Your story matters

Absa Group Limited

1H26
Financial results

Investor presentation

18 August 2026

Your story matters

absa

Kenny Fihla

Group Chief Executive Officer

Unlocking the full potential of the franchise through focused execution

OUR PURPOSE **Empowering Africa's Tomorrow, Together… One Story at a Time**

OUR AMBITION **To be a leading pan-African bank**

OUR STRATEGIC PILLARS

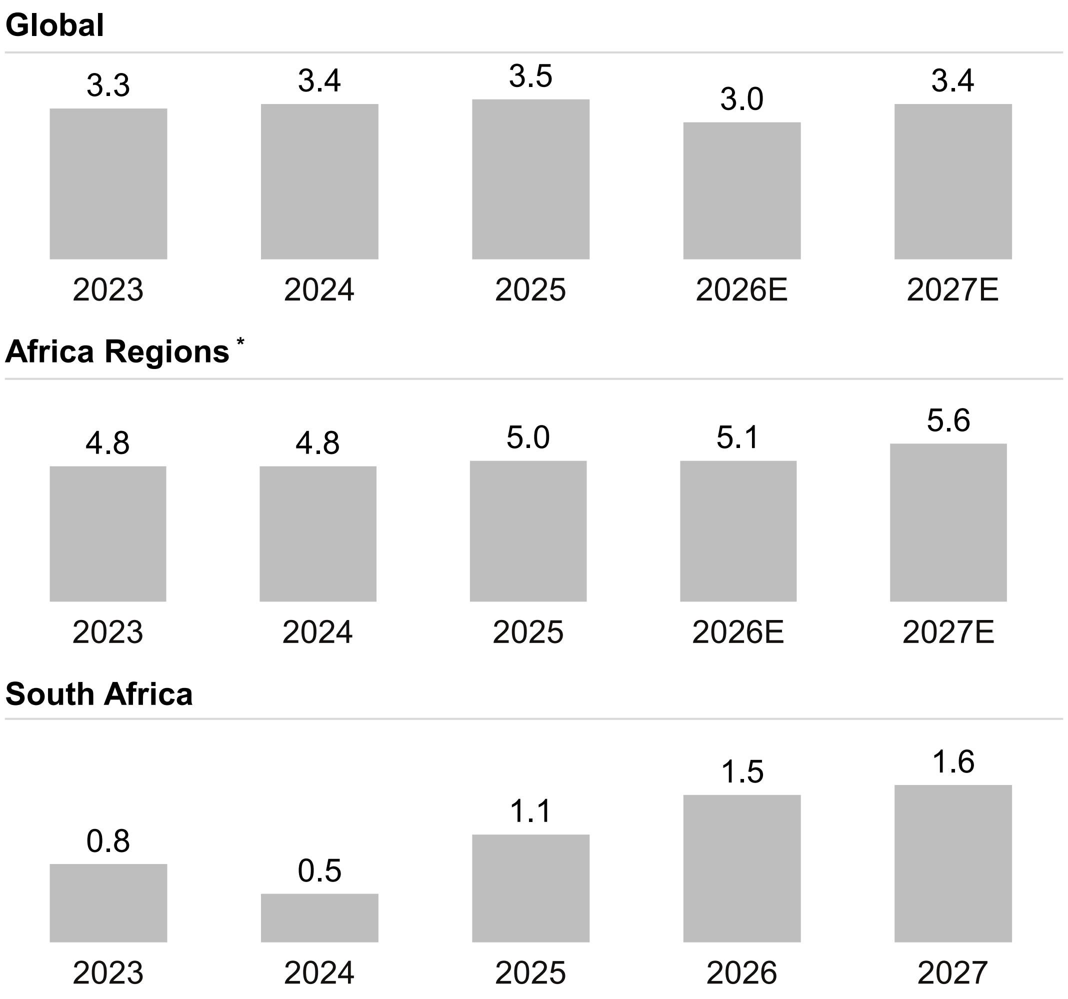
- CUSTOMER-LED GROWTH
- DIVERSIFIED, PAN-AFRICAN BUSINESS
- DRIVE EXCELLENCE
- NEW GROWTH OPPORTUNITES

ENABLED BY

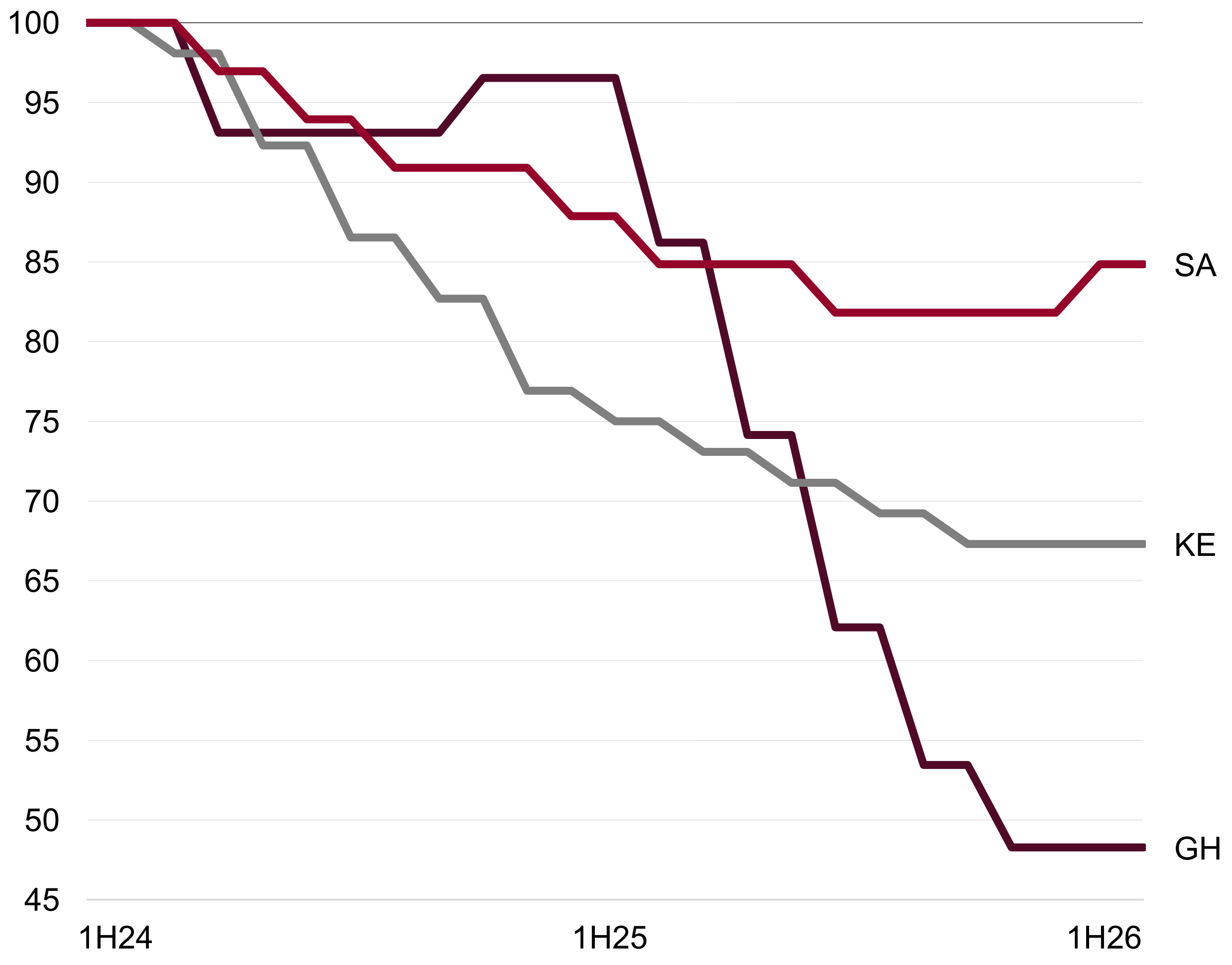
- DEEPENING TALENT & SUCCESSION
- STRONG LEADERSHIP & ORGANISATIONAL RESILIENCE
- CULTURE FOR COMPETITIVE ADVANTAGE

Our chosen markets remained resilient despite global uncertainty

GDP growth (%) – Global vs. South Africa vs. Africa Regions



Interest rate movement across selected markets (Indexed)



Note: * Weighted across our markets

Solid 1H26 performance, with 8% earnings growth and RoE improving to 15%

Earnings

Headline Earnings	+8%	R12.8bn in 1H26
Revenue	+4%	R58.8bn in 1H26
Return on Equity	15.0%	From 14.8% in 1H25
Net Interest Income	+3%	R37.4bn in 1H26
Cost-to-Income	53.4%	From 53.2% in 1H25
Non-Interest Income	+6%	R21.4bn in 1H26

Balance sheet

Common Equity Tier 1	12.8%	From 12.5% in 1H25
Loans Growth	+6%	R1.5tn in 1H26
Customer deposits	+5%	R1.5tn in 1H26

Shareholder returns

Dividends per share	+8%	850c in 1H26
Net asset value per share	+5%	20 968c in 1H26

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Strong client franchise momentum, with South Africa and key businesses delivering encouraging growth

Business unit	Earnings (Rbn) 1H25	Earnings (Rbn) 1H26	Growth	RoE (%)	Regional earnings	
Personal and Private Banking	3.7	4.1	12%	**15.2** (13.9% 1H25)	**+10%**	**+23%** +36% CCY
Business Banking	2.6	2.7	5%	**24.6** (23.1% 1H25)	**+10%**	**(18%)** (16%) CCY
Corporate and Investment Banking	6.1	6.2	1%	**19.2** (20.6% 1H25)	**+13%**	**(12%)** (11%) CCY

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Client-led growth | The client franchise is starting to respond which further builds our conviction

We continue to grow and engage with customers

Personal and Private Banking

Growth

+5%
Active Customers 11.6mn

Engagement

+15% Digitally active customers | 5.4m

+21% SA Reward customers | 2.9m

+19% SA VAS transactions | 61.6m

Business Banking

Growth

+3%
Active customers 492k

Engagement

+9%
Digitally active customers 280k

2.63 (+4%)
Average product per customer

Clients trust us for solutions across the continent

Corporate and Investment Banking

+6% *Client revenue*

GEPF	United Capital Fertilizer	Pick n Pay
AUM of R3.5tn	**$350mn**	**R4.7bn**
Custody & Trustee	Mandated Lead Arranger, Bookrunner & Sole Underwriter	Equity Capital Raise and Joint Global Coordinator

Chery	Safaricom Ethiopia	Beaufort West, Middelpunt & Orkney Solar PV
R1.7bn	**$110mn**	
Manufacturing Plant Facility Finance	Term Loan	Joint Mandated Lead Arranger, Guarantee & Hedge Provider, Agent, Acc. Bank.

R31bn (+53%) *Sustainable finance mobilised*

Diversified Pan-African business | Broadening sources of earnings and growth is critical to building a more sustainable franchise

A diversifying Pan-African business

BU contribution As a percent of group headline earnings	**CIB** **47.5%** 49.4% in 1H25	**PPB** **31.5%** 29.5% in 1H25	**BB** **21.0%** 21.1% in 1H25
Geographic contribution As a percent of group headline earnings	**South Africa** **71.7%** 66.0% in 1H25	**Top 2 AR markets *** **11.5%** 16.8% in 1H25	**Rest** **16.8%** 17.2% in 1H25
Diversifying revenue Contribution to revenue	**Net interest income** **63.6%** 64.0% in 1H25	**Non-interest income** **36.4%** 36.0% in 1H25	

Note: * Kenya and Ghana

Drive excellence | Disciplined cost management is creating capacity to invest in our strategic priorities

Productivity and discipline

Managing cost growth to below inflation

- **Branch and channel optimisation** – automation, process improvements and workforce management
- **Tech & infrastructure** – corporate space optimisation, supplier management, decommissioning & licensing
- **Discretionary spending** – optimising discretionary spending e.g. consultancy and marketing costs

Investing for growth

We are still investing to achieve our strategy

- **Frontline talent** – targeted investment into revenue-generating positions, specialist roles and key leadership appointments
- **Digital modernisation** – investment into cloud, data, cybersecurity and Agentic AI
- **Once off costs** – 'investing' to remove fixed costs from our base

New growth opportunities | We are extending our reach, enhancing our relevance and creating value beyond traditional banking products

Bringing value to clients through partnerships

BYD

Paving the way for wider adoption of green solutions in the local passenger vehicles market, as well as working towards a shared goal of establishing of a green vehicle finance ecosystem.

EasyEquities

Providing over 13 million clients with a simpler, more seamless way to transact, grow and protect their wealth through our mobile app.

DHL

By combining DHL Express' logistics network with Absa's banking and digital capabilities, the partnership equips African entrepreneurs for cross-border trade and e-commerce growth.

Culture | Culture a key foundational enabler of our transformation and growth

Culture Vision

We are obsessed with delivering customer value with excellence. We own and take accountability for the outcomes. We win together.

