh.

#### Stepped down

- Charles Russon stepped down as Interim Chief Executive Officer and became the Group Executive: Africa Regions effective 1 September 2025
- Yasmin Masithela stepped down as Interim Chief Executive: CIB and became Regional Executive: Southern Africa effective 1 January 2026
- Saviour Chibiya stepped down as Chief Executive: ARO and became Regional Executive: East Africa, effective 1 January 2026
- Geoffrey Lee and Christine Wu, who were Co-Interim Chief Executives of PPB, stepped down on 1 April 2026
- Punki Modise.

#### Tenure on ExCo



#### Age



#### Tenure at Absa

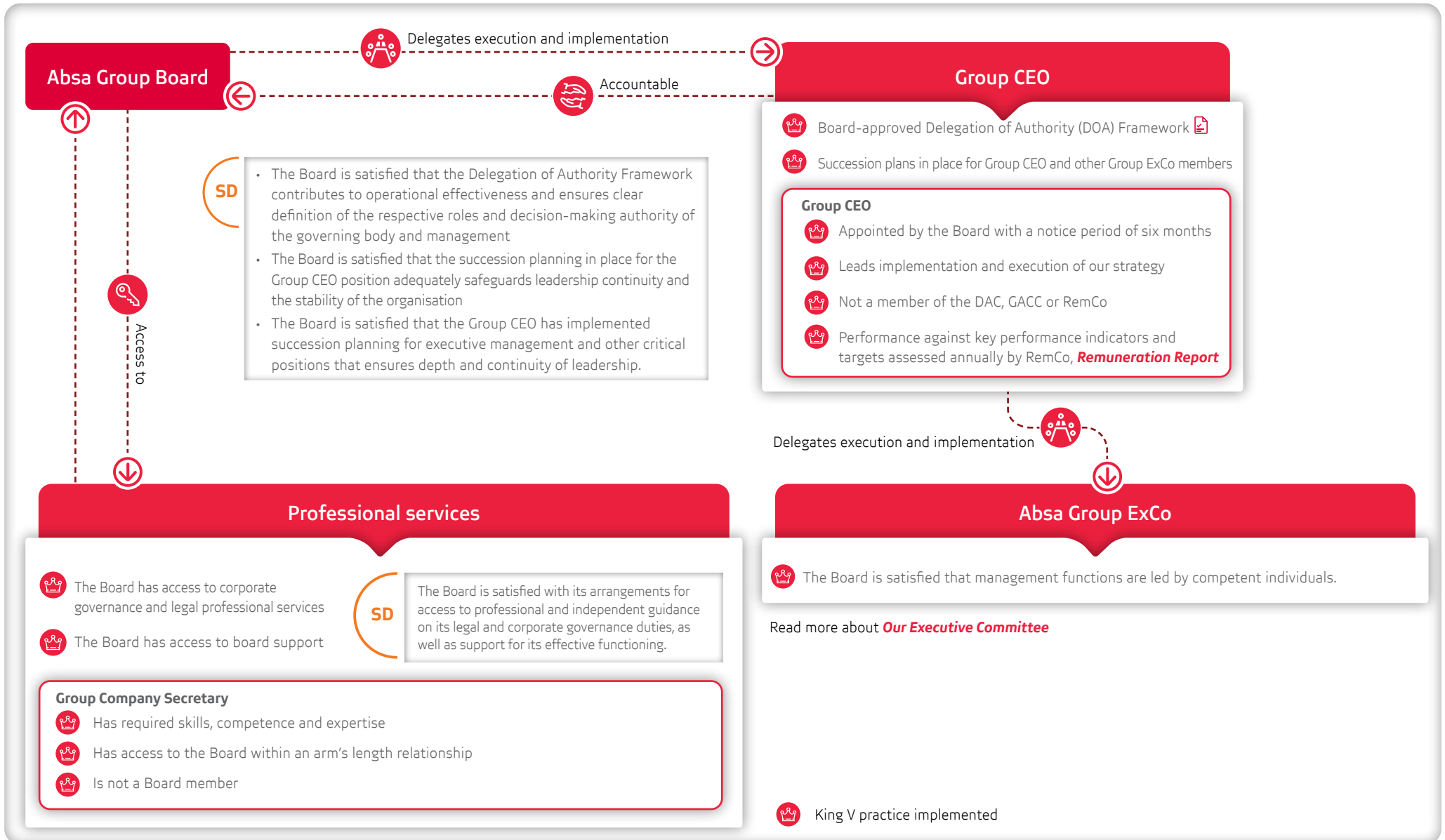


#### Gender



<sup>1</sup> Rushdi reports directly to the Group CEO and to the GACC.

## Protecting value through strong governance continued



## Protecting value through strong governance continued

### Risk

A **risk management overview** is provided in the **material matters** section of this report, detailing how risk is governed and managed, as well as the Group's risk appetite and tolerances. The **Pillar 3 Disclosure** provides detailed supplementary information on the Group's Enterprise Risk Management Framework (ERMF) and 2025 performance. Risk is managed through our Board-approved, annually refreshed ERMF, as well as rigorous monitoring and reporting on the effectiveness of risk management through several Board committees, including the GRMCM, GACC, GCRC, SSEC, ITC, and MC.

SD

The Board is satisfied that the risk function, the organisation's risk management system and overall internal control framework are effective and significant weaknesses in internal controls have been effectively addressed.

### Compliance

Our Board sets the strategic direction for compliance and ensures an effective, organisation-wide compliance system, formalised in the **Compliance Function Charter** and integrated within the **ERMF** and the **Group Risk Appetite Framework**. Compliance risk is managed in line with the Group's formal risk appetite approach, which articulates how appetite is set, cascaded and monitored. The Board has zero appetite for wilful or negligent regulatory non-compliance, minimal tolerance for customer detriment arising from conduct risk, and a zero tolerance stance on financial crime.

Oversight is exercised through the GACC, with additional governance provided by the Executive Risk Committee (ERC) and the DAC. The Board approves the policies, frameworks and standards that give effect to its compliance direction, including adopted non-binding rules and codes. It also monitors implementation through structured reporting, integration into risk management, and a holistic view of regulatory and code-based obligations. Our compliance approach recognises both the obligations created and the rights and protections afforded to stakeholders.

To remain ahead of regulatory change, Absa relies on the New Regulatory Requirements team's ongoing monitoring processes and an external service that provides regulatory alerts.

Independent assurance, including external and maturity assessments, supports continual strengthening of the compliance environment.

SD

The Board is satisfied that the organisation-wide system of compliance is effective and that significant regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations – whether against the organisation, the governing body or prescribed officers – have been appropriately responded to, to manage consequences and prevent future occurrences.

### Data, information and technology

#### Data and information

The Board, through the ITC and ERC, is accountable for the ethical, lawful, and responsible management of data and information. This includes the acquisition, creation, use, dissemination and disposal of data and information.

Oversight includes approval of the Information Security and Cyber Risk Policy, Data Protection Standard, and Data Privacy Policy, which collectively govern the data and information lifecycle from creation to destruction. These frameworks ensure compliance with applicable laws such as the Protection of Personal Information Act and global privacy regulations, and embed controls for classification, encryption, access management, and monitoring. The Group applies a sensitivity classification hierarchy and enforces technical controls, including digital rights management and information rights management, cloud security, and restrictions on removable media. The Security Operations Centre (SOC) continuously monitors potential data leakage, policy violations, and security-related events across networks, endpoints, mobile devices, and cloud environments, enabling rapid detection and response to potential privacy breaches. The SOC's monitoring activities are escalated through the Chief Security Officer, who is a mandatory ITC invitee. This ensures that security incidents and related risks are formally reported to the ITC to provide governance oversight.

Third-party data risks are managed through contractual obligations and supplier control standards. Periodic assurance on the effectiveness and ethical compliance of data governance is obtained through internal audit and combined assurance processes. Outcomes from third-party data governance assurance, whether from internal audit, combined assurance, or management's oversight, flow up to the ITC through management's responsibility to provide all information relevant to the committee's mandate and through the committee's monitoring of third-party and outsourced technology risks, which are further escalated to the GRMCM and Board if material.

SD

- The Board is satisfied that the management and control (including acquisition, creation, use, dissemination and disposal) of data and information are effective, compliant and ethical.
- The Board is satisfied that the arrangements for the prevention and detection of information privacy breaches are effective, and that significant incidents have been appropriately responded to, to manage consequences and prevent future occurrences.

## Protecting value through strong governance continued

### Technology

Absal's Technology Governance Framework provides clear strategic direction while ensuring ethical conduct and compliance in the acquisition and use of technology. The ITC, supported by the GACC and GRCMC, governs technology strategy, operations, and assurance activities.

The ITC approves and monitors policies and standards covering technology risk, cybersecurity, data management, and resilience. Lifecycle management is addressed through the Hardware Asset Management Standard, which includes responsible disposal of obsolete assets. Risks associated with outsourced technology services are managed through the Third-Party Group Risk Policy and related standards, such as the External Sourcing and Supplier Management Standards. Management provides all information relevant to the committee's responsibilities, including reports on technology, cybersecurity, data management, lifecycle management, and outsourced service risks, enabling the ITC to monitor these areas and to escalate material issues to the GRCMC and the Board.

Technology governance incorporates strict compliance with laws and regulations, disaster recovery planning, and robust cybersecurity strategies. A Combined Assurance Framework, drawing on Group risk, compliance, internal audit, and external audit provides periodic assurance. The scope of the combined assurance plans ensures that technology operations are consistently scrutinised to identify areas of improvement and to maintain compliance with organisational and regulatory requirements. Management also ensures that matters of material concern that are relevant to the committee's responsibilities are brought timeously to the attention of the committee, enabling the ITC to monitor the resolution of regulatory, internal and external audit self-assessment compliance and risk findings.

The Absal technology control environment is monitored to maintain a satisfactory rating, supported by robust systems, processes, and cultural practices designed to reduce business risks through effective controls and training. In 2025, key efforts included resolving material control issues timeously to limit impact and strengthen resilience, reducing overdue items, and applying the management control approach to assess entity-level risks and confirm that internal controls adequately support risk management. Collectively, these actions reinforced a more integrated and resilient technology governance approach across the Group.

In April 2025, Absal introduced its Board-approved Responsible Use of AI Policy, embedding principles of transparency, human oversight, and ethical application across the Group. This policy supports the responsible use of AI to unlock innovation while safeguarding against risks and promoting accountability. It complements the Machine Learning and Artificial Intelligence Models Standard, ensuring that AI systems are developed and used in ways that benefit individuals, society, and the organisation.

SD

- The Board is satisfied that the acquisition, development, use and distribution of technology in and by the organisation are effective, compliant and ethical
- The Board is satisfied that the arrangements for the prevention and detection of cyber attacks are effective, and that significant incidents have been appropriately responded to, to manage the consequences and prevent future occurrences
- The Board is satisfied that the ethical, legal and operational risks associated with the use of emerging, innovative and disruptive technologies are effectively managed and addressed
- The Board is satisfied that the accountability for decisions, actions, outputs and outcomes is clearly established, including that automated technologies are subject to human oversight and override mechanisms that are commensurate with their level of risk to the organisation and its stakeholders.