Mindset shifts, to:

…delivering customer value

…being outcomes obsessed

…driving excellence and a winning mentality

- Strengthening leadership and deepening talent across the organisation
- Bringing leadership closer to every part of the organisation
- Fostering greater collaboration and teamwork
- Empowering our frontline teams to act and deliver in the interest of the customer
- A sharper focus on colleague experience and organisational health

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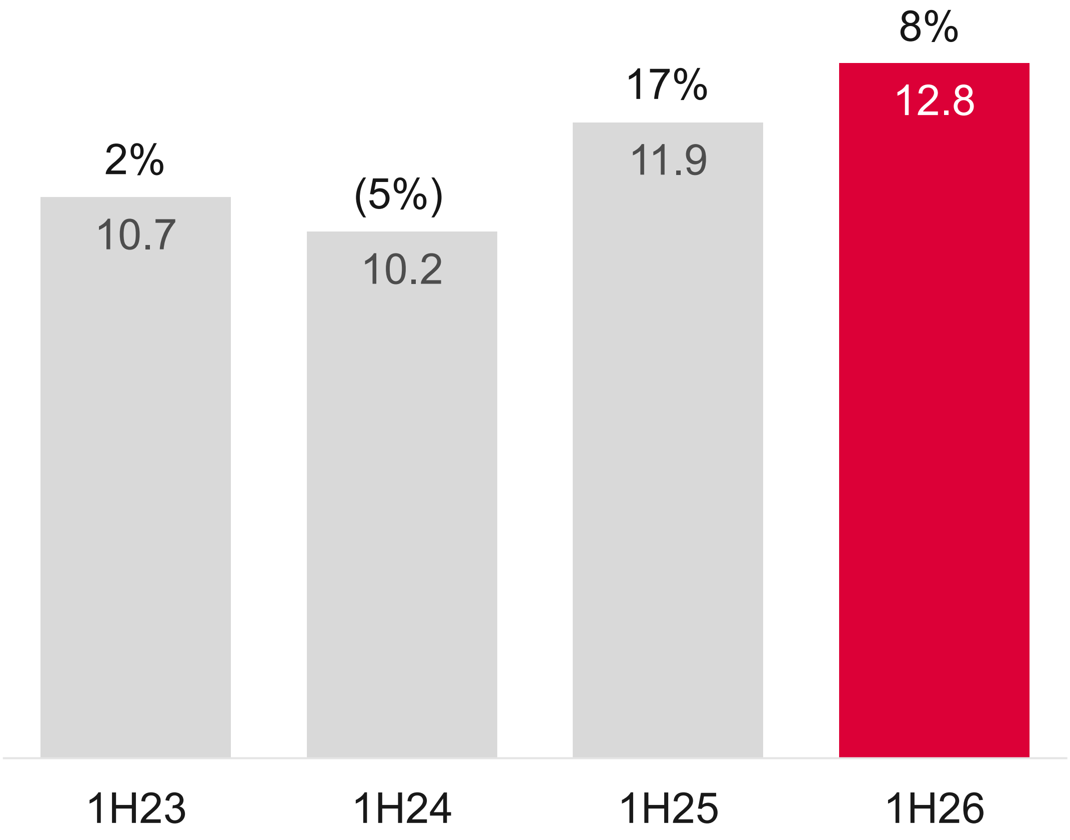
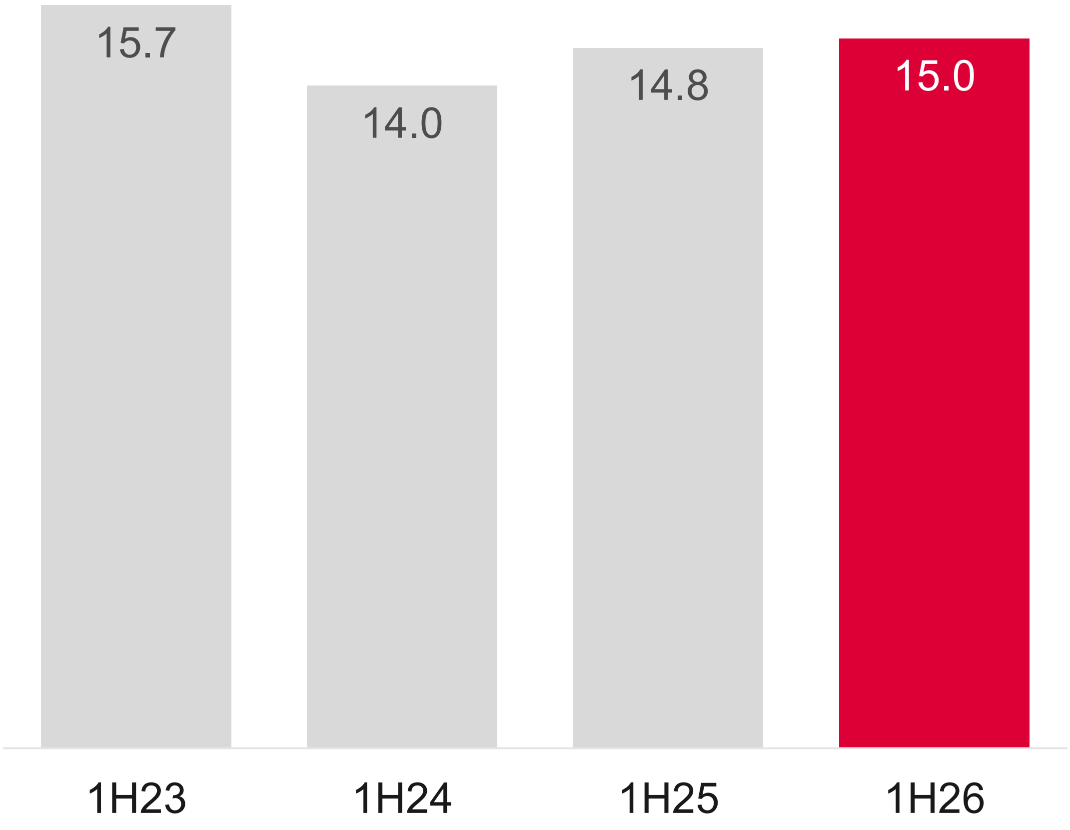
Deon Raju
Group Financial Director

Solid earnings growth improved RoE slightly

Headline earnings (Rbn)



RoE (%)



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Pre-provision profit growth and credit charge underpin earnings growth

	1H26 Rbn	1H25 Rbn	Change %	Change CCY %
Net interest income	37.4	36.3	3	5
Non-interest income	21.4	20.2	6	7
Total income	58.8	56.5	4	6
Operating expenses	(31.4)	(30.0)	4	6
Pre-provision profit	27.4	26.4	4	5
Credit impairment charge	7.1	7.2	(1)	1
Headline earnings	**12.8**	**11.9**	**8**	**9**
Diluted headline EPS (c)	1 517.1	1 422.9	7	
Dividend per share (c)	850	785	8	
Net interest margin (bps)	446	458		
Credit loss ratio (bps)	94	100		
Cost-to-income ratio (%)	53.4	53.2		
RoE (%)	15.0	14.8		
NAV per share (c)	20 968	20 048	5	
CET1 capital ratio (%)	12.8	12.5		

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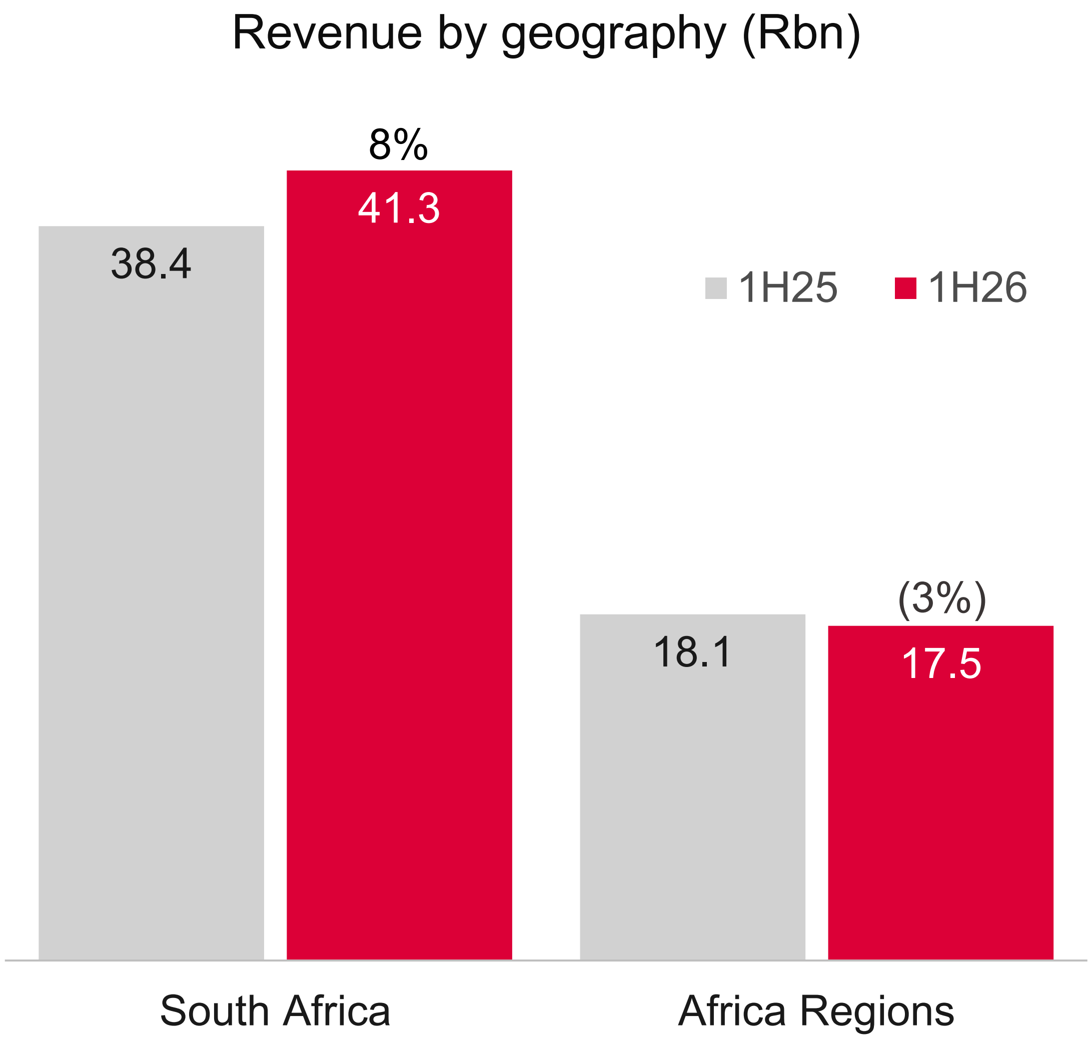
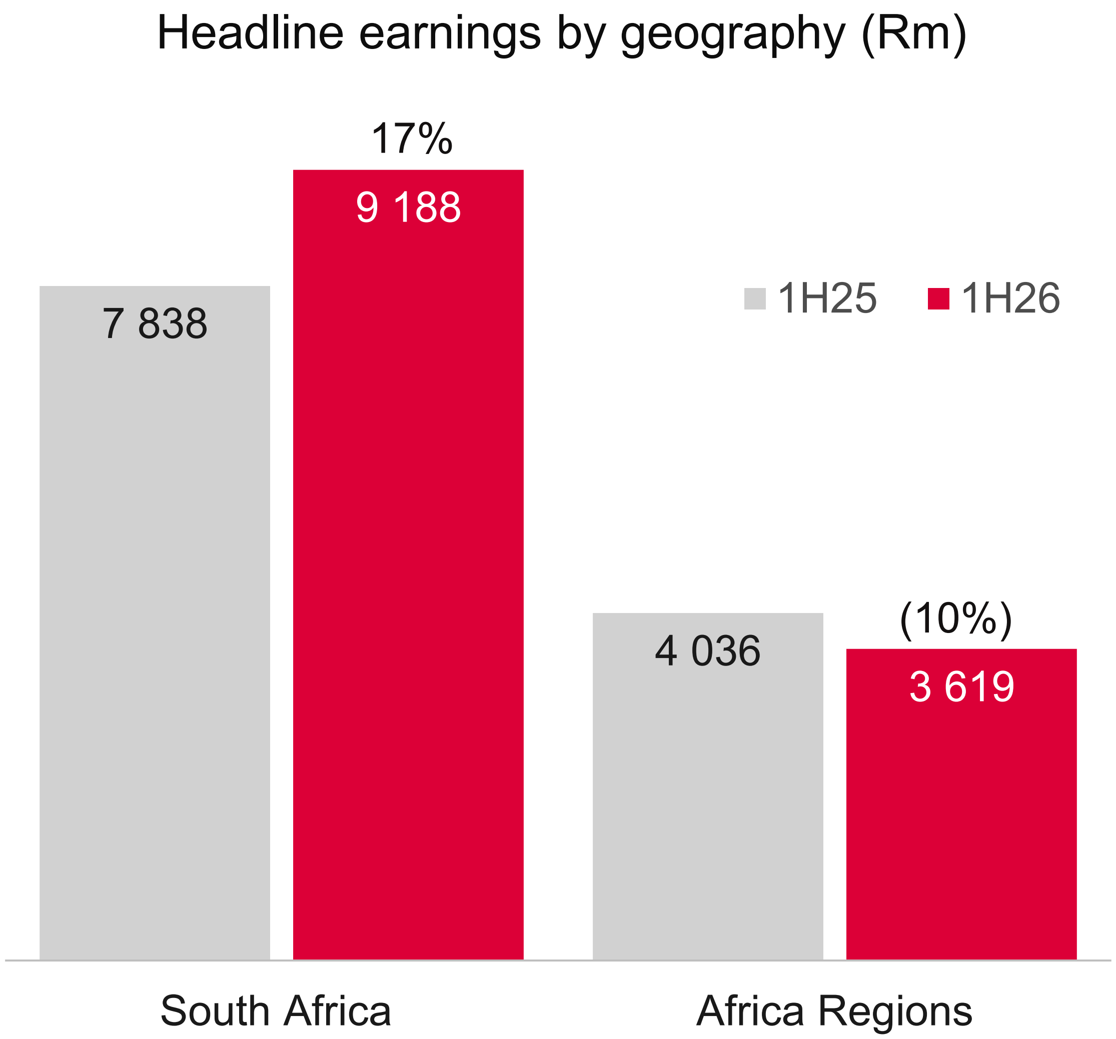
Strong South Africa earnings growth outweighs lower Africa Regions





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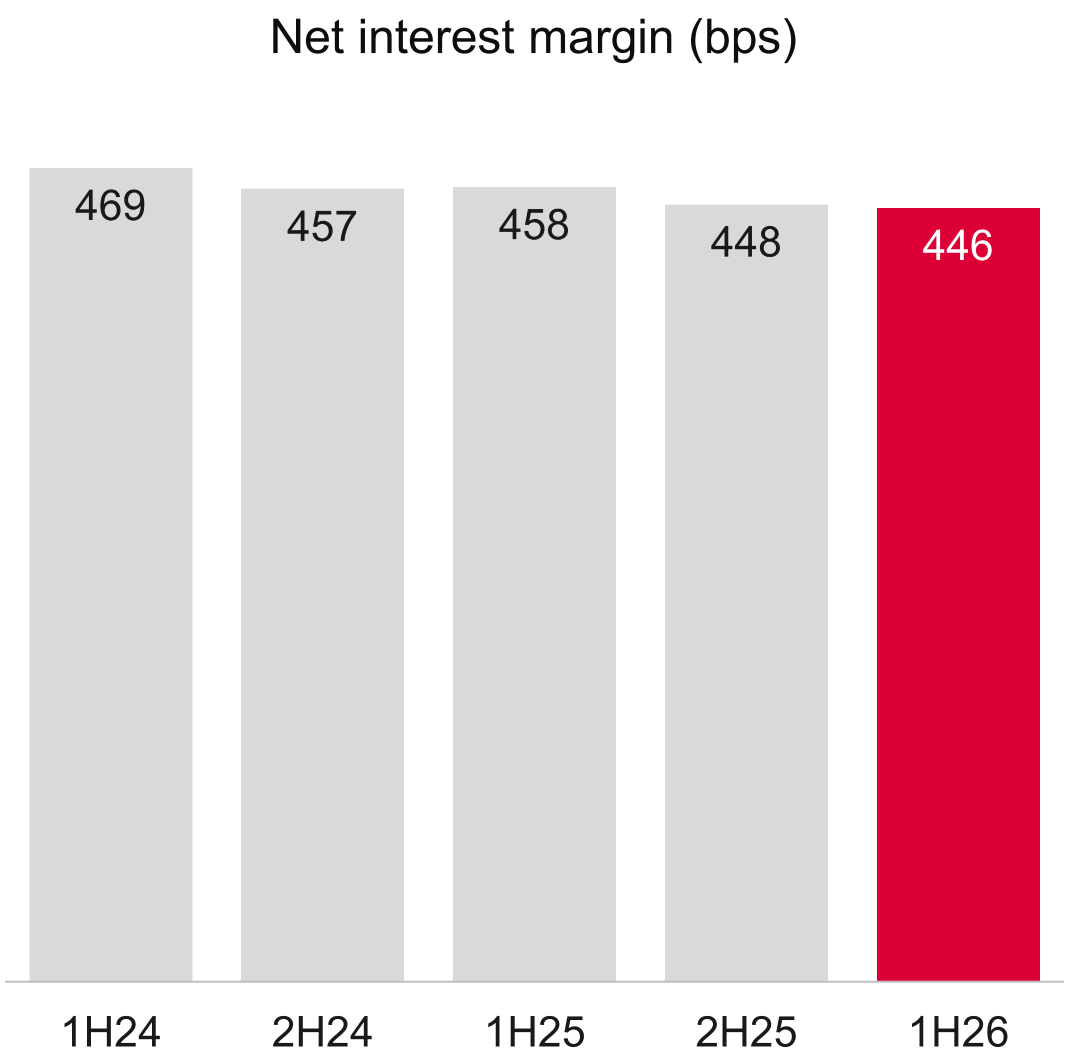
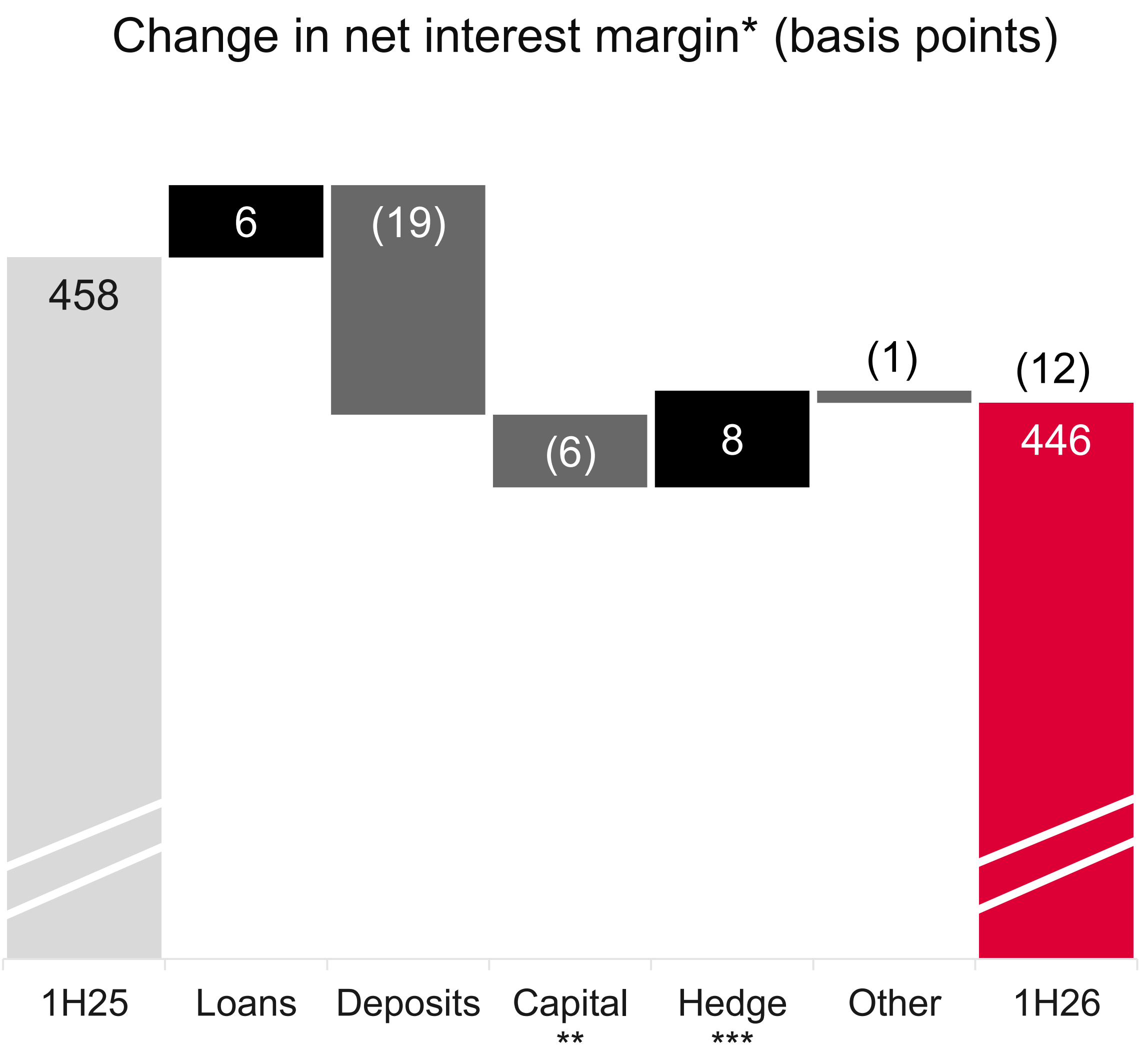
Lower policy rates a material drag on net interest margin

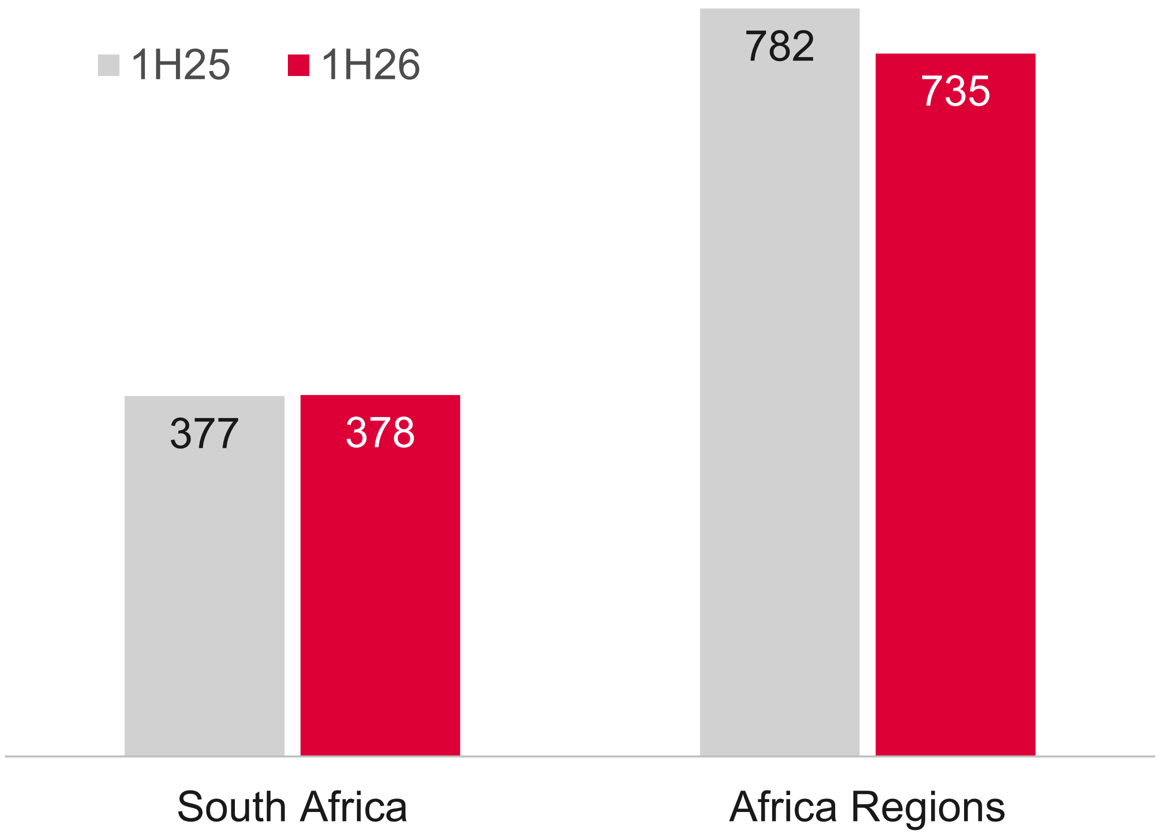




Note: * average interest bearing assets; ** group equity endowment; *** interest rate risk management