Refer to **A digitally powered business** for more information on Absal's digital journey.



### Remuneration

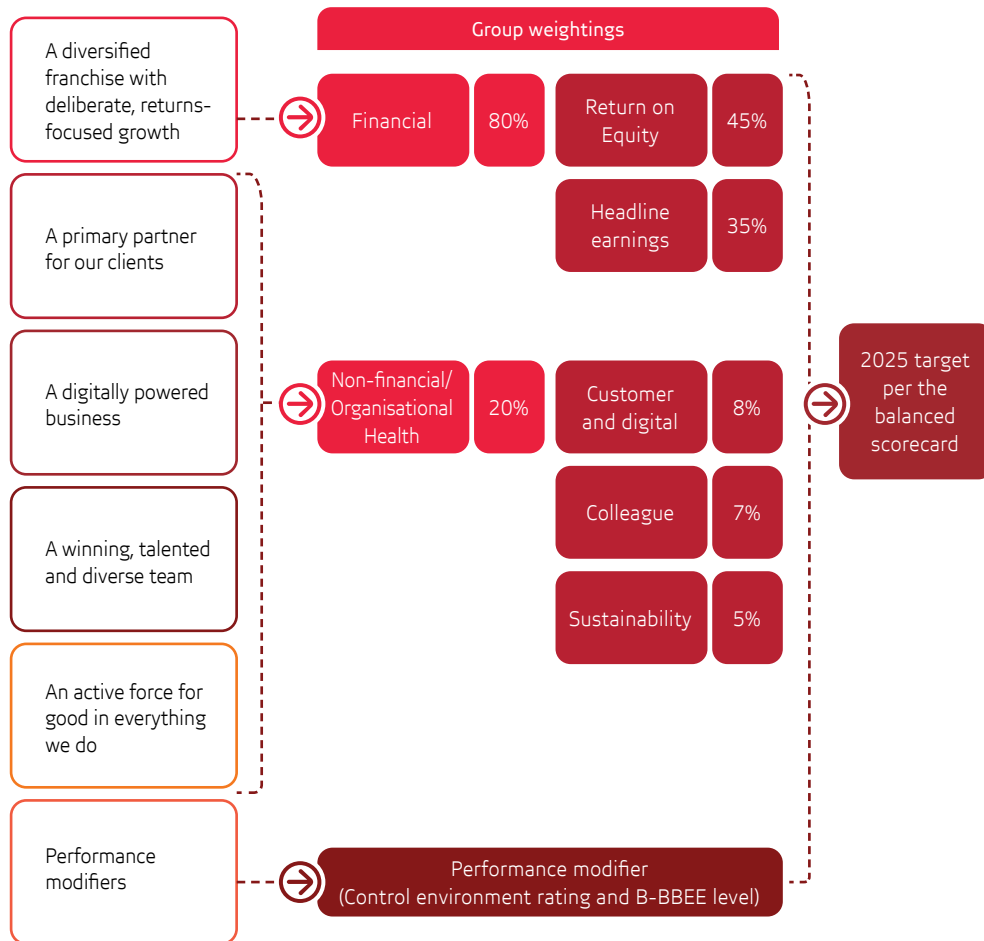
The RemCo sets and oversees the implementation of the Group's Remuneration Policy principles to deliver fair and responsible pay aligned with current and emerging market practice, to meet regulatory and corporate governance requirements and to align the behaviour of executives with the strategic direction of the Group. This includes pay-for-performance by aligning incentive outcomes to performance and value created.

The RemCo approves the total remuneration spend, including fixed pay, STIs and LTIs, any other remuneration arrangements, and the particulars of a defined senior population. The committee also considers and approves the Group's remuneration disclosure policies and ensures disclosures are accessible, understandable, accurate, complete and transparent. The committee further ensures that the Group remunerates fairly and responsibly in the context of overall employee remuneration, with a particular focus on remuneration differentials.

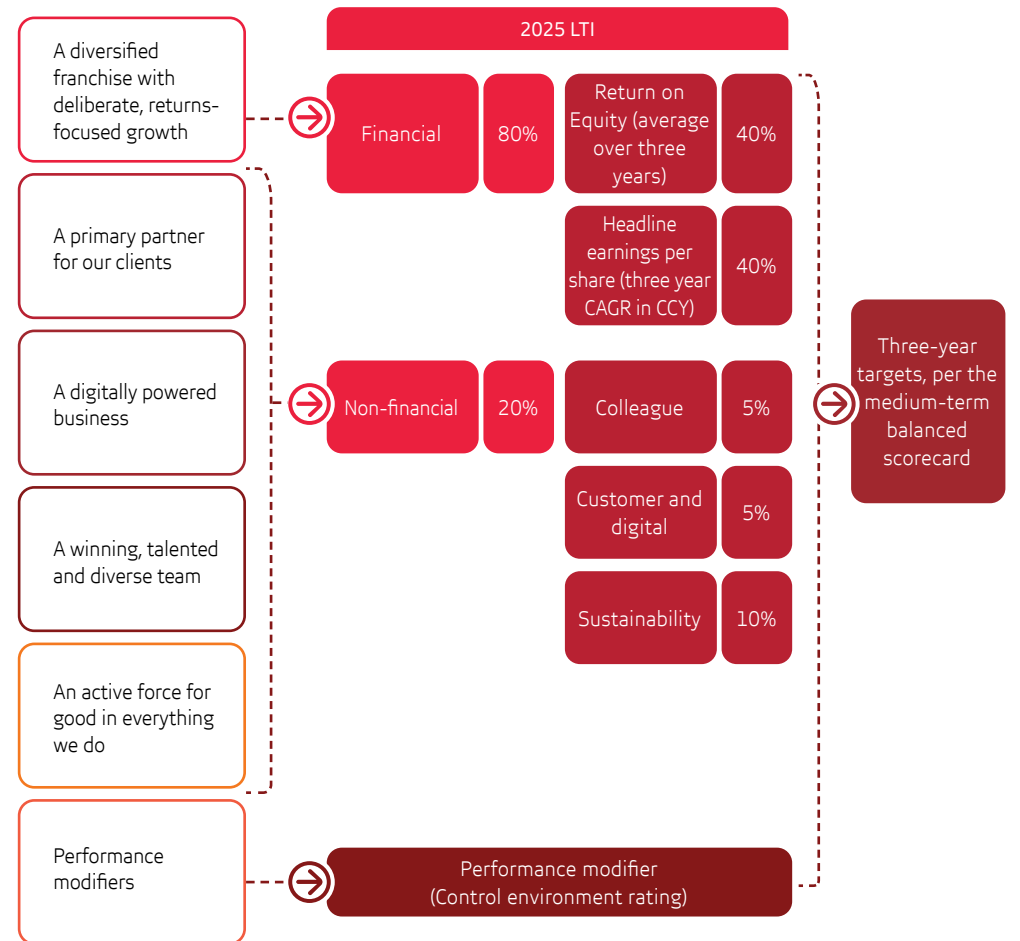
Refer to our **Remuneration Report** for pay differentials.

## Protecting value through strong governance continued

2025 STI scorecard: Metrics are derived from the Group balanced scorecard



LTIP 2025 scorecard: Metrics are also derived from the Group balanced scorecard, with fewer non-financial metrics that are more focused on strategic objectives



Dear participating investors, it is strongly advised that you carefully review the comprehensive and detailed **Remuneration Report**, as the content within this Integrated Report may not provide adequate information for an informed decision relating to the non-binding votes on the Remuneration Policy and Implementation Report. Our Remuneration Report sets out the full report from our RemCo along with a background statement, remuneration policy and implementation detail.



Our incentive structures align with enterprise value creation and value creation for other key stakeholders.

## Protecting value through strong governance continued

### Assurance governance

We apply a risk-based combined assurance approach to the Group's operations, which is reflected in our reporting. Internal controls, management assurance, compliance, internal audit reviews and the services of independent external assurance providers support the accuracy of disclosures. In line with their respective mandates, the following committees review and recommend specific reports to the Board for approval:

- Disclosure Committee (DC)
- Social, Sustainability and Ethics Committee (SSEC)
- Remuneration Committee (RemCo)
- Directors' Affairs Committee (DAC)
- Group Audit and Compliance Committee (GACC)
- Information Technology Committee (ITC)
- Group Risk and Capital Management Committee (GRMC).

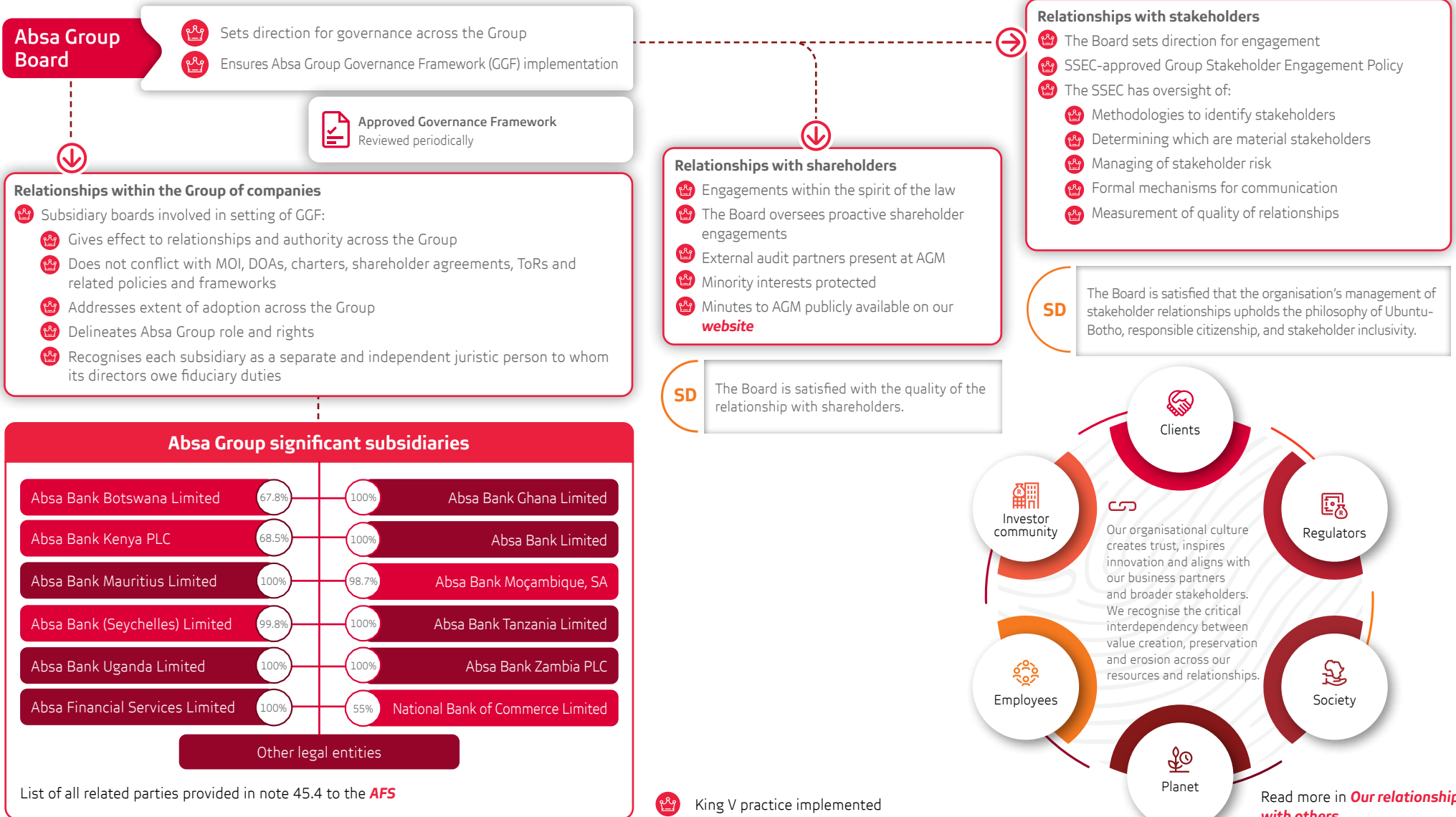
The GACC ensures the effective adoption and optimisation of the Group's combined assurance approach by overseeing internal controls, and compliance, and by coordinating assurance activities across management, internal audit and external audit. Through monitoring of the control and compliance environment, approval of the internal audit scope, and oversight of the external auditors, the committee provides the Board with assurance that the combined assurance process is comprehensive, aligned with significant risks and material matters, and supports the integrity of the Group's external reporting.