Stable SA margin given structural hedge

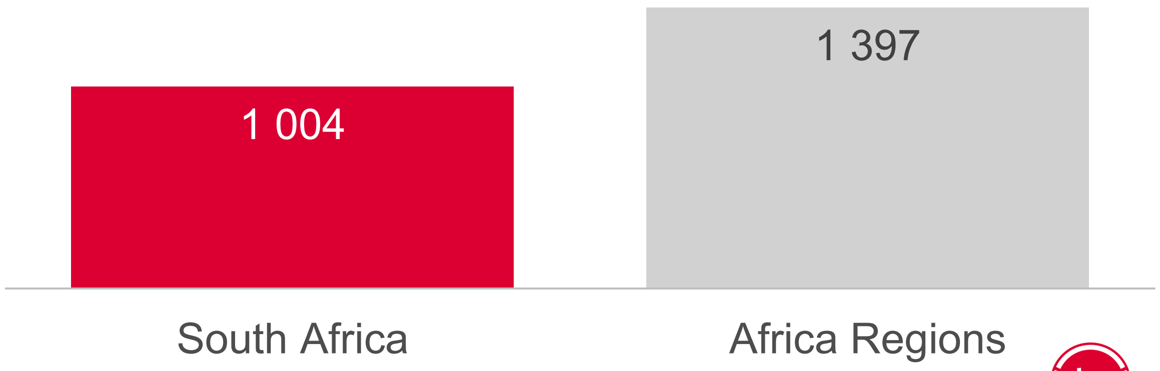
Net interest margin by geography (bps)



Equity and customer deposits (Rbn)

Split: 81% 19%

Banking book NII sensitivity 200bp rate cut (Rm)



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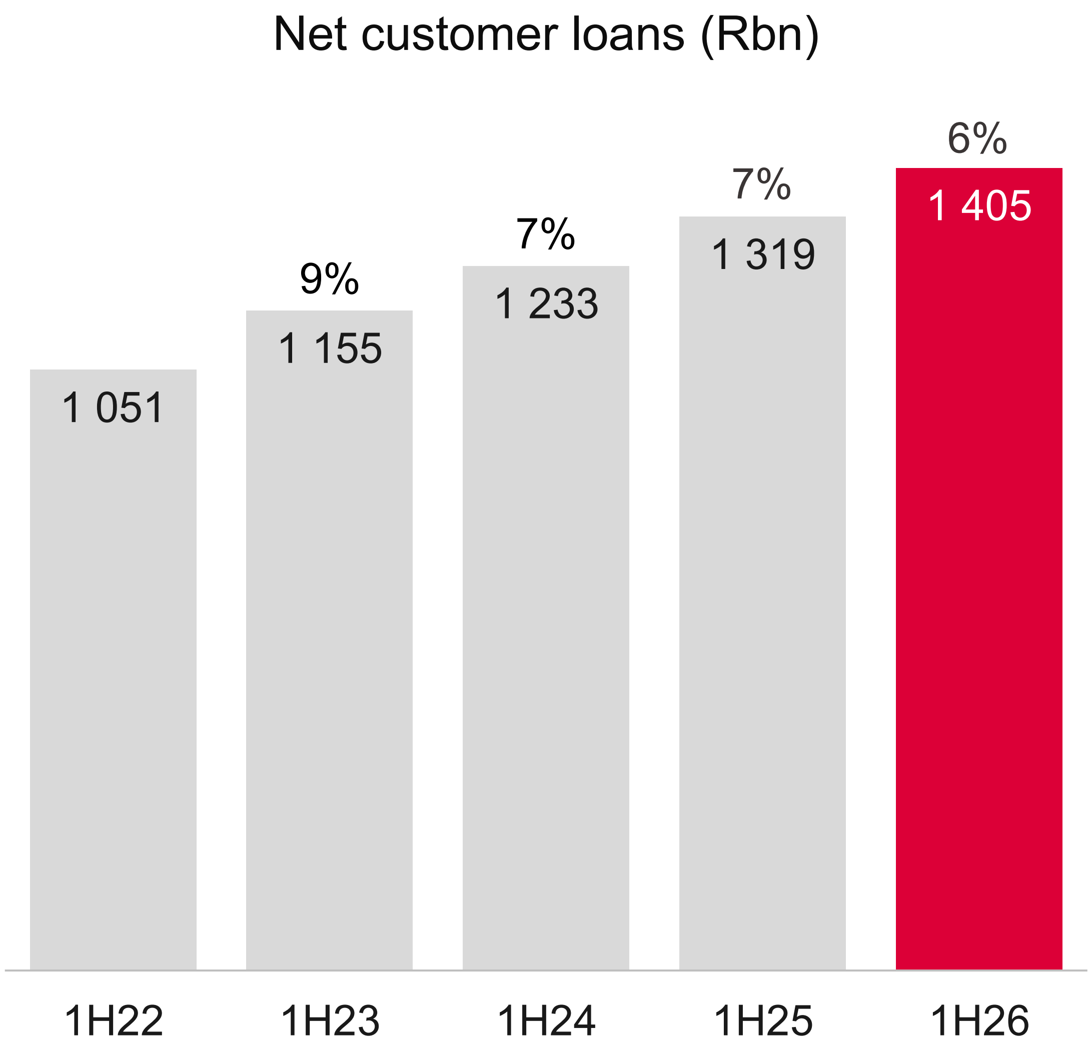
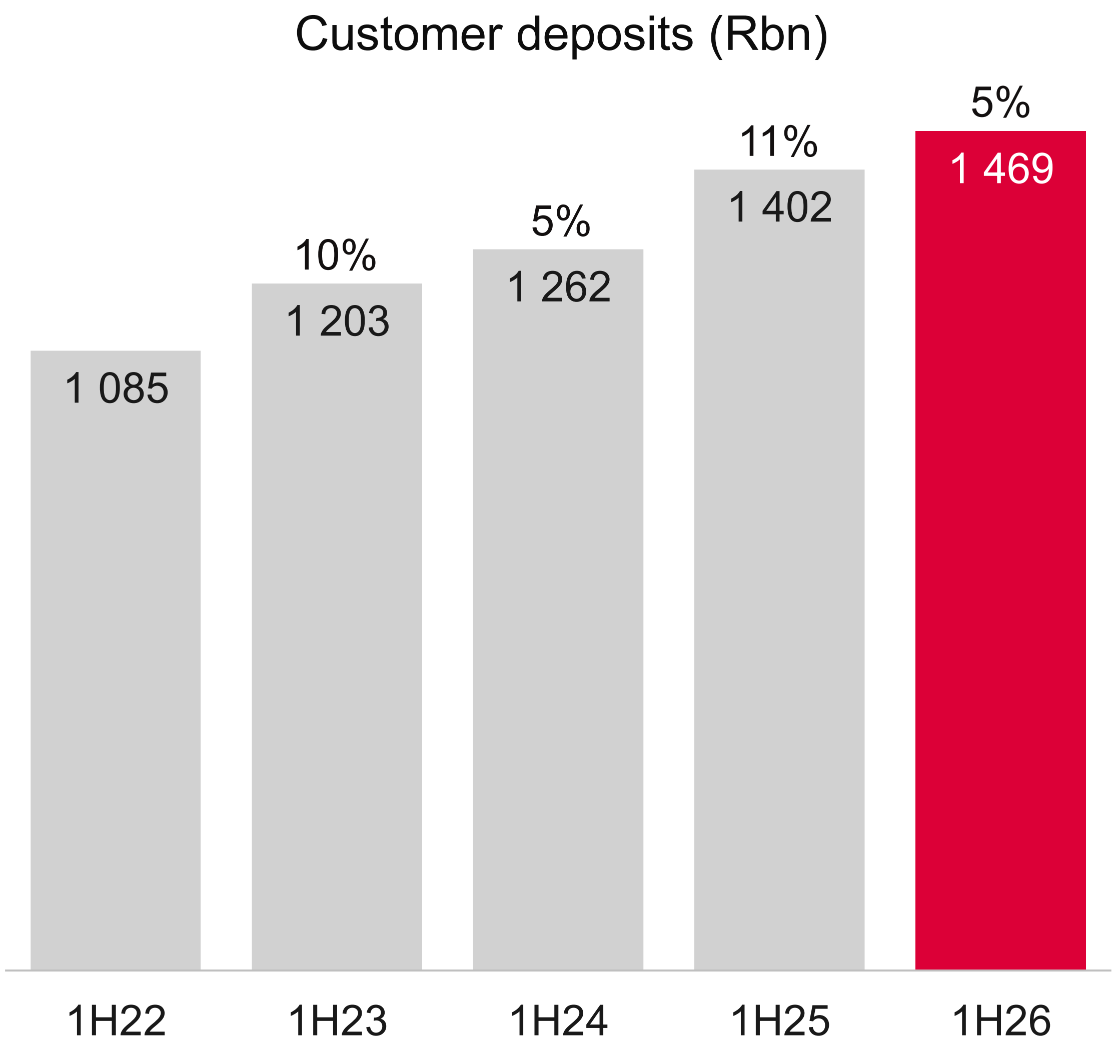
Balance sheet continues to grow





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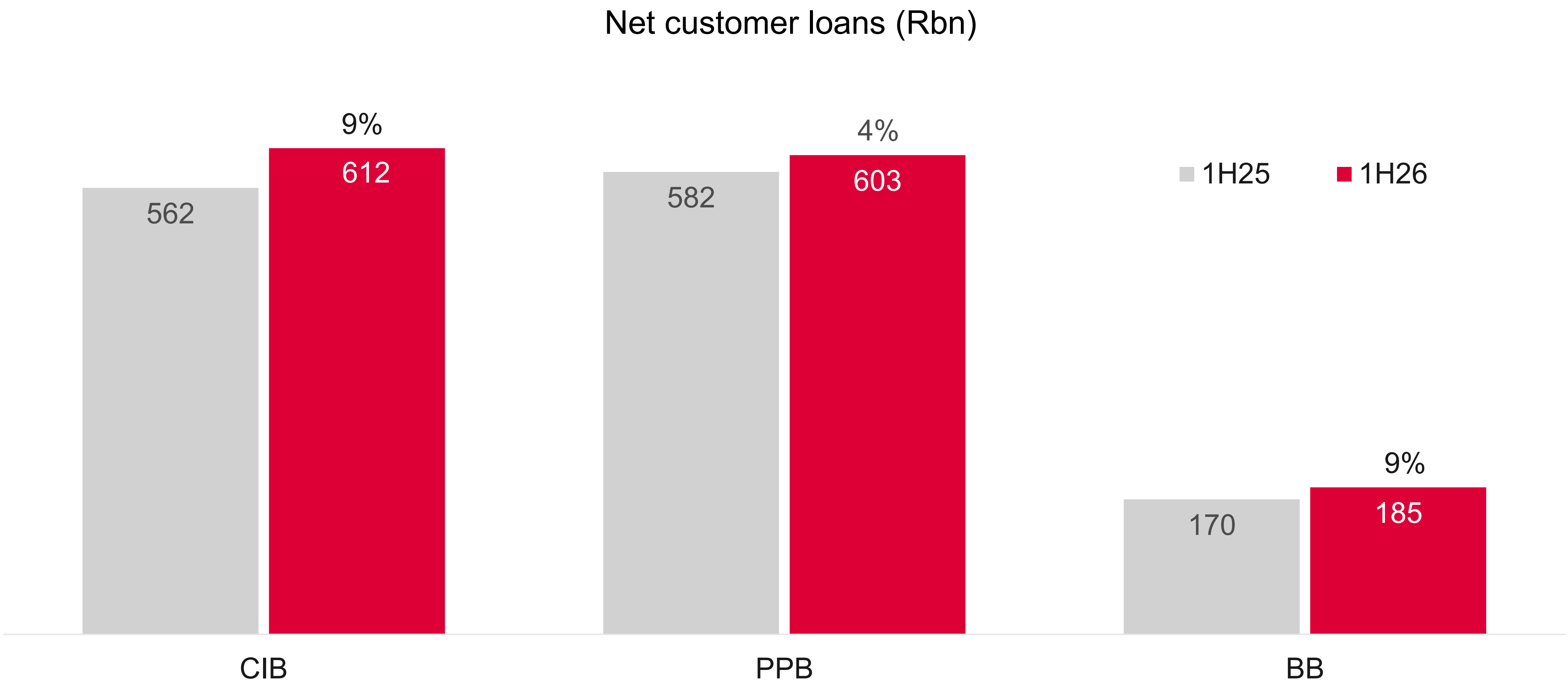
Solid CIB and BB customer loan growth while PPB remains modest



Annualised 1H26:	9%	5%	13%

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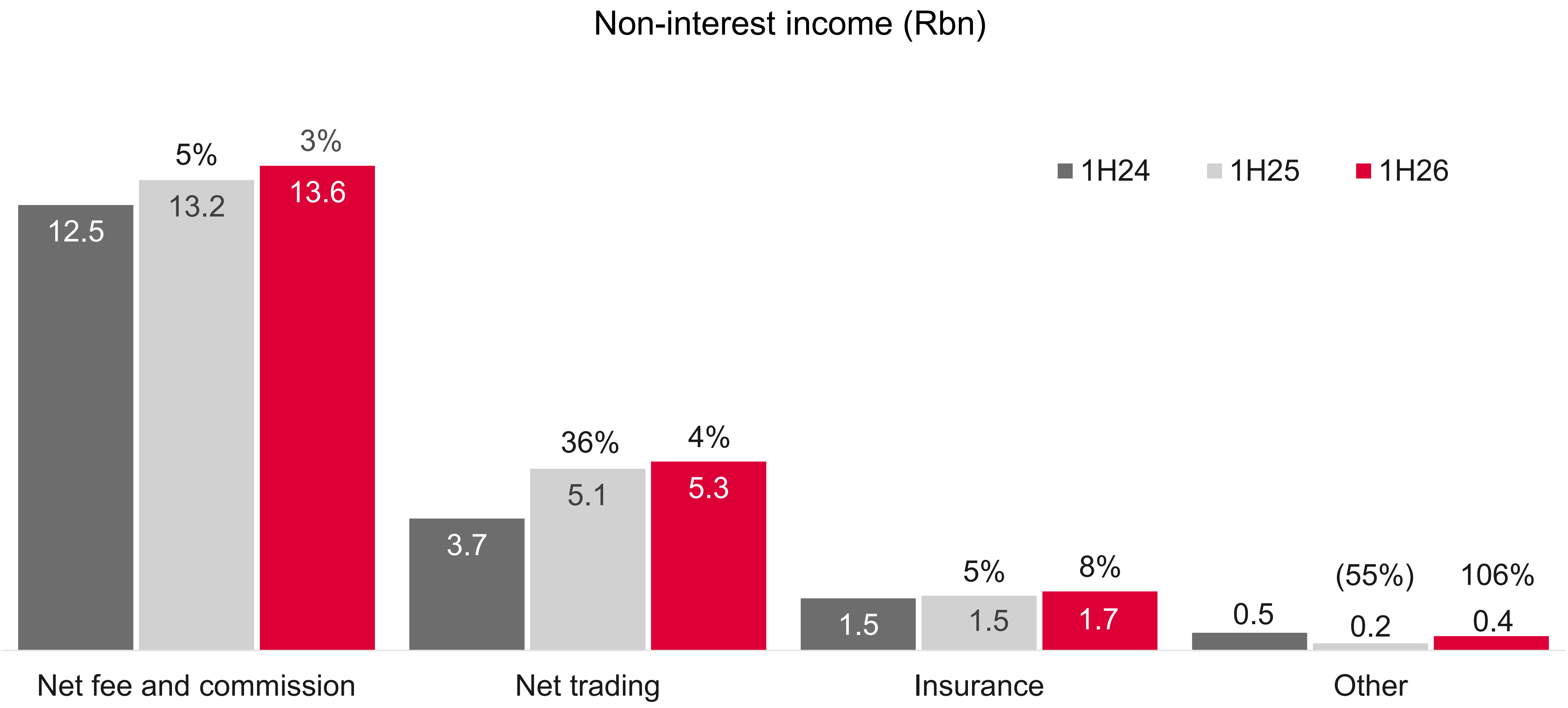
Moderate non-interest income growth



Note: Net trading excludes the impact of hedge accounting

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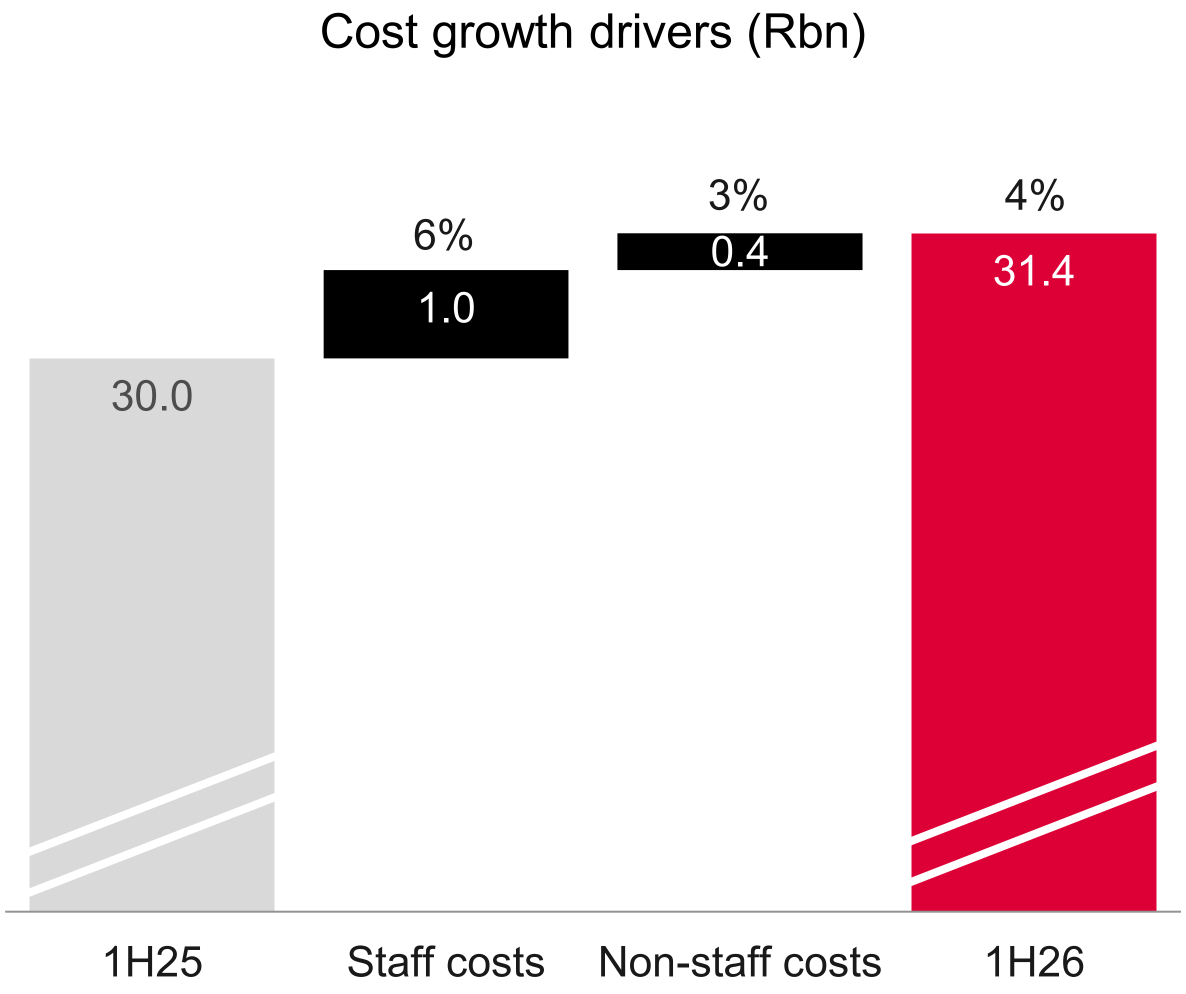
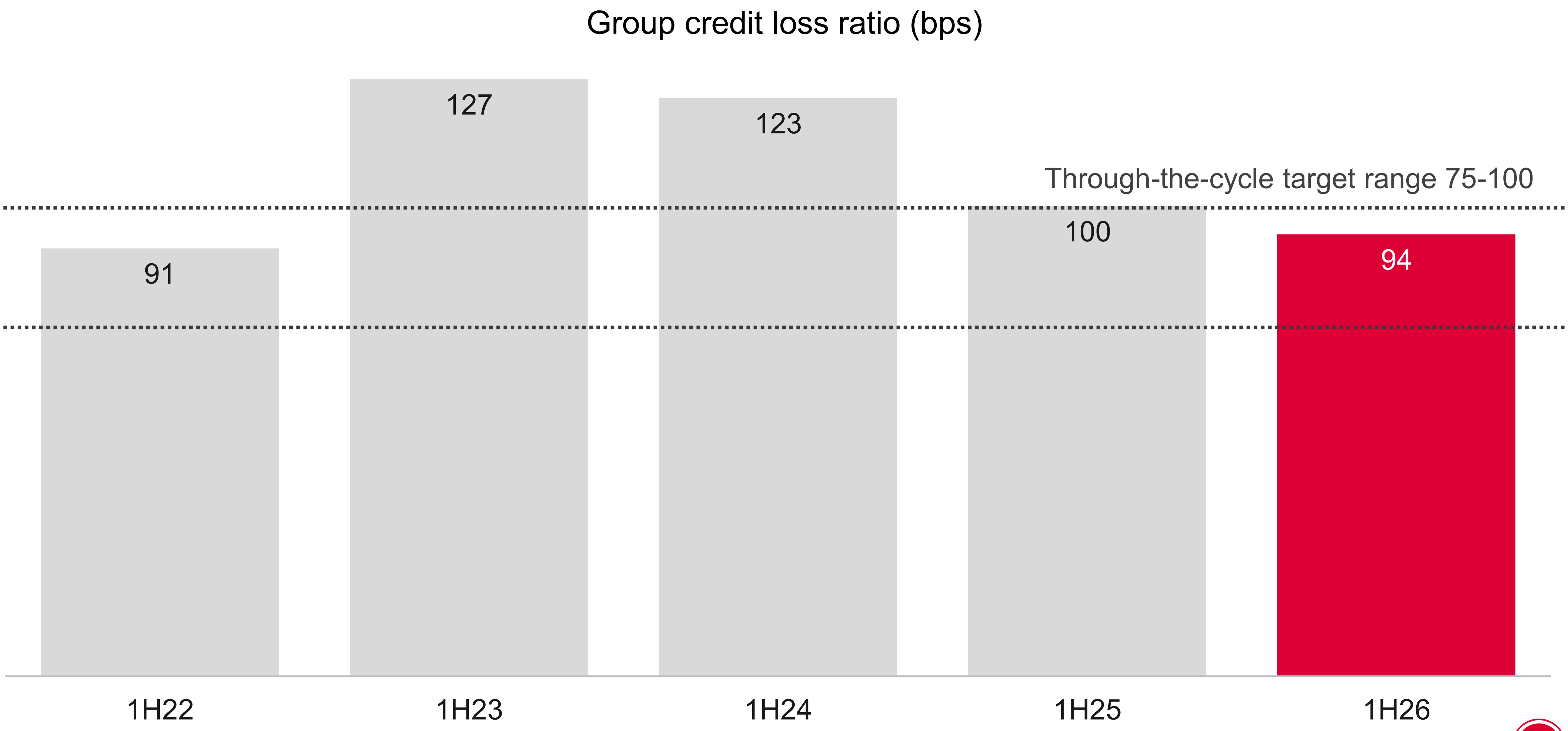
Operating expenses growth remained well contained



	1H26 Rm	Change %
Staff	18 250	6
Property	966	(2)
Technology	3 800	6
Depreciation	1 609	2
Professional fees	1 463	7
Marketing	1 061	(9)
Amortisation	1 340	(6)
Other *	2 904	10
Total	**31 393**	**4**

Note: * includes equipment, cash transportation, telephone and postage, fraud, travel and entertainment, auditors, other costs etc

Credit loss ratio continued to improve into target range …



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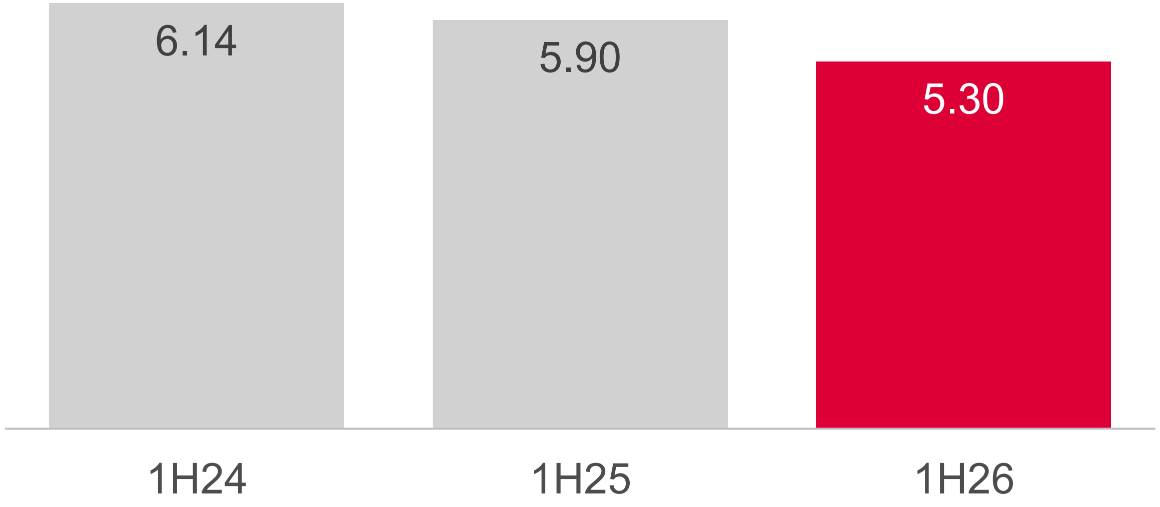
… due to lower PPB credit loss ratio, with CIB and BB flat