The Group's internal financial controls (IFCs) are defined based on the Operational and Resilience Framework and the financial reporting risk policies and standards which align with IFRS, statutory and regulatory reporting and the JSE Listings Requirements, respectively. The Group's IFCs remain robust and are monitored through effective governance processes where all exposures that could result in material financial loss, fraud, corruption or errors within the IFCs are tabled with supporting mitigation plans. These IFCs are subject to annual independent review across the three lines of defence.

The Absa Group Internal Audit Charter outlines the roles and responsibilities of the Absa Group Chief CIA and the internal audit function. The CIA reports functionally to the Chairman of the GACC and administratively to the Absa Group CEO. Internal Audit and the CIA are authorised to allocate resources, set audit frequencies, select audit subjects, define the scope of work, determine audit needs and coverage, apply the necessary audit techniques to achieve audit objectives, and issue reports. The GACC approves the Internal Audit Charter, which sets out the internal audit mandate and the scope and types of services provided by Internal Audit. Internal Audit maintains an internal quality assurance and continuous improvement programme that covers all aspects of audit activity and continuously monitors its effectiveness. The GACC provides oversight of this programme. The charter, along with any other Internal Audit Charters, is reviewed annually to ensure it remains current and aligned with applicable policies, standards, and good practice.

## Protecting value through strong governance continued

### Stakeholders



# Rewarding value creation



“ The RemCo is confident that our 2025 remuneration outcomes are a fair reflection of the Group’s improved performance, and that these align with our pay-for-performance principle. ”

Rose Keanly

## RemCo Chairman’s background statement

2025 has been a key year for Absa with a sustained improvement in performance, as well as the appointment of a new Group CEO and investment in top leadership in the context of a revised pan-African strategy and operating model. I am pleased, in this context, to refer readers to our **2025 Remuneration Report**.

The Remuneration Report sets out our Remuneration Policy and our remuneration implementation outcomes for 2025, including for executive directors and prescribed officers. We have not made any changes to the policy in 2025.

## 2025 RemCo focus areas

During 2025, the RemCo focused on the following key themes

### Executive appointments for a pan-African strategy

- An important decision by the Board was the appointment of Kenny Fihla as Group CEO, with RemCo involved in structuring a suitable remuneration arrangement.
- The new Group CEO, in the context of the revised pan-African strategy and operating model supported by the Board, has worked closely with the Board and RemCo to agree on the required pan-African leadership bench strength for the future. Accordingly, the Group has made several critical prescribed officer and senior management appointments from the second half of 2025.
- A primary focus of the RemCo, together with the Group CEO, has been to ensure that the remuneration structures for senior executives are appropriate to attract, reward and retain the right calibre of top executive talent, and that the composition of the total remuneration mix potential is appropriately weighted to performance-based remuneration over the short, medium and long term, aligned with the creation of sustained shareholder value over time. This has resulted in a highly focused and targeted rebase in senior executive total remuneration opportunity for certain roles, aligned with the shift to pan-African accountability, by reference to market practice in peer organisations. The upfront investment in high-calibre executive leadership (including in the case of external appointments, the need to buy out forfeited awards as part of the recruitment process), and the targeted rebase of total remuneration potential for certain roles, comes with a commitment to the Board for improved performance over the medium term, and will be self-funded by the Group through productivity and cost-efficiency gains.
- The details are set out in the executive director and prescribed officer disclosures in the **Implementation Report**.

### Remuneration Framework review

- As we look forward, the RemCo has applied considerable focus in 2025 to the Group’s Remuneration Framework for appropriateness and market relativity, aligned with the Group’s pan-African strategy and performance recovery imperative.
- While there were no policy changes in 2025, the RemCo is considering appropriate policy enhancements for 2026 and will use the 2026 pre-AGM shareholder meetings for initial engagement in this regard. The salient features are set out in the **2026 RemCo focus areas**.
- The RemCo applies the following principles with regard to the Remuneration Framework review:
  - Remuneration Framework enhancements will support the delivery of the Group’s pan-African strategy, our talent management imperatives, and will strongly underpin our pay-for-performance principle.
  - Enhancements will be considered in the context of the Group’s performance recovery journey, ensuring that any amendments support sustained increased performance and are affordably self-funded through performance and efficiency improvements.
  - We will be informed and guided by evolving local and international market practice, applying a strategic lens to what is appropriate for Absa and its stakeholders.
  - Variable remuneration potential for the Group’s executive directors and prescribed officers will continue to be referenced predominantly to Group performance and the performance of the businesses/ functions that they lead. Variable remuneration for other executives and management is aligned with their own roles, responsibilities, with due consideration for the creation of shareholder value.

## Rewarding value creation continued

### Performance management and differentiated remuneration outcomes

- Together with the Board and the Group CEO, the RemCo oversaw the refinement of the Group and business, functional and country scorecards, with a stronger focus on driving improved outcomes for shareholders and other stakeholders over the short, medium and long term. There will be continuous improvements made in 2026.
- During 2025, management implemented a simplified performance management approach. The focus for RemCo and management has been to ensure that this is a step forward toward achieving a high-performance culture, with improved differentiation of remuneration outcomes linked to performance, particularly with regard to STIs and the differentiation of the pools allocated to businesses/functions and individuals based on relative performance.
- The ongoing alignment of performance and reward is evident in our remuneration outcomes for executive directors and prescribed officers, set out in the **Implementation Report**, noting the impact of a strategic, targeted review of senior executive remuneration potential and key new appointments (and the associated acquisition investment) on the aggregate outcomes.

### Fair and responsible remuneration

- We introduced advanced data analytics to enhance our continued focus on identifying areas requiring attention in respect of fair and responsible remuneration. This includes minimising historical pay differentials in hiring, appointment and promotion; monitoring pay differential levels, particularly in respect of our annual pay review outcomes; and directing action to reduce these.
- Our vertical pay differential disclosures are included in the **Implementation Report**.

## Executive appointments and transitions

As a consequence of strategic and leadership actions taken during 2025, there were several changes at executive director and prescribed officer level, which are covered in **Our Executive Committee**.

Key appointments are:

- **Kenny Fihla** was appointed as *Group CEO* effective 17 June 2025.
- **Charles Russon** was appointed as *Group Executive: Africa Regions*, effective 1 September 2025. Charles was Interim Group CEO prior to Kenny joining the Group.
- **Zaid Moola** was appointed as *Chief Executive: Corporate and Investment Banking (CIB)* effective 1 January 2026.
- **Sitoyo Lopokoiyit** has been appointed as *Chief Executive: Personal and Private Banking (PPB)*, and will join the Group on 1 April 2026.

In addition to the above appointments, the total remuneration potential for **Deon Raju**, the Group Financial Director, was reviewed for market competitiveness against our core banking peers.

The Board and the RemCo have agreed that the investment in key talent comes with an upfront acquisition cost in the short term, which is necessary to set a sound foundation for materially improved performance over the medium to long term. As a result of the appointment of high-calibre candidates with strong pan-African capability, while also ensuring that key executives already in their roles are appropriately remunerated, there will be shifts in the total remuneration opportunity for our disclosed officers. A significant proportion of the total remuneration potential is in variable pay, which will be subject to appropriately stretching Group and business/function performance targets.

The RemCo and the Board are confident that the contribution of these executives, together with that of the Group ExCo, will position the Group strongly to achieve the required sustainable performance uplift over the medium term, while ensuring that our performance and efficiency gains enable the acquisition and appointment costs to be self-funded. These investments in critical senior leadership talent are strongly aligned with the best interests of the Group's shareholders and other stakeholders. For individuals in their roles in 2025, their remuneration details (including, where applicable, buyout awards in respect of remuneration forfeited at their previous employers) are set out in the **Implementation Report**.

The aggregate remuneration for the Group ExCo is also set out in the notes to the **AFS**. Given the changes over recent years in respect of executive directors, prescribed officers and, more broadly, in the Group ExCo (including several individuals who have been in roles for a part of the year and for whom remuneration disclosures will include pro-rated values), shareholders are advised that like-for-like comparisons in year-on-year aggregate total remuneration disclosures in the AFS and in the Implementation Report are not possible. For executives joining the Group during 2026, their remuneration outcomes will be disclosed in our 2026 Remuneration Report.

As in previous years, the following key principles applied in respect of our executive appointments and transitions:

- Executives performing in roles on an interim basis did not receive an adjustment to their fixed remuneration. Their contribution has been recognised primarily through a pro-rata adjustment to their STIs.
- Remuneration arrangements for all new appointments (internal and external) have been made within our policy parameters.
- We will buy out the value of awards (cash and/or shares) that are forfeited by new appointees as a result of resigning from their previous employer to join Absa. This is subject to appropriate proof of forfeiture. The payment/vesting of these buyout awards will replicate, as far as possible, the payment/vesting profile of the original award.

## Rewarding value creation continued

### Shareholder engagement

Shareholder engagement on our remuneration outcomes and with regard to other important matters related to, among others, strategy and organisational performance is a critical component of our overall stakeholder engagement agenda. As in previous years, the Group Chairman and the RemCo Chairman engaged extensively with shareholders ahead of our 2025 AGM. We thank our shareholders for their feedback. We sought to address feedback received from shareholders on our evolving practices and disclosures, noting that this has sometimes required balancing diverse shareholder views.