Credit loss ratio (%)	1H25	1H26
Personal and Private Banking	1.96	1.87
Unsecured Lending	7.67	7.49
Home Loans	0.47	0.50
Vehicle and Asset Finance	1.66	1.59
Business Banking	0.64	0.63
CIB	0.17	0.17
Group	**1.00**	**0.94**

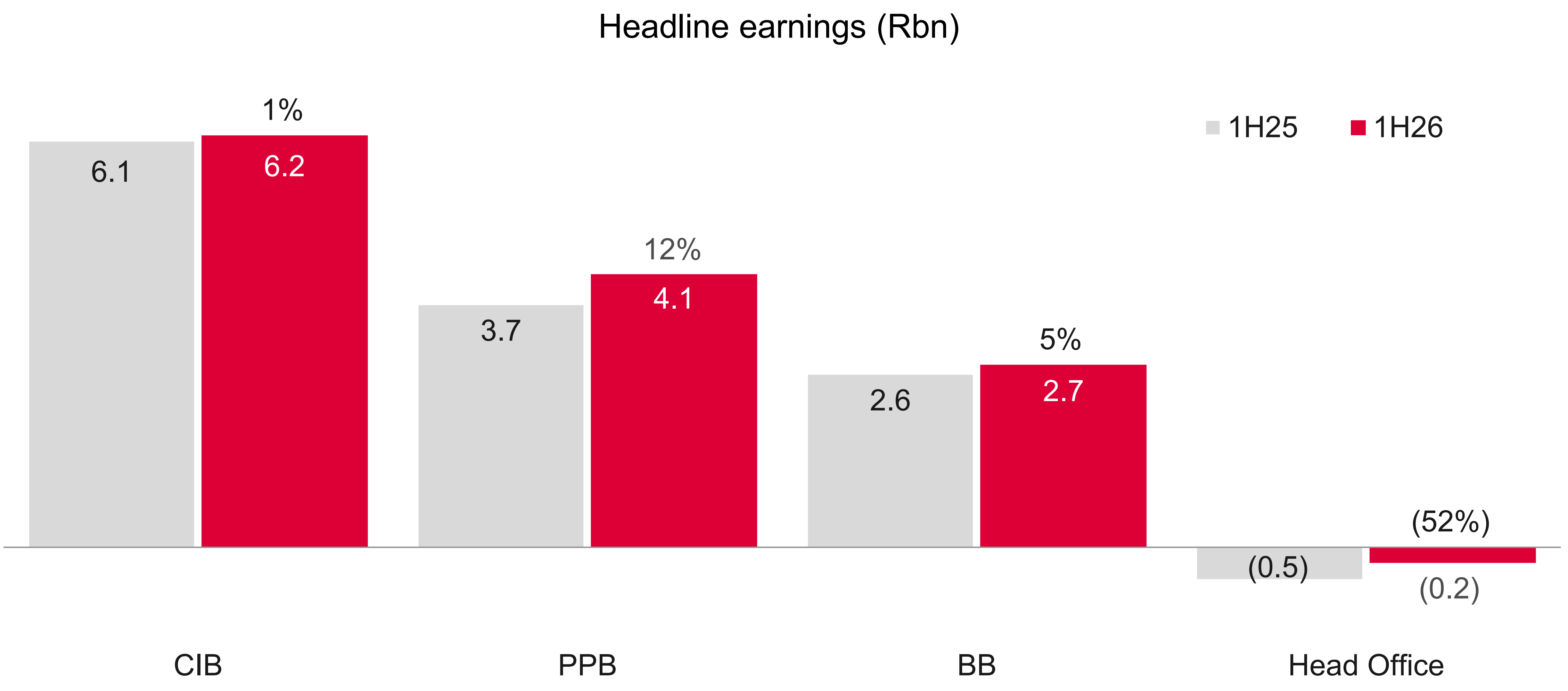
Stage coverage ratios (%)

	1H24	1H25	1H26
Stage 1	0.64	0.59	0.60
Stage 2	6.66	5.74	5.40
Stage 3	47.1	46.9	45.5

Non-performing loans (%)



All businesses grew earnings



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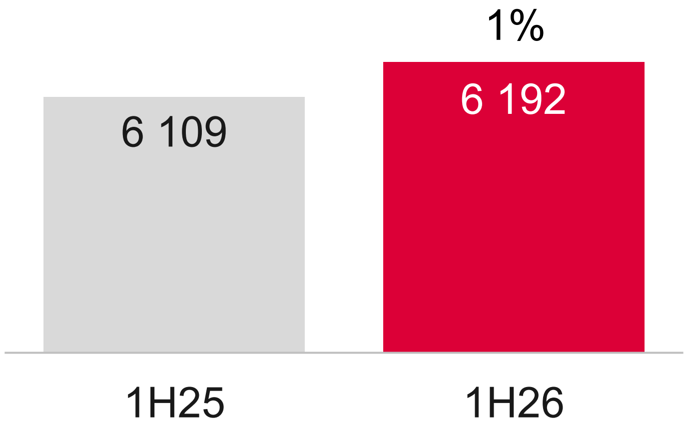
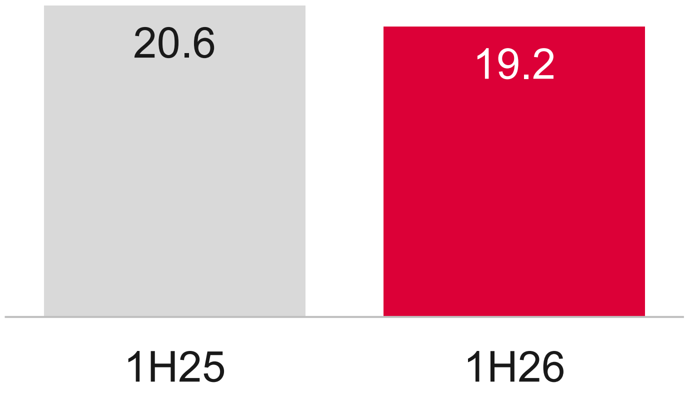
CIB earnings growth slower

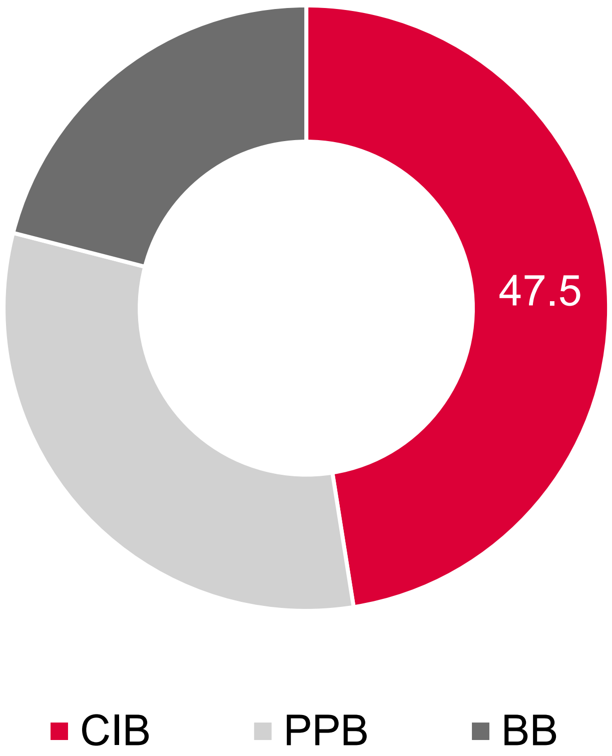
Headline earnings (Rm)



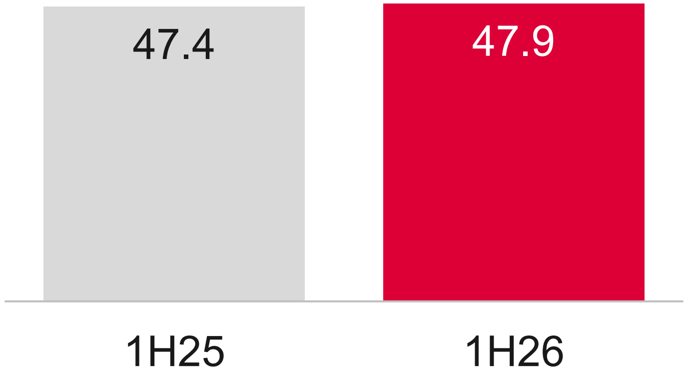
RoE (%)



Earnings contribution (%)



Cost-to-income ratio (%)



Credit loss ratio (%)

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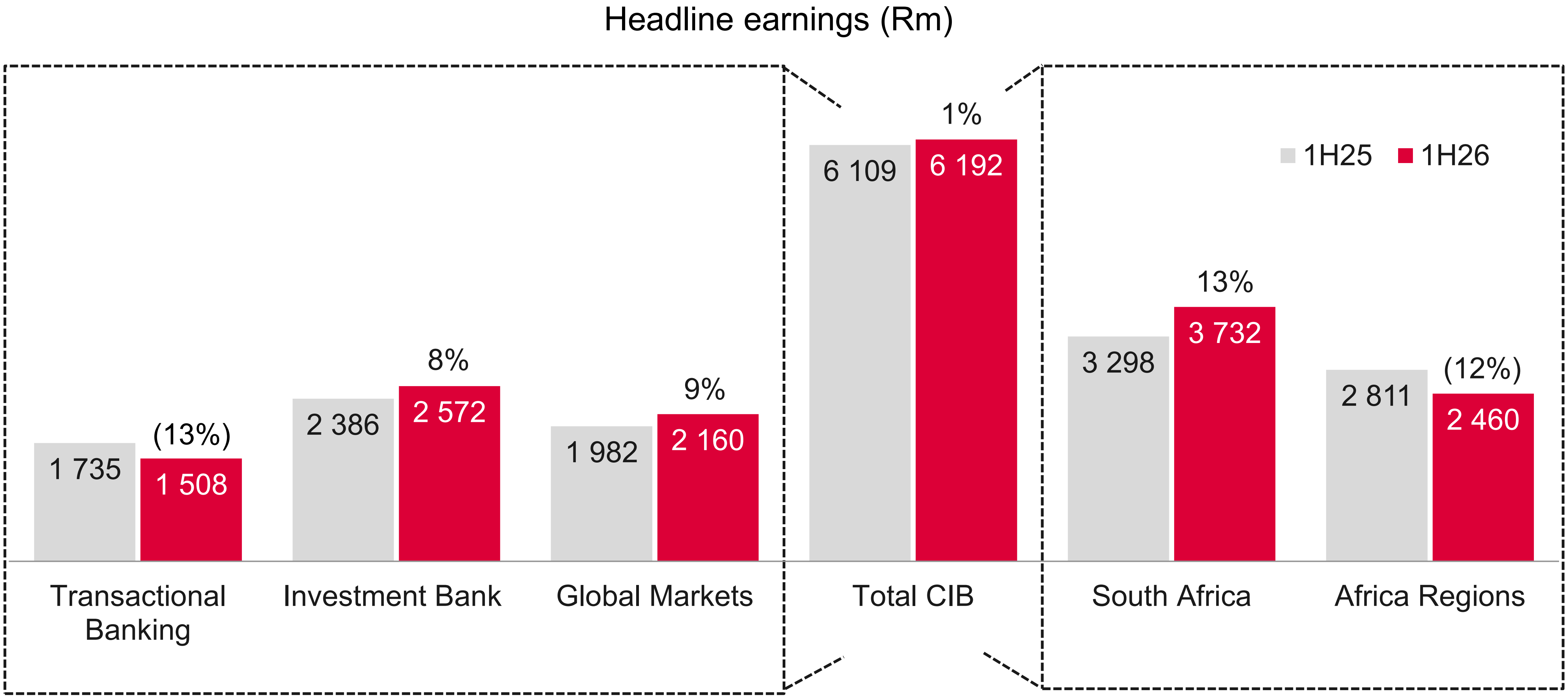
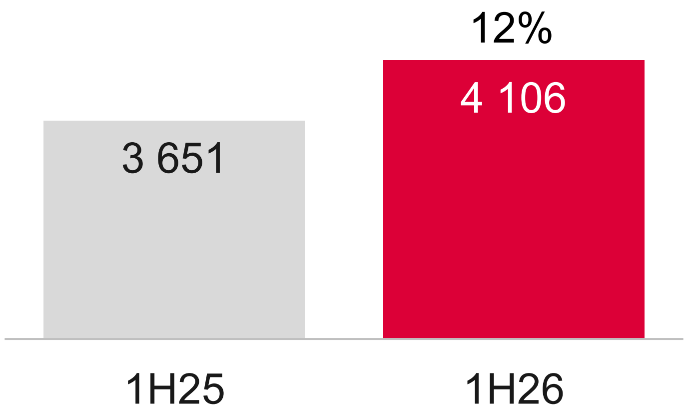
CIB benefits from diversification, with SA offsetting lower AR earnings



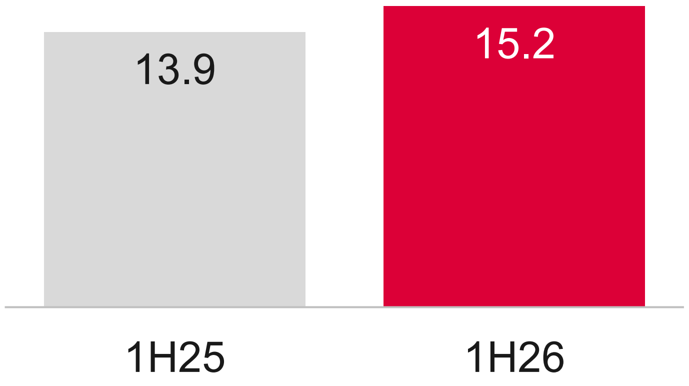
Note: In constant currency total CIB headline earnings grew 2%. Split by business excludes CIB Other.