At the AGM on 3 June 2025, we received an **88.5%** (2024: 83.94%) vote in favour of the Remuneration Policy and an **89.54%** (2024: 83.12%) vote in favour of the Implementation Report, reflecting increasing shareholder support for and confidence in our Remuneration Policy and outcomes.

The key themes covered in our shareholder engagements are set out below. Not all of these relate exclusively to remuneration matters, but are included here for completeness.

Shareholder feedback	Action taken
<b>Mandate and latitude of the new Group CEO</b>	<p>Shareholders enquired regarding the extent to which the incoming Group CEO would have a mandate and sufficient latitude regarding the Group's strategy and setting the appropriate performance objectives.</p> <p>→ The Board has worked very closely with the new Group CEO and the Group ExCo on the revised pan-African strategy and operating model, and on performance measures and metrics for the Group. The Board has exercised oversight over these and has high confidence in the outcomes. The Group CEO is fully mandated in this regard and has already made good progress with regard to implementation. Read more in <a href="#">Group CEO's message</a>.</p>
<b>Bench strength of senior leadership</b>	<p>Shareholders continued to question the bench strength of the Group's executive leadership.</p> <p>Our new Group CEO, Kenny Fihla, took up his role in June 2025. Aligned with the revised pan-African strategy and operating model which are designed to materially shift the Group's competitiveness on the continent, he has made several key prescribed officer appointments to pan-African roles. These senior executives have strong pan-African credentials with track records of performance in complex, multi-jurisdictional organisations, including within the Group. The appointments position the Group strongly for materially improved performance in the medium term.</p> <p>→ Further appointments have also been made to strengthen the management bench at different levels, together with considerable focus on building succession pipelines to improve leadership capability and stability.</p> <p>Shareholders expressed appreciation for the key role played by Charles Russon and requested that the Board and incoming Group CEO should ensure Charles' continued contribution to the Group. Charles has subsequently been appointed as <i>Group Executive: Africa Regions</i>.</p> <p>Further details are set out in the <a href="#">Implementation Report</a> and in <a href="#">Our Executive Committee</a>.</p>
<b>Shareholders continued to be concerned about the performance and competitiveness of the Group's South African Retail franchises</b>	<p>During 2025, the Group implemented changes to the Retail operating model, with the creation of a consolidated PPB business unit that included the PB and Private Wealth businesses that had previously been part of BB. This was substantively completed for South Africa during the year.</p> <p>Aligned with our revised pan-African strategy and Group operating model, our three major businesses (PPB, BB and CIB) will operate on a pan-African basis going forward. This is already in place for CIB, with progress on PPB and BB expected in 2026 under the leadership of the incoming Chief Executives for these businesses.</p> <p>→ Appointments have been made for both the Chief Executive: CIB (Zaid Moola), and Chief Executive: PPB (Sitoyo Lopokoiyit). The process of appointing the Chief Executive: BB is underway. These new leaders are expected to deliver improved performance, especially in the retail franchises.</p> <p>Further details in this regard are set out in <a href="#">Our Executive Committee</a>.</p>

## Rewarding value creation continued

Shareholder feedback	Action taken
<b>Board skills and capacity</b>	<p>Shareholders enquired about the mix of skills in the Board to strategically direct the implementation of the Group's pan-African strategy and to guide future strategic disruption. They further enquired about the extent of change in Board membership, and to which extent some non-executive directors may have capacity challenges in the context of their other external Board accountabilities.</p> <p>The DAC has focused on increasing the diversity in skills on the Board to ensure that it is well placed to deliver on its strategic and oversight mandate, including bringing in both banking and risk skills. In this regard, Brian Kennedy and Paul Smith joined the Board from 1 February 2026.</p> <p>The DAC continues to focus on Board succession and non-executive directors' capacity to fully execute on their Board and committee responsibilities, and is confident that the Group's non-executive directors have sufficient time to devote to their Absa accountabilities.</p> <p>Read more in <a href="#">Our Board</a>.</p>
<b>Executive performance and remuneration</b>	<p>As in previous years, shareholders questioned whether there is sufficient alignment between Group and business performance and the remuneration outcomes for executive directors and prescribed officers.</p> <p>The RemCo exercised rigorous oversight and approval over the remuneration outcomes for the Group's senior executives (including the acquisition costs for new appointments), and is confident that our 2025 remuneration outcomes are appropriate, aligned with performance and in the best interests of shareholders.</p> <p>Further details are available in the <a href="#">Implementation Report</a>.</p>
<b>Use of constant currency (CCY) vs reported currency (RCY) for reporting and incentives</b>	<p>Shareholders expressed discomfort with the use of CCY for financial metrics used in incentives, given that the shareholder experience is always in RCY.</p> <p>From 2025, our performance incentives will be on an RCY basis, aligning with shareholder experience and interests.</p>

## Group performance overview

The Group delivered solid performance in 2025 in line with market guidance. Salient features of our **financial performance** in 2025 include:

- **Headline earnings** increased by 12% to R24.8 billion reflecting lower credit impairments, disciplined cost management and solid momentum across key business segments, particularly in CIB and AR.
- The **NAV** increased 8% to R172 billion, resulting in an **RoE**, which improved to 15% from 14.8%. Group capital levels remained strong and above the Board target range with a **CET1** of 12.7%. **Dividends per share** increased by 12% to R16.35, based on a 55% payout ratio.

RemCo continues to support the view that Organisational Health, which assesses **non-financial key performance indicators** for **Customer and Digital, Colleague and Sustainability**, is a good predictor of future organisational performance, and as such, in conjunction with the SSEC, continues to retain this as a core component of our STI and LTI scorecards.

Organisational Health performance in 2025 was marginally below the on-target level, however, there was a range of performance within the categories.

Further details regarding the Group's performance and its medium-term outlook are set out in [Outlook](#).

## Rewarding value creation continued

### 2025 short-term incentive and 2023 long-term incentive outcomes

#### 2025 Group short-term incentive

During 2025, the Group demonstrated a continuing trend of improving performance, consistent with the guidance issued. RemCo approved a 2025 STI pool of R4.144 billion, which is at 103.1% of the approved 2025 on-target pool of R4.018 billion. This is 14% up on the 2024 STI pool of R3.63 billion, with 2025 headline earnings up 12%.

The STI pool grew slightly ahead of the growth in headline earnings, based on the Group's improved performance and in the context of several years of our STI payout ratio to headline earnings (after taxation and before incentives) being lower than our peers. This aligns with indications given to shareholders over the past several years that, as the Group's performance improves, it will be appropriate, as we look forward, for the RemCo to review the market relativity of the payout ratio of the STI pool to headline earnings, which was below 11% for 2025.

The STI pool is based on the following outcomes within our STI scorecard:

Metric	Weighting	Target	Outcome	Weighted outcome
Headline earnings (RCY)	35%	R23.7bn	R24.8bn	39.3%
RoE	45%	15.1%	15.0%	44.1%
Organisational Health	20%	8/10	7.9/10	19.7%
<b>Total (as % target)</b>				<b>103.1%</b>

Regarding the Organisational Health outcome:

- We significantly exceeded our *Sustainability* targets, delivering a stretch outcome
- We delivered solid performance regarding *Customer and Digital* relative to our targets
- Our *Colleague* outcome was slightly impacted by the extent of change in the Group during 2025. We did, however, see a very positive upward move in confidence in the Group's leadership relative to 2024.

The RemCo reviewed the outcomes based on the above financial and non-financial performance factors, risks and controls, and shareholder returns over the financial year and approved the final performance STI pool of R4.144 billion.

In addition to the Group performance STI pool, the RemCo approved a separate investment incentive pool of R92 million in respect of the buyout of STI awards forfeited by strategic investment hires due to their resignations from their previous companies to join the Group. Applicable details are in the [Implementation Report](#).

The details regarding the determination of the 2025 STI pool, including the Organisational Health outcomes, are set out in the [Implementation Report](#).

#### 2023 long-term incentive

Our 2023 LTI will vest in April 2026 in respect of the performance period 2023–2025 at 54.8% of the on-target outcome, in the context of our three-year performance relative to the approved LTI scorecard, reflecting disappointing performance in the early period and a miss of our TSR threshold outcome. Details are in the [Implementation Report](#).

In summary:

Metric*	Weighting	Target	Outcome	Result/ Modifier	Weighted outcome
Normalised RoE (3-year average)	25%	17.3% CoE+2.5%	15.5%	37.8%	9.5%
Normalised headline earnings per share (3-year CAGR [CCY])	25%	11.1% SA Nominal GDP + 6.5%	7.0%	46.4%	11.6%
Normalised cost-to-income ratio % (3-year average)	20%	≤51.5%	52.3%	52.9%	10.6%
TSR	10%	81.7%	45.4%	0%	0%
Organisational Health	20%	8/10	8.6/10	115.8%	23.1%
<b>Total (as % target)</b>					<b>54.8%</b>

\* All achieved measures are shown on a normalised basis (excluding Barclays Separation impact) adjusted for the B-BBEE transaction to align with the basis on which the targets were set.

- The financial outcomes for the period under review (2023–2025) were impacted by the slowdown in performance in 2023 and mid-2024, while benefiting from the beginning of the recovery path in the second half of 2024, and strong performance in 2025, particularly in the latter half
- Despite a strong rally in Absa Group's share price in the latter part of 2025, our three-year TSR underperformed our peers, resulting in a zero outcome on this measure
- Regarding the Organisational Health outcome:
  - We delivered a stretch outcome in respect of *sustainability-linked financing*, with the target having been reached a year ahead of plan
  - On *Customer and Digital*, we delivered a Group customer experience outcome between target and stretch
  - The *Colleague* outcome held up in spite of considerable change in the organisation over the LTI performance period.

The RemCo recognises that the vesting outcome, while reflective of performance and the shareholder experience over the performance period, is not a good outcome for participants. The Group's strong share price growth and dividend performance during the 2023 LTI performance period (2023–2025) have assisted somewhat in mitigating the impact of the lower vesting outcome. The RemCo and management are comfortable that there is sufficient value at stake for participants in schemes set to vest over the coming years, especially in the context of the enhancements to our LTI pools in 2024, noting that the vesting outcomes for future awards remain primarily dependent on performance over the respective performance periods of those awards.

Further details relating to the 2023 LTI vesting outcomes are set out in the [Implementation Report](#).

For both the 2025 STI and the 2023 LTI outcomes, the RemCo has received input from the **SSEC** on the Organisational Health outcomes, and from the **GACC** regarding risk and control matters and the Group's quality of earnings. The RemCo is satisfied that these factors have been appropriately considered in the final determination of the outcomes.