Some positive signs of traction in PPB

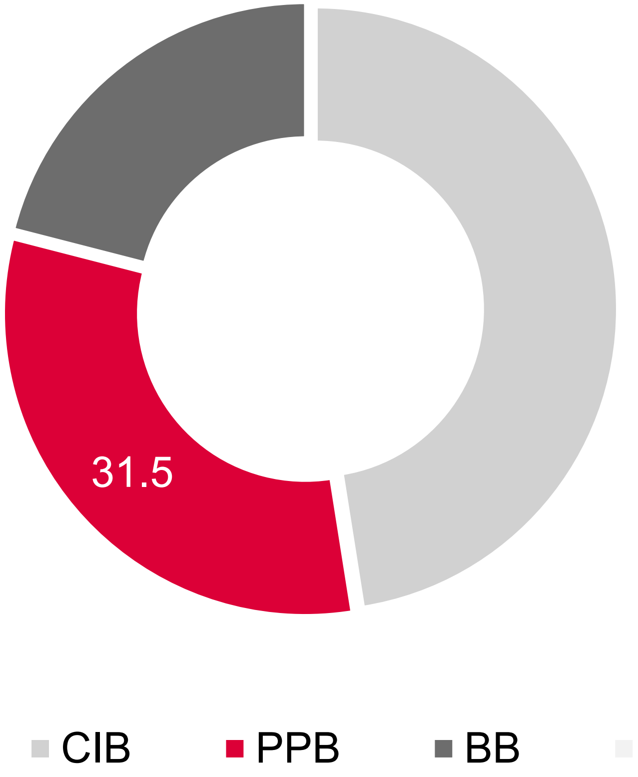
Headline earnings (Rm)



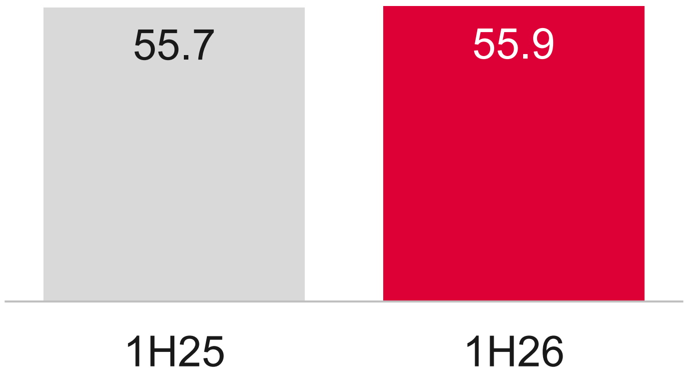
ROE (%)



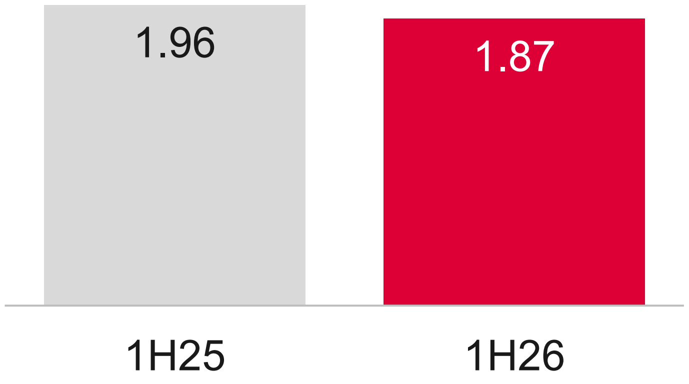
Earnings contribution (%)



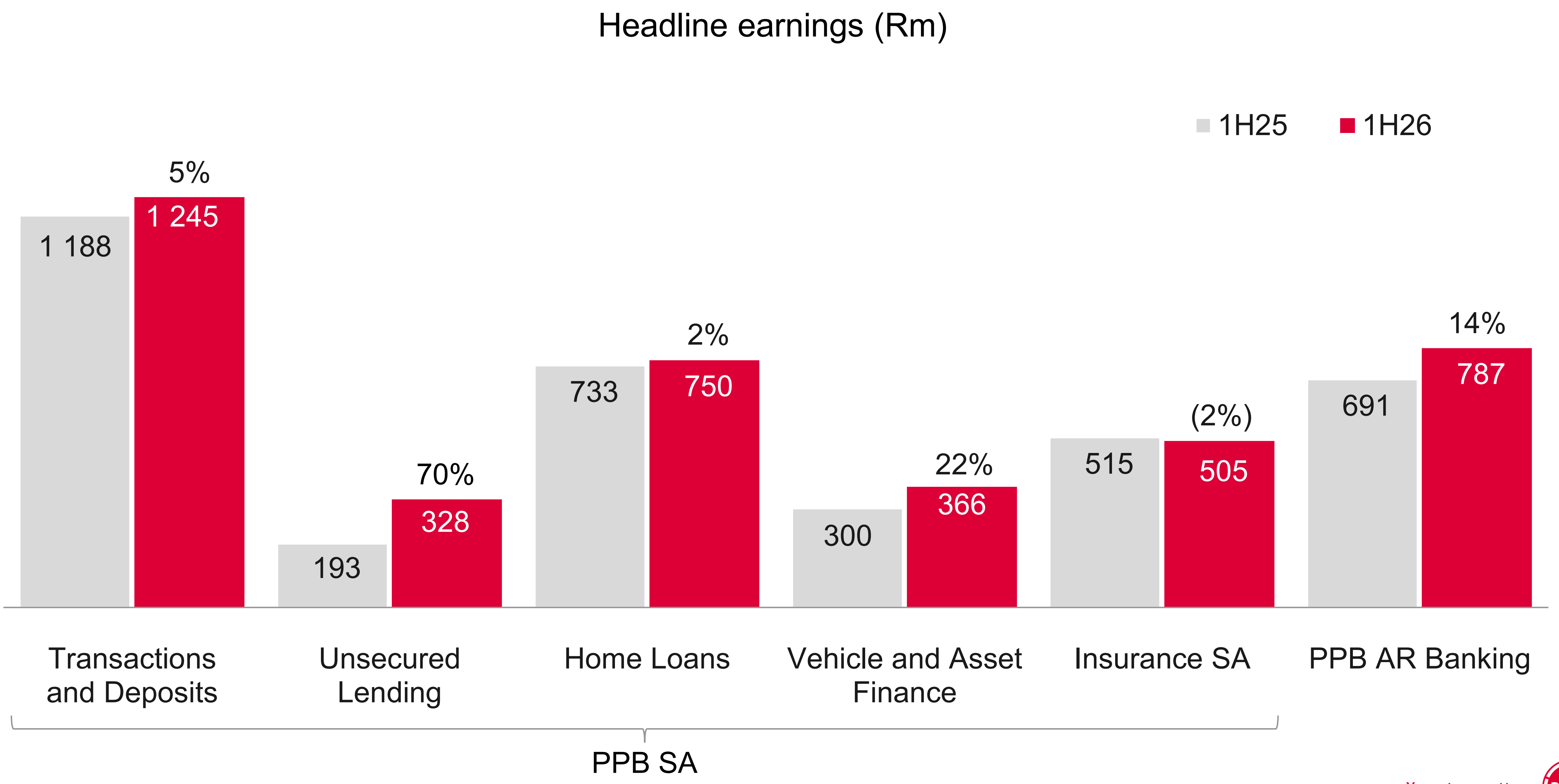
Cost-to-income ratio (%)



Credit loss ratio (%)



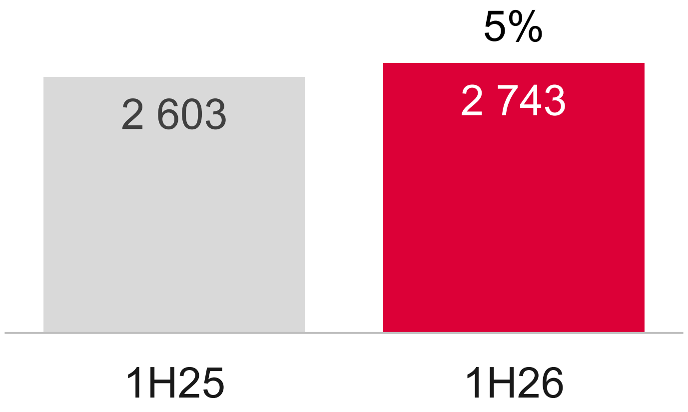
Broad-based growth in banking earnings across PPB



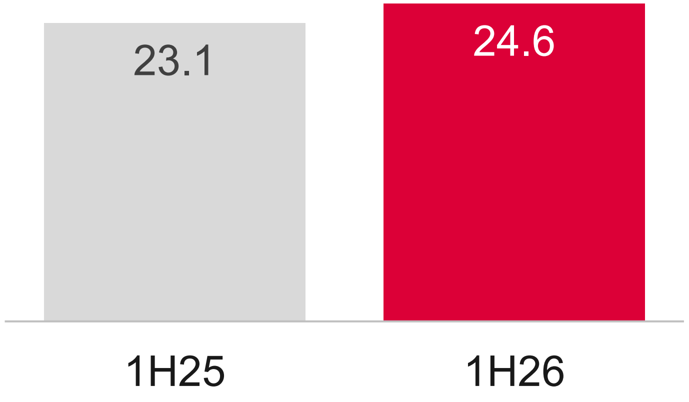
Note: Excludes PPB SA Other (R84m profit) and PPB AR Insurance (R41m profit).

Improved Business Banking performance

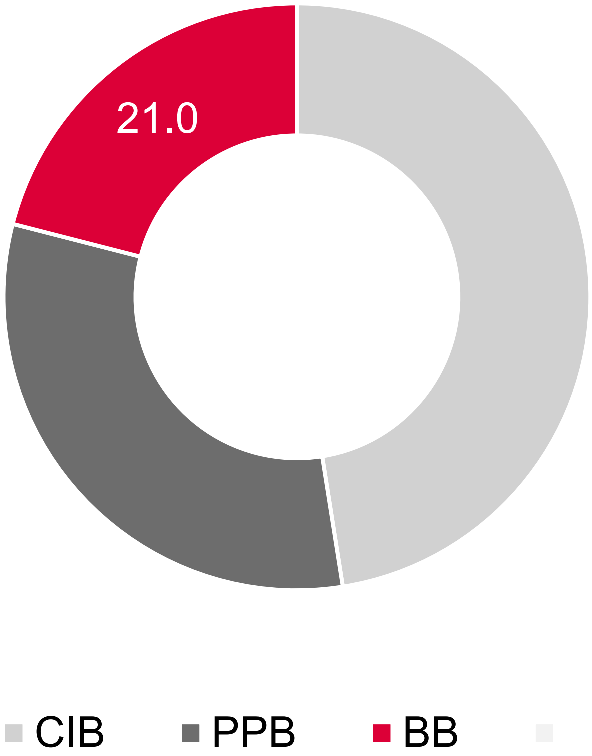
Headline earnings (Rm)



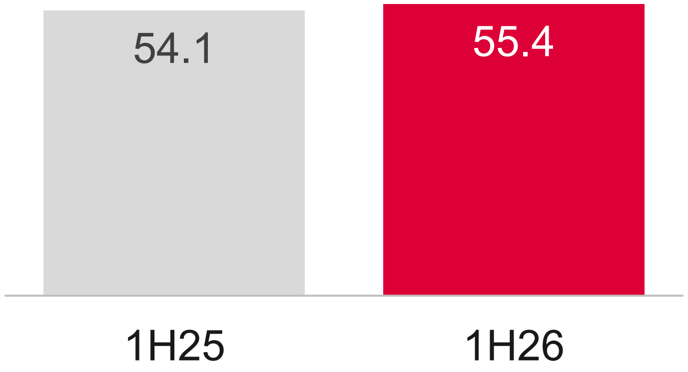
RoE (%)