## Rewarding value creation continued

### Fair and responsible remuneration

The RemCo continued its ongoing focus on fair and responsible remuneration. This included:

- Continuing, across our markets, to monitor relative fixed remuneration increases with a focus on these generally being higher for more junior colleagues in most markets.
  - In South Africa, our bargaining unit increase in 2025 was 6%, relative to the average managerial increase of 5%. For increases effective in April 2026, the bargaining unit increase is 5.5% relative to an average managerial increase of 4.5%. This differential reflects a multi-year trend, as set out in the **Implementation Report**.
  - In our other markets, our fixed remuneration outcomes reflect a mix of market practice and dynamics, and scarce and critical talent considerations. Accordingly, outcomes at various levels reflect these factors.
- Continued focus on ensuring that minimum remuneration levels in all our markets are appropriate.
  - In *South Africa*, for 2026, we increased our **company minimum salary** to R263 750 (up 5.5%, aligned with the salary settlement for the bargaining unit).
  - We comply with or exceed minimum salary determinations in all markets.
- The **eKhaya Colleague Share Scheme** delivered R118 million in value to colleagues through the distribution of its second annual dividend in May 2025. This builds on the R114 million in value delivered in 2024. We made a third tranche of awards in September 2025 to 2 077 new joiners, aligned with the scheme's purpose and stated intent. The growth in Absa's share price over the award period also improves the value that individuals may receive upon vesting in 2028. Further details regarding value delivered under eKhaya are set out in the **Implementation Report**.
- Investing in **advanced analytics** to improve the rigour that is applied to determining fair and responsible remuneration outcomes and identifying and addressing the root cause in respect of pay parity issues.
- Ongoing **monitoring of remuneration outcomes** to ensure that these were fair and responsible when considering race, gender and role, confirming with management that steps are being taken, where appropriate, to address differentials that could not be explained on the basis of objective criteria. This includes ensuring fairness in the distribution of STI pools, based on relative performance, aligned with our pay-for-performance principle.

### Reward governance

**Changes in the RemCo membership:** *Zarina Bassa* joined the RemCo on 1 April 2025, and *René van Wyk* joined the RemCo on 14 July 2025 in his capacity as Group Chairman. The RemCo has benefited from both René's and Zarina's experience and input. *Sello Moloko* stepped down from the RemCo on 15 July 2025, and *Ihron Rensburg* stepped down on 21 August 2025. The RemCo is grateful to both *Sello* and *Ihron* for their contribution.

**Assurance for Organisational Health outcomes:** We have formal Internal Audit assurance of our Organisational Health outcomes for both our STIs and LTIs.

**Regulatory compliance:** Absa complies with all relevant legislation and regulations pertaining to remuneration in the jurisdictions in which it operates, including in respect of its insurance businesses. This is set out in the **Remuneration Policy**.

**Access to advisors:** The RemCo has independent and unfettered access to advisors to enable it to execute on its mandate. This includes independent external advice, and advice from various internal Group control and enabling functions. In 2025, Deloitte was the RemCo's independent advisor.

**King V:** Our remuneration reporting is aligned with the requirements of King V, ahead of the formal implementation of this revised Code.

## Rewarding value creation continued

### 2026 RemCo focus areas

As we progress the implementation of our pan-African strategy and continue with the recovery of our Group's performance in the short and medium term, the RemCo will focus on ensuring that our remuneration strategy, principles and practices are appropriate to support these.

The RemCo is considering enhancements to the Group's Remuneration Framework, with a primary focus on share-based remuneration and based on the principles set out in the 2025 RemCo focus areas. A primary strategic driver in this regard is to align performance and pay, ensuring that our remuneration structures align with the scope/sphere of influence that participants in our various schemes have to influence the outcomes. The RemCo will ensure that our reward frameworks and structures are appropriately affordable within the Group's strategic plans, and that any increase in remuneration costs is substantially offset by performance and efficiency gains.

- As part of the review, we are considering implementing a new forfeitable share plan (FSP) going forward to complement and enhance the effectiveness of our share-based incentive arrangements. The proposed plan which has the following key features, aligns with recent market developments both globally and in South Africa with regard to employee share plans.
  - The proposed plan will replace the Key Talent LTI, which is currently awarded at levels below our senior executive and strategic impact roles. The objective of the proposed plan is to improve line of sight between performance and the award outcomes. Senior executives, including our executive directors and prescribed officers, will remain in our Strategic LTI which is subject to Group performance targets.
  - The FSP will be based on the Absa Group shares purchased in the market and will therefore be non-dilutive for shareholders.
  - Awards will be granted based on an assessment of the individual's current performance, with a further requirement that the participant should maintain acceptable minimum individual performance requirements over the vesting period. There are no Group performance targets applicable to the award following grant.
  - Awards are considered in a total remuneration context (i.e. in conjunction with fixed remuneration and STI outcomes) for the relevant role.
  - It is envisaged that the design of this new plan will be finalised during 2026, with the first awards being considered in 2027. We will engage major shareholders and proxy agencies, including at our Shareholder Roadshow ahead of the 2026 AGM.

- The RemCo, together with the Board and management, will focus on materially improving the quality and alignment of the Group's target-setting and scorecards, and strengthening performance management, to achieve appropriately differentiated pay-for-performance outcomes in support of our targeted strategic and performance objectives.
- As set out in previous Remuneration Reports, we will continue to review our STI arrangements, particularly with regard to the payout ratio relative to headline earnings. As the Group's performance continues to strengthen, it is expected that our STI sharing ratio relative to headline earnings, which was below 11% in 2025, will increase to ensure it more closely compares to peers.
- As our pan-African operating model is embedded under the leadership of the Group CEO and new Chief Executives of the pan-African businesses, RemCo will focus on the remuneration approach for top strategic roles, including their on-target remuneration potential.
- Adapting to pending regulatory changes regarding the oversight, management and governance of remuneration, including the South African Companies Act amendments and King V.
- Continuing to oversee and ensure that our remuneration approach and outcomes remain fair and responsible.

### Conclusion

There have been several significant and positive developments during the year relating to the Group's strategy, leadership and the operating model, underpinned by the appointment of highly experienced and talented senior executives. This positions the Group strongly for the future.

Our 2025 remuneration implementation decisions represent a fair and balanced outcome based on the Group's improved performance, are appropriately aligned with shareholder and stakeholder interests over the long term, and are sustainable.

I appreciate the continued efforts of the RemCo, and the constructive working relationship with management, to oversee our Remuneration Framework, and make remuneration decisions in the context of the delivery of the Group's pan-African strategy and its performance recovery ambitions, aligned with the interests of all stakeholders.



## Supplementary information

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# Basis of preparation and presentation<sup>LA-IA</sup>

Our Integrated Report describes its basis of preparation and presentation.

## Reporting frameworks

This Integrated Report is prepared using the IFRS Foundation's Integrated Reporting Framework 2021 (IR Framework) and the IoDSA King V™ Report on Corporate Governance for South Africa, 2025 (King V).

## New standards

The Group is considering voluntary adoption of the ISSB standards within an appropriate timeframe.

Since the release of IFRS® Sustainability Disclosure Standards S1 and S2, work progressed through roadmap execution, with improvements in modelling and supporting data processes.

ISSB aligned disclosures will be included in our **SCR**, clearly distinguishable from other disclosures. As the Group continues to consider voluntary adoption of the ISSB standards within an appropriate timeframe, the Integrated Report will focus solely on providing contextual insight into the material links between financial and non-financial information.

## Restatements and reporting methodologies

### IFRS results

The Group ended normalised reporting in 2024 as it became immaterial. The Integrated Report now presents IFRS results unless noted otherwise.

### Financial statement restatements and prior period errors

#### Restatements

The Group's operating model changes as well as central costs were re-allocated to the business units (the Group's Broad-Based Black Economic Empowerment and staff incentivisation transaction, as well as depositor insurance costs) to more accurately represent the commercial reality for those units. These changes led to the restatement of the business units financial results for the comparative period without affecting the Group's overall financial position or net earnings.

#### Cashflow prior period errors and presentation changes

There was a change in the presentation of the cashflow statement and correction of prior period errors (with no impact on the statement of comprehensive income and statement of financial position) in the cashflow statement which is fully described within the **Results Booklet**. The cashflow statement is not presented in this Integrated Report.

## Reporting period and forward-looking statements

This report covers the period from 1 January 2025 to 31 December 2025. Notable or material events after 31 December 2025 and until the approval of this report on 24 March 2026 are included. Statements relating to future operations and the performance of the Group are not guarantees of future operating, financial or other results and involve uncertainty, as they are based on assumptions of future developments, some of which are beyond our control. Therefore, the results and outcomes may differ. Given continued levels of uncertainty, our approaches, planning, and stress testing exhibit a higher-than-usual level of uncertainty as to selected outlook and forward-looking statements. Shareholders should consider the full published reporting suite on [www.absa.africa](http://www.absa.africa) as part of any investment decision.

## Metric measurement methodologies

For a full list of metric definitions, please refer to our **Assurance Booklet 2025**. The notes below are intended to outline where Group metrics are derived from differing business unit measurement methodologies, or to outline material changes from the prior year in:

- Measurement methodologies or criteria
- Values as a result of restatements.

### Point-of-sale (PoS)

The South African measurement methodology for PoS differs from the AR methodology, as it excludes SoftPOS solutions.

### Total electricity use

As part of ongoing improvements to data quality, methodological consistency, and assurance readiness, Absa implemented targeted refinements to its environmental performance data and reporting framework during the reporting period. In 2025, a focused external assurance engagement was conducted on the 2018 energy consumption and greenhouse gas emissions baseline, which underpins the Group's long-term decarbonisation targets. This resulted in a restatement of the baseline to reflect enhanced data collection processes, improved quantification methodologies, and the consistent application of reporting assumptions, while maintaining unchanged definitions, organisational boundaries, and KPI structures. In addition, improvements in data availability across Africa Regions enabled the replacement of previously modelled electricity and diesel consumption data with actual, validated activity data for the 2024 reporting year, leading to the restatement of selected non-renewable energy and greenhouse gas emissions comparative figures. The 2021-2023 values were not restated. These restatements do not indicate errors in prior disclosures and do not affect Absa's environmental strategy, targets, or transition pathway; rather, they enhance the accuracy, comparability, and decision-usefulness of reported information.

## Basis of preparation and presentation continued

### Process disclosure and assurance approach to integrated reporting

#### Our reporting process

We follow a formally documented integrated reporting process, which is tracked in a digital project management system. The process is audited by our Group Financial Control team (first line of defence), which checks that functions, roles and responsibilities are running as documented and that the design and implementation of the process are effective. This is supported by an annual self-attestation from management, confirming that the process is being adhered to and remains effective.

The first step in our integrated reporting process is our **materiality determination process**, which enables us to identify and report on matters that can substantially affect our ability to create or preserve value, or lead to value erosion, over the short, medium, and long term. The material matters identified through our materiality determination process are included in our Integrated Report and are reviewed and approved by Group ExCo and the Disclosure Committee.

As a further input into our integrated reporting process, recommendations to improve the quality of our Integrated Report are put forward to the Disclosure Committee annually for discussion and approval. These recommendations are informed by an internal review of our Integrated Report against leading reporting practice and disclosure trends. We also receive guidance from independent experts, such as Ernst & Young, who provide insight into improving the quality and integrity of our Integrated Report.

Before we release our Integrated Report to our stakeholders, it is reviewed by our Group ExCo and Board, supported by the Disclosure Committee. This year, we took steps to enhance the integrity of our Integrated Report by expanding our assurance scope as described alongside.

#### Our assurance process

In 2022, we initiated a multi-year assurance plan to enhance the integrity of our Integrated Report and reporting process. We believe that assurance strengthens the credibility of reporting, and helps improve decision-making, internal information-gathering systems and processes, providing comfort to our key stakeholders.

In 2024, our journey included the use of both internal and independent external assurance providers, placing the Group as a leader in integrated reporting assurance. However, while there is currently no mandatory requirement for external assurance over the Integrated Report, we have decided to alter our assurance journey from 2025 onwards to focus on using Group Internal Audit as the primary assurance provider, with greater focus on expanding their scope and level of assurance provided.

This will build greater internal capacity within the Group to assess the integrity of non-financial information. It will also leverage, and better integrate with other ongoing internal audits in the business, creating synergies and demonstrating integrated thinking in action.

We will reassess our approach aligned with changes in our regulatory and listings landscape with regard to external assurance over the Integrated Report.

The scope of our assurance journey cover four key components:

1. The integrated reporting process (described in the “Our reporting process” section alongside)
2. Self-determined performance metrics, which are reflected in our value over time table and key metrics from our Group strategic scorecard
3. Content elements (as defined in the IR Framework) included in our Integrated Report
4. Select principles contained in the IR Framework.

We provide a high-level overview of the journey in the table below; readers refer to the individual audit opinions. Our **Assurance Booklet 2025** contains the detailed audit opinion from Group Internal Audit for this year’s report.

Subject	2022	2023	2024	2025
<b>The integrated reporting process</b>	LA	LA	LA	RA
<b>Self-determined metrics</b>	LA	Majority LA, some RA	LA	Majority RA, rest LA
<b>Selected aspects of the content elements</b>				
Organisational overview and external environment			LA	LA
Business model				LA
Material matters		LA	LA	LA
Strategy and resource allocation		LA	LA	LA
Performance				
Outlook			LA	LA
Governance			LA	LA
Basis of preparation and presentation			LA	LA
<b>Principles</b>				
Strategic focus and future orientation				
Connectivity of information			LA	LA
Stakeholder relationships				LA
Materiality				LA
Conciseness				
Reliability and completeness				
Consistency and comparability			LA	LA

LA – Limited assurance

RA – Reasonable assurance

Internal audit

External audit

# Remuneration tables

## Directors' and prescribed officers' remuneration

### Combined tables for 2025 total remuneration

Executive directors	Kenny Fihla		Deon Raju		Arrie Rautenbach		Christopher Snyman		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Awarded Remuneration</b>										
Salary	5 700 814		6 801 443	4 314 159		8 048 346		1 098 179	12 502 257	13 460 684
Medical Aid	53 628		160 591	88 935		155 450		42 108	214 219	286 493
Retirement benefits	496 914		195 791	133 016		149 164		65 682	692 705	347 862
Other employee benefits	34 433		79 675	49 546		91 170		13 198	114 108	153 914
<b>Total fixed remuneration</b>	<b>6 285 789</b>		<b>7 237 500</b>	<b>4 585 656</b>		<b>8 444 130</b>		<b>1 219 167</b>	<b>13 523 289</b>	<b>14 248 953</b>
Cash award	12 150 000		6 187 500	3 750 000				2 900 000	18 337 500	6 650 000
Deferred share award	11 150 000		5 187 500	2 750 000				1 900 000	16 337 500	4 650 000
<b>Total short-term incentives</b>	<b>23 300 000</b>		<b>11 375 000</b>	<b>6 500 000</b>				<b>4 800 000</b>	<b>34 675 000</b>	<b>11 300 000</b>
<b>Face value of long term incentive award (on-target award)</b>	<b>20 000 000</b>	19 999 913	<b>14 000 000</b>	11 000 000				5 000 000	<b>34 000 000</b>	35 999 913
<b>Awarded Remuneration (excl buyout awards)</b>	<b>49 585 789</b>	19 999 913	<b>32 612 500</b>	22 085 656		8 444 130		11 019 167	<b>82 198 289</b>	61 548 866
<b>Cash-based buyout award</b>	<b>20 721 416</b>								<b>20 721 416</b>	
<b>Share-based buyout award (face value)</b>	<b>77 733 872</b>								<b>77 733 872</b>	
<b>Total awarded remuneration (including buyout awards)</b>	<b>148 041 077</b>	19 999 913	<b>32 612 500</b>	22 085 656		8 444 130		11 019 167	<b>180 653 577</b>	61 548 866

The cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2026 and March 2025 in respect of prior year performance.

The deferred share award is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2025 for the 2024 short-term incentive award, and will be granted in April 2026 for 2025 performance.

Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's remuneration policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period (three years).

The long-term incentives relate to awards which have future Group performance criteria that will determine the final vesting outcome, in addition to a continued service condition. This is the 'on-target' value of the award.

Other employee benefits include any encashment of leave.

Total awarded remuneration for 2025 includes the fixed remuneration paid during 2025, the total short-term incentive award in respect of prior year performance (consisting of a cash award paid in March 2026 and a deferred share award granted in April 2026), and the face value of the long-term incentive award to be granted in April 2026. Amounts disclosed in 2024 follow the same principle. See notes below regarding the pro-ration of fixed remuneration for individuals who were not in their roles for the full year.

Kenny Fihla was appointed as the Group Chief Executive Officer and an executive director on 17 June 2025. His fixed remuneration is disclosed on a pro-rated basis reflecting the period of service. His variable remuneration includes a cash buyout award, and share buyout awards granted upon him joining the Group in respect of awards forfeited with his previous employer.

He also received a long-term incentive award in September 2025 related to the 2025-2027 performance period, which is reflected under 2024 to align with our disclosure approach. The share-based awards were communicated in a SENS announcement on 16 September 2025.

Deon Raju was appointed as the Group Financial Director and an executive director on 26 April 2024. His 2025 fixed remuneration is disclosed for the full year and is pro-rated for 2024 reflecting time in service as executive director, with the short-term incentive and long-term incentive awards shown at full value. The 2024 short-term incentive also includes a portion of the total award made in respect of his role as Group Chief Risk Officer, from 1 January 2024 to 25 April 2024.

Arrie Rautenbach ceased to be Group Chief Executive Officer and executive director on 15 October 2024. His fixed remuneration is pro-rated for the period served as an executive director during 2024, and no short-term incentive and long-term incentive awards were granted to him.

Christopher Snyman was the Interim Group Financial Director and executive director from 22 November 2023 to 26 April 2024. His fixed remuneration is pro-rated for the period served as an executive director during 2024, with the short-term incentive and long-term incentive awards shown at full value. The short-term incentive in 2024 therefore also includes a portion of the award in the year for his role as Head of Group Financial Decision Support, which was neither an executive director nor a prescribed officer role.

The Totals reflected for 2024 have been amended based on the movement of Charles Russon's remuneration information from the executive director tables into the prescribed officer tables.

## Remuneration tables continued

Executive directors Single Figure Remuneration	Kenny Fihla		Deon Raju		Arrie Rautenbach		Christopher Snyman		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Salary	5 700 814		6 801 443	4 314 159		8 048 346		1 098 179	12 502 257	13 460 684
Medical Aid	53 628		160 591	88 935		155 450		42 108	214 219	286 493
Retirement benefits	496 914		195 791	133 016		149 164		65 682	692 705	347 862
Other employee benefits	34 433		79 675	49 546		91 170		13 198	114 108	153 914
<b>Total fixed remuneration</b>	<b>6 285 789</b>		<b>7 237 500</b>	<b>4 585 656</b>		<b>8 444 130</b>		<b>1 219 167</b>	<b>13 523 289</b>	<b>14 248 953</b>
Cash award	12 150 000		6 187 500	3 750 000				2 900 000	18 337 500	6 650 000
Deferred share award	11 150 000		5 187 500	2 750 000				1 900 000	16 337 500	4 650 000
<b>Total short-term incentives</b>	<b>23 300 000</b>		<b>11 375 000</b>	<b>6 500 000</b>				<b>4 800 000</b>	<b>34 675 000</b>	<b>11 300 000</b>
Value of vested long-term incentives			6 149 070	5 714 320		12 143 138		2 347 106	6 149 070	20 204 564
Dividend equivalents/service credits received on vesting awards			1 852 970	945 755		2 829 078		704 654	1 852 970	4 479 487
<b>Total long-term incentives</b>			<b>8 002 040</b>	<b>6 660 075</b>		<b>14 972 216</b>		<b>3 051 760</b>	<b>8 002 040</b>	<b>24 684 051</b>
<b>Cash-based buyout award</b>	<b>20 721 416</b>								<b>20 721 416</b>	
<b>Share-based buyout award (face value)</b>	<b>77 733 872</b>								<b>77 733 872</b>	
<b>Total single figure remuneration(including buyout awards)</b>	<b>128 041 077</b>		<b>26 614 540</b>	<b>17 745 731</b>		<b>23 416 346</b>		<b>9 070 927</b>	<b>154 655 617</b>	<b>50 233 004</b>

The cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2025 and March 2026 in respect of prior year performance.

The deferred share award is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2025 for the 2024 short-term incentive award, and will be granted in April 2026 for 2025 performance.

Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's remuneration policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period (three years).

The 2023 long-term incentive award, which vests in respect of the performance period ending 31 December 2025, is included in the 2025 single-figure remuneration for executive directors and prescribed officers. The actual value of the vesting to accrue to each participant will be based on the share price on the vesting date and will include any dividend shares (based on dividends declared during the vesting period, and referenced to the number of shares that will vest following application of the performance targets). For the purpose of the 2025 and 2024 disclosures, values are reported using the 31 December share price for the respective years, adjusted for the performance target outcomes for the respective awards, as the publication date of the Annual Financial Statements was before the vesting date in each instance.

Total single figure remuneration includes, for each year respectively, the fixed remuneration paid during 2024 and 2025, short-term incentives in respect of 2024 and 2025 performance (consisting of a cash award paid in March 2025 and March 2026, and a deferred share award granted in April 2025 and April 2026), and long-term incentive awards (consisting of the full value of vested long-term incentives, and dividend equivalents/service credits received on the vesting dates).

Kenny Fihla was appointed as the Group Chief Executive Officer and an executive director on 17 June 2025. His fixed remuneration is disclosed on a pro-rated basis reflecting the period of service. His cash-based buyout award in respect of forfeited share awards in his previous employer that had already vested is reflected as such in the table, and was paid to him during 2025 upon joining the Group. His share-based buyout award in respect of forfeited share awards in his previous employer are reflected in the table.

Deon Raju was appointed as the Group Financial Director and an executive director on 26 April 2024. His 2025 fixed remuneration is disclosed for the full year and is pro-rated for 2024 reflecting time in service as executive director, with the short-term incentive and long-term incentive awards shown at full value. The 2024 short-term incentive also includes a portion of the total award made in respect of his role as Group Chief Risk Officer, from 1 January 2024 to 25 April 2024.

Arrie Rautenbach ceased to be Group Chief Executive Officer and executive director on 15 October 2024. His fixed remuneration is pro-rated for the period served as an executive director during 2024, and no short-term incentive and long-term incentive awards were granted to him. The value of vested long-term incentives and dividend equivalents reflect those that were released prior to the date upon which he ceased to be an executive director.

Christopher Snyman was the Interim Group Financial Director and executive director from 22 November 2023 to 26 April 2024. His fixed remuneration is pro-rated for the period served as an executive director during 2024, with the short-term incentive and long-term incentive awards shown at full value. The short-term incentive in 2024 therefore also includes a portion of the award in the year for his role as Head of Group Financial Decision Support, which was neither an executive director nor a prescribed officer role.

The Totals reflected for 2024 have been amended based on the movement of Charles Russon's remuneration information from the executive directors tables into the prescribed officer tables.

## Remuneration tables continued

Prescribed officers Awarded Remuneration	Charles Russon		Christine Wu		Faisal Mkhize		Geoffrey Lee		Saviour Chibiya		Yasmin Masithela		Mike Harvey		Cowyk Fox		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Salary	5 892 756	6 456 843	5 407 749	3 432 613	5 485 530	5 290 586	5 589 946	5 388 968	2 751 099	3 403 037	4 500 856	1 320 277	1 641 966			1 573 564	31 269 902	26 865 888
Medical Aid	212 984	245 940			205 284	162 101	325 893	270 360	351 228	463 636	133 538	36 585	100 582			30 613	1 329 509	1 209 235
Retirement benefits	154 665	196 856	402 547	255 463	423 616	405 801	198 591	199 160	440 176	486 264	140 290	41 957	57 296			62 078	1 817 181	1 647 579
Other employee benefits	69 596	72 606	74 017	46 640	68 070	64 012	68 070	64 012	1 432 231	1 757 638	46 426	13 414	20 156			19 339	1 778 566	2 037 661
<b>Total fixed remuneration</b>	<b>6 330 001</b>	<b>6 972 245</b>	<b>5 884 313</b>	<b>3 734 716</b>	<b>6 182 500</b>	<b>5 922 500</b>	<b>6 182 500</b>	<b>5 922 500</b>	<b>4 974 734</b>	<b>6 110 576</b>	<b>4 821 110</b>	<b>1 412 233</b>	<b>1 820 000</b>			<b>1 685 594</b>	<b>36 195 158</b>	<b>31 760 364</b>
Cash award	9 000 000	7 250 000	4 500 000	2 600 000	2 000 000	2 875 000	5 250 000	3 610 000	5 000 000	3 250 000	6 000 000	6 600 000	8 750 000				40 500 000	26 185 000
Deferred share award	8 000 000	6 250 000	3 500 000	1 600 000	1 000 000	1 875 000	4 250 000	2 610 000	4 000 000	2 250 000	5 000 000	5 600 000	7 750 000				33 500 000	20 185 000
<b>Total short-term incentives</b>	<b>17 000 000</b>	<b>13 500 000</b>	<b>8 000 000</b>	<b>4 200 000</b>	<b>3 000 000</b>	<b>4 750 000</b>	<b>9 500 000</b>	<b>6 220 000</b>	<b>9 000 000</b>	<b>5 500 000</b>	<b>11 000 000</b>	<b>12 200 000</b>	<b>16 500 000</b>				<b>74 000 000</b>	<b>46 370 000</b>
Face value of long term incentive award (on-target award)	16 000 000	15 000 000	8 500 000	8 500 000	8 500 000	8 500 000	8 500 000	8 500 000	8 200 000	8 500 000	8 700 000	6 500 000	6 500 000				64 900 000	55 500 000
<b>Total awarded remuneration</b>	<b>39 330 001</b>	<b>35 472 245</b>	<b>22 384 313</b>	<b>16 434 716</b>	<b>17 682 500</b>	<b>19 172 500</b>	<b>24 182 500</b>	<b>20 642 500</b>	<b>22 174 734</b>	<b>20 110 576</b>	<b>24 521 110</b>	<b>20 112 233</b>	<b>24 820 000</b>			<b>1 685 594</b>	<b>175 095 158</b>	<b>133 630 364</b>

## Remuneration tables continued

The cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2025 and March 2026 in respect of prior year performance.

The deferred share award is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2025 for the 2024 short-term incentive award, and will be granted in April 2026 for 2025 performance.

Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's remuneration policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period (three years).

The long-term incentives relate to awards which have future Group performance criteria that will determine the final vesting outcome, in addition to a continued service condition. This is the 'on-target' value of the award.

Other employee benefits include any encashment of leave.

Total awarded remuneration for 2025 includes the fixed remuneration paid during 2025, the total short-term incentive award in respect of prior year performance (consisting of a cash award paid in March 2026 and a deferred share award granted in April 2026), and the face value of the long-term incentive award to be granted in April 2026. Amounts disclosed in 2024 follow the same principle. See notes below regarding the pro-ration of fixed remuneration for individuals who were not in their roles for the full year.

Charles Russon was appointed as the Interim Group Chief Executive Officer and an executive director on 15 October 2024, prior to which he was a prescribed officer for 2023 and from 1 January to 14 October 2024. He was appointed as Group Executive: Africa Regions effective 1 September 2025. His fixed remuneration is disclosed only for the period during which he served as a prescribed officer or executive director and has accordingly been pro-rated, while his variable remuneration has been disclosed at full value for the year. His remuneration for both 2024 and 2025 has accordingly been included in the prescribed officer table for 2025 for ease of reference, and the 2024 remuneration remains unchanged relative to what was previously published.

Christine Wu was appointed as Chief Executive: Everyday Banking and prescribed officer on 26 April 2024. Her fixed remuneration is pro-rated for the period served as a prescribed officer during 2024, with the short-term incentive and long-term incentive awards shown at full value for that period, which therefore include a portion of the award for her performance as Managing Executive: Consumer Products which was not a prescribed officer role.

Yasmin Masithela was appointed as Interim Chief Executive: Corporate and Investment Banking and a prescribed officer on 15 October 2024 until 16 April 2025. Subsequent to that, Mike Harvey was appointed as the Interim Chief Executive: Corporate and Investment Banking and prescribed officer on 17 April 2025 until 31 July 2025. Yasmin Masithela, who had stepped down temporarily due to ill health, was re-appointed to this role on 1 August 2025. Their fixed remuneration is pro-rated for the periods served as prescribed officers. Yasmin Masithela's short-term incentive and long-term incentive awards are shown at full value, which for 2024 includes a portion of the award for her performance, respectively, as Managing Executive: Transactional Banking, which is not a prescribed officer role and as Interim Chief Executive: Corporate and Investment Banking, a prescribed officer role. Mike Harvey's 2025 full year variable remuneration is disclosed which includes the portion of the award made for his performance as Managing Executive: Investment Banking, which is not a prescribed officer role.

Saviour Chibiya's ceased to be prescribed officer on 31 August 2025. His fixed remuneration is pro-rated for the period served as prescribed officer during 2025. The full-year value of his variable remuneration is disclosed.

Cowyk Fox ceased to be Chief Executive: Everyday Banking and prescribed officer on 22 April 2024. His fixed remuneration is pro-rated for the period served as prescribed officer during 2024, and no short-term incentive and long-term incentive awards were granted to him.

The Totals reflected for 2024 have been amended based on the movement of Charles Russon's remuneration information into the prescribed officer tables from the executive director tables.

## Remuneration tables continued

Prescribed officers Single Figure Remuneration	Charles Russon		Christine Wu		Faisal Mkhize		Geoffrey Lee		Saviour Chibiya		Yasmin Masithela		Mike Harvey		Cowyk Fox		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Salary	5 892 756	6 456 843	5 407 749	3 432 613	5 485 530	5 290 586	5 589 946	5 388 968	2 751 099	3 403 037	4 500 856	1 320 277	1 641 966			1 573 564	31 269 902	26 865 888
Medical Aid	212 984	245 940			205 284	162 101	325 893	270 360	351 228	463 636	133 538	36 585	100 582			30 613	1 329 509	1 209 235
Retirement benefits	154 665	196 856	402 547	255 463	423 616	405 801	198 591	199 160	440 176	486 264	140 290	41 957	57 296			62 078	1 817 181	1 647 579
Other employee benefits	69 596	72 606	74 017	46 640	68 070	64 012	68 070	64 012	1 432 231	1 757 638	46 426	13 414	20 156			19 339	1 778 566	2 037 661
<b>Total fixed remuneration</b>	<b>6 330 001</b>	<b>6 972 245</b>	<b>5 884 313</b>	<b>3 734 716</b>	<b>6 182 500</b>	<b>5 922 500</b>	<b>6 182 500</b>	<b>5 922 500</b>	<b>4 974 734</b>	<b>6 110 576</b>	<b>4 821 110</b>	<b>1 412 233</b>	<b>1 820 000</b>			<b>1 685 594</b>	<b>36 195 158</b>	<b>31 760 364</b>
Cash award	9 000 000	7 250 000	4 500 000	2 600 000	2 000 000	2 875 000	5 250 000	3 610 000	5 000 000	3 250 000	6 000 000	6 600 000	8 750 000				40 500 000	26 185 000
Deferred share award	8 000 000	6 250 000	3 500 000	1 600 000	1 000 000	1 875 000	4 250 000	2 610 000	4 000 000	2 250 000	5 000 000	5 600 000	7 750 000				33 500 000	20 185 000
<b>Total short-term incentives</b>	<b>17 000 000</b>	<b>13 500 000</b>	<b>8 000 000</b>	<b>4 200 000</b>	<b>3 000 000</b>	<b>4 750 000</b>	<b>9 500 000</b>	<b>6 220 000</b>	<b>9 000 000</b>	<b>5 500 000</b>	<b>11 000 000</b>	<b>12 200 000</b>	<b>16 500 000</b>				<b>74 000 000</b>	<b>46 370 000</b>
Value of vested long-term incentives	7 957 627	7 142 932	2 929 777	2 857 096	6 149 070	6 009 009	6 149 070	6 009 009	6 149 070	4 285 708	3 255 351	2 857 096	3 255 351				35 845 316	29 160 850
Dividend equivalents/ service credits received on vesting awards	5 187 706	2 154 071	933 633	851 936	1 918 608	783 176	1 949 169	799 929	1 452 101	906 566	1 496 422	1 032 434	1 840 817			869 564	14 778 456	7 397 676
<b>Total long-term incentives</b>	<b>13 145 333</b>	<b>9 297 003</b>	<b>3 863 410</b>	<b>3 709 032</b>	<b>8 067 678</b>	<b>6 792 185</b>	<b>8 098 239</b>	<b>6 808 938</b>	<b>7 601 171</b>	<b>5 192 274</b>	<b>4 751 773</b>	<b>3 889 530</b>	<b>5 096 168</b>			<b>869 564</b>	<b>50 623 772</b>	<b>36 558 526</b>
<b>Total single figure remuneration</b>	<b>36 475 334</b>	<b>29 769 248</b>	<b>17 747 723</b>	<b>11 643 748</b>	<b>17 250 178</b>	<b>17 464 685</b>	<b>23 780 739</b>	<b>18 951 438</b>	<b>21 575 905</b>	<b>16 802 850</b>	<b>20 572 883</b>	<b>17 501 763</b>	<b>23 416 168</b>			<b>2 555 158</b>	<b>160 818 930</b>	<b>114 688 890</b>

## Remuneration tables continued

The cash award is the portion of the short-term incentive award not subject to deferral, paid in cash in March 2025 and March 2026 in respect of prior year performance.

The deferred share award is the portion of the short-term incentive award that is subject to deferral into Absa Group shares on 50% of the portion that exceeds R1m. Deferred awards were granted in April 2025 for the 2024 short-term incentive award, and will be granted in April 2026 for 2025 performance.

Short-term incentives are not defined as incentives that are settled in the next 12 months after the reporting period, but rather represent the category of performance-based awards (comprising a cash payment and a deferred award) per the Group's remuneration policy, to which no future performance targets apply. The only conditions attached to deferred short-term incentives relate to the continued service requirements over the vesting period (three years).

The 2023 long-term incentive, which vests in respect of the performance period ending 31 December 2025, is included in the 2025 single-figure remuneration for executive directors and prescribed officers. The actual value of the vesting to accrue to each participant will be based on the share price on vesting date and will include any dividend shares (based on dividends declared during the vesting period, and referenced to the number of shares that will vest following application of the performance targets). For the purpose of the 2025 and 2024 disclosures, values are reported using the 31 December share price for the respective years, as the publication date of the Annual Financial Statements was before the vesting date in each instance.

Total single figure remuneration includes, for each year respectively, the fixed remuneration paid during 2024 and 2025, short-term incentives in respect of 2024 and 2025 performance (consisting of a cash award paid in March 2025 and March 2026, and a deferred share award granted in April 2025 and April 2026), and long-term incentive awards (consisting of the value of vested long-term incentives and dividend equivalents/service credits received on the vesting dates).

Charles Russon was appointed as the Interim Group Chief Executive Officer and an executive director on 15 October 2024, prior to which he was a prescribed officer for 2023 and from 1 January to 14 October 2024. He was appointed as Group Executive: Africa Regions effective 1 September 2025. His fixed remuneration is disclosed only for the period during which he served as a prescribed officer or executive director and has accordingly been pro-rated, while his variable remuneration has been disclosed at full value for the year.

Christine Wu was appointed as Chief Executive: Everyday Banking and prescribed officer on 26 April 2024. Her fixed remuneration is pro-rated for the period served as a prescribed officer during 2024, with the short-term incentive and long-term incentive awards shown at full value for that period, which therefore include a portion of the award for her performance as Managing Executive: Consumer Products which was not a prescribed officer role.

Yasmin Masithela was appointed as Interim Chief Executive: Corporate and Investment Banking and a prescribed officer on 15 October 2024 until 16 April 2025. Subsequent to that, Mike Harvey was appointed as the interim Chief Executive: Corporate and Investment Banking and prescribed officer on 17 April 2025 until 31 July 2025. Yasmin Masithela, who had stepped down temporarily due to ill health, was re-appointed to this role on 1 August 2025. Their fixed remuneration is pro-rated for the periods served as prescribed officers. Yasmin Masithela's short-term incentive and long-term incentive awards are shown at full value, which for 2024 includes a portion of the award for her performance, respectively, as Managing Executive: Transactional Banking, which is not a prescribed officer role and as Interim Chief Executive: Corporate and Investment Banking, a prescribed officer role. Mike Harvey's 2025 full year variable remuneration is disclosed which includes the portion in respect of his role as Managing Executive: Investment Banking, which is not a prescribed officer role.

Saviour Chibiya's ceased to be prescribed officer on 31 August 2025. His fixed remuneration is pro-rated for the period served as prescribed officer during 2025, with the short-term incentive and long-term incentive awards shown at full value.

Cowyk Fox ceased to be Chief Executive: Everyday Banking and prescribed officer on 22 April 2024. His fixed remuneration is pro-rated for the period served as prescribed officer during 2024, and no short-term incentive and long-term incentive awards were granted to him.

The Totals reflected for 2024 have been amended based on the movement of Charles Russon's remuneration information into the prescribed officer tables from the executive director tables.

# Abbreviations and glossary

## Abbreviations

<b>AFS</b>	Group Consolidated and Separate Annual Financial Statements
<b>AGM</b>	Annual general meeting
<b>AI</b>	Artificial intelligence
<b>AIC</b>	African, Indian, and Coloured
<b>AR</b>	Africa Region segment of the Group
<b>AR PPB &amp; BB</b>	Africa Region Personal and Private Banking and Business Banking operating segment of the Group
<b>ARO RBB</b>	Absa Regional Operations Relationship and Business Banking
<b>BB</b>	Business Banking operating segment of the Group
<b>B-BBEE</b>	Broad-based black economic empowerment
<b>BNPL</b>	Buy-now-pay-later
<b>CBDC</b>	Central bank digital currencies
<b>CEBS</b>	Colleague experience benchmark score
<b>CEI</b>	Colleague experience index score
<b>CET1</b>	Common equity tier 1
<b>CIB</b>	The Corporate and Investment Bank pan-Africa operating segment of the Group
<b>CLR</b>	Credit loss ratio
<b>CPI</b>	Consumer price index
<b>CTI</b>	Cost-to-income
<b>CX</b>	Customer experience
<b>CXI</b>	Customer experience index
<b>DAC</b>	Directors' Affairs Committee
<b>DC</b>	Disclosure Committee
<b>DFFE</b>	Department of Forestry, Fisheries and the Environment
<b>DOLE</b>	Department of Labour and Employment
<b>EB</b>	Everyday Banking
<b>ELIB</b>	Entry-level and inclusive banking
<b>ERC</b>	Executive Risk Committee
<b>ERMF</b>	Enterprise Risk Management Framework
<b>ESG</b>	Environmental, social and governance
<b>EVP</b>	Employee value proposition
<b>FATF</b>	Financial Action Task Force
<b>FX</b>	Foreign Exchange
<b>FSCA</b>	Financial Sector Conduct Authority
<b>GACC</b>	Group Audit and Compliance Committee
<b>GCRC</b>	Group Credit Risk Committee

<b>GenAI</b>	Generative AI
<b>GRCMC</b>	Group Risk and Capital Management Committee
<b>IEC</b>	International Electrotechnical Commission
<b>IFC</b>	International Finance Corporation
<b>IFRS</b>	International Financial Reporting Standards
<b>IoDSA</b>	The Institute of Directors in South Africa NPC
<b>ISO</b>	International Organization for Standardization
<b>ISSB</b>	International Sustainability Standards Board
<b>ITC</b>	Information Technology Committee
<b>JIBAR</b>	Johannesburg interbank average rate
<b>JSE</b>	Johannesburg Stock Exchange
<b>KYC</b>	Know Your Customer
<b>LLM</b>	Large language models
<b>LTI</b>	Long-term incentives
<b>MAP</b>	Model Analytics Platform
<b>MC</b>	Models Committee
<b>MPIF</b>	Monetary Policy Implementation Framework
<b>NII</b>	Net interest income
<b>NIR</b>	Non-interest revenue
<b>PA</b>	Prudential Authority
<b>PoS</b>	Point-of-sale
<b>PPB</b>	Personal and Private Banking operating segment of the Group
<b>PSC</b>	Product Solutions Cluster
<b>RemCo</b>	Remuneration Committee
<b>RMCP</b>	Risk Management and Compliance Programme
<b>RoE</b>	Return on equity
<b>SA</b>	South Africa
<b>SARB</b>	South African Reserve Bank
<b>SSEC</b>	Social, Sustainability and Ethics Committee
<b>SSO</b>	Single sign-on
<b>TCF</b>	Treating Customers Fairly
<b>UK</b>	United Kingdom
<b>US</b>	United States
<b>ZARONIA</b>	South African rand overnight index average rate

## Abbreviations and glossary continued

### Glossary

<b>Credit risk</b>	Credit risk is defined as the risk of suffering financial loss due to a borrower, a counterparty to a derivative transaction, or an issuer of debt securities defaulting on its contractual obligations.
<b>Capital and liquidity risk</b>	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.
<b>Market risk</b>	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.
<b>Insurance risk</b>	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.
<b>Model risk</b>	The risk of the potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and reports.
<b>Operational and resilience risk</b>	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.
<b>Compliance risk</b>	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.
<b>Strategic, sustainability and reputation risk</b>	The risk of losses arising from potential changes in the general business conditions and competitive market environment driven by strategic, sustainability and reputation factors.
<b>Financial capital (FC)</b>	The pool of funds that is available to an organisation for use in the production of goods or the provision of services obtained through financing, such as debt, equity or grants, or generated through operations or investments.
<b>Human capital (HC)</b>	People's competencies, capabilities and experience, and their motivations to innovate, including their alignment with and support for an organisation's governance framework, risk management approach, and ethical values, ability to understand, develop and implement an organisation's strategy and loyalties and motivations for improving processes, goods and services, including their ability to lead, manage and collaborate.
<b>Intellectual capital (IC)</b>	Organisational, knowledge-based intangibles, including Intellectual property, such as patents, copyrights, software, rights, and licences and "organisational capital" such as tacit knowledge, systems, procedures, and protocols.
<b>Manufactured capital (MC)</b>	Manufactured physical objects (as distinct from natural physical objects) that are available to an organisation for use in the production of goods or the provision of services, including buildings, equipment and infrastructure (such as roads, ports, bridges, and waste and water treatment plants).

<b>Natural capital (NC)</b>	All renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organisation. It includes air, water, land, minerals and forests, biodiversity and ecosystem health.
<b>Social and relationship capital (SRC)</b>	The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective wellbeing. Social and relationship capital includes shared norms, and common values and behaviours, key stakeholder relationships, and the trust and willingness to engage that an organisation has developed and strives to build and protect with external stakeholders, intangibles associated with the brand and reputation that an organisation has developed and an organisation's social licence to operate.
<b>Six capitals</b>	The capitals identified by the International Integrated Reporting Framework, 2021 are: financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital. Together they represent stores of value that are the basis of an organisation's value creation.

## Shareholder diary and information

### Shareholder diary

Financial year end	31 December 2025
Annual general meeting <sup>1</sup>	2 June 2026
Dividend declaration date	10 March 2026
Last day to trade cum dividend	21 April 2026
Ex-dividend date	22 April 2026
Record date	24 April 2026
Dividend payment date	28 April 2026
2026 Interim results <sup>1</sup>	18 August 2026

<sup>1</sup> Subject to change.

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