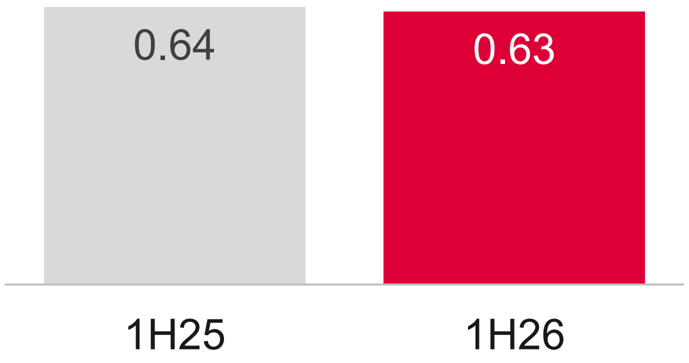
Earnings contribution (%)



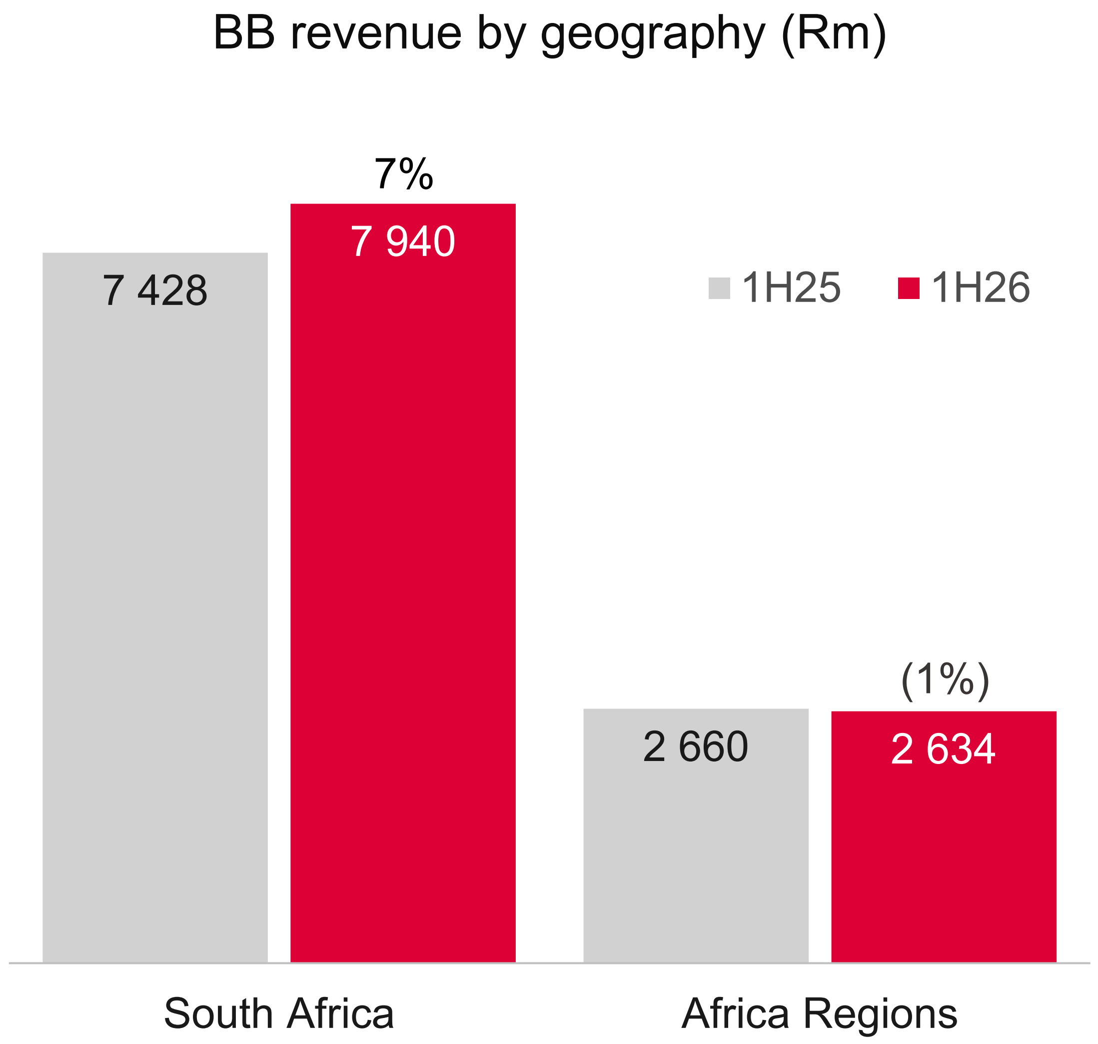
Cost-to-income ratio (%)

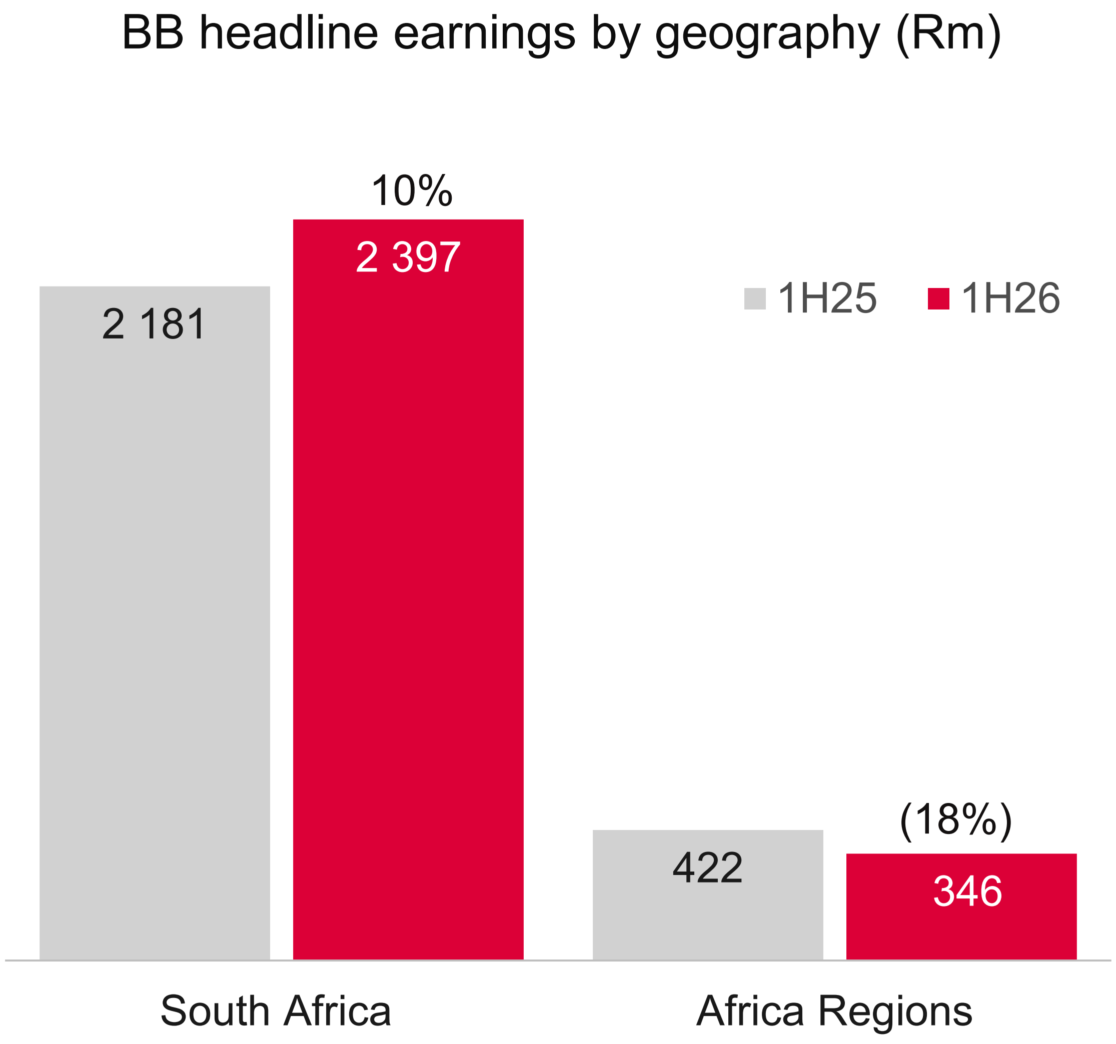


Credit loss ratio (%)



Solid BB SA earnings growth partially offset by lower BB AR





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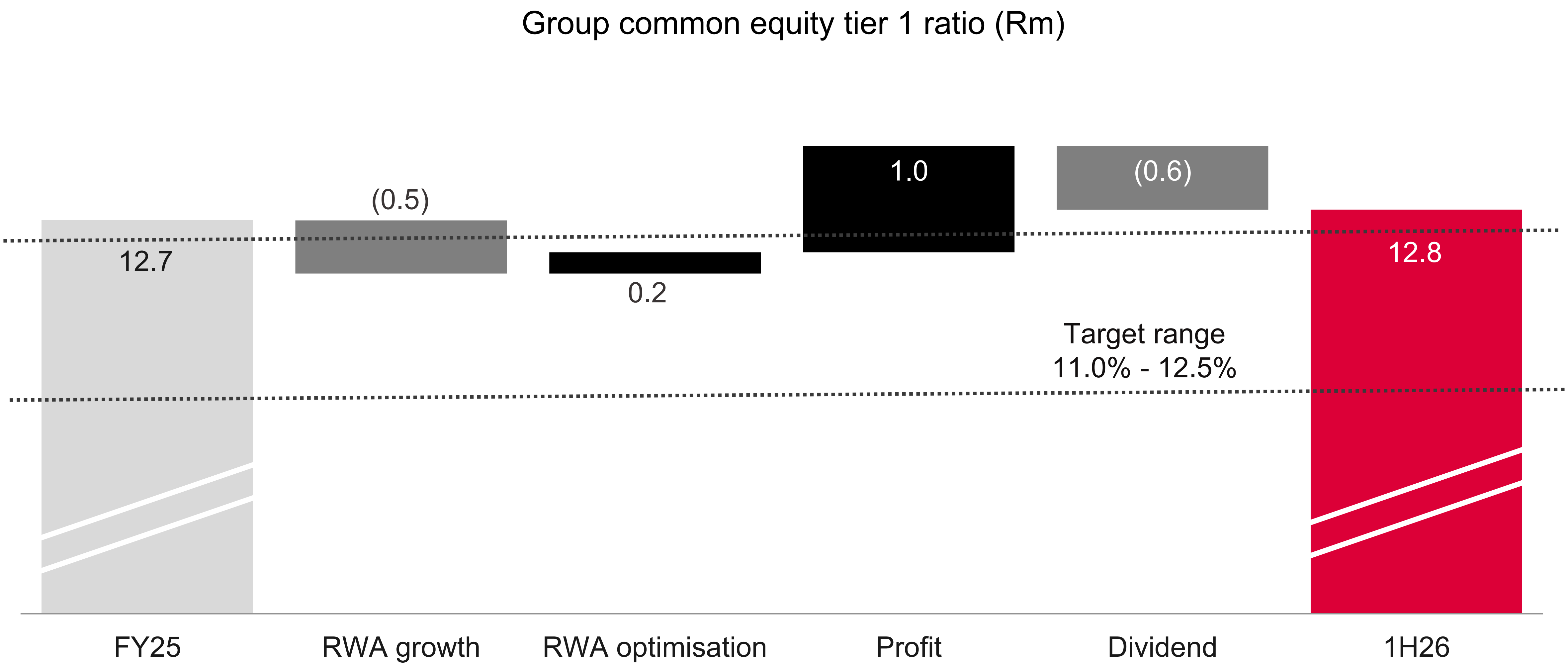
CET1 ratio remains above our target range



FY26 guidance

Revenue	Low- to mid-single digit revenue growth.
Balance sheet	Customer loans up high single digit and customer deposits mid- to high-single digit.
Credit impairments	Credit loss ratio expected to be broadly similar to 2025 and around the middle of our through-the-cycle target range of 75 to 100 basis points.
Operating expenses	Low- to mid-single digit growth in operating expenses, producing slightly negative operating JAWS and low- to mid-single digit pre-provision profit growth.
Returns	RoE around 15%
Capital	Group CET1 ratio expected to finish 2026 at top end of 11.0% to 12.5% target range. Dividend payout ratio of 55%

Your story matters

Kenny Fihla
Group Chief Executive Officer

Our medium-term targets remain unchanged

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 OPPORTUNITES

ENABLED BY	DEEPENING TALENT & SUCCESSION	STRONG LEADERSHIP & ORGANISATIONAL RESILIENCE	CULTURE FOR COMPETITIVE ADVANTAGE
MEDIUM-TERM TARGETS (2027 – 2030)	***RoE 16-19%***	***Cost-to income approaching 50%***	***CET1 at or above*** Top end of target range

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Our 1H26 progress gives us confidence that we are strengthening the franchise, sustaining momentum and positioning Absa for long-term growth

Sustaining momentum …

A **solid 1H26 performance** underlined by 8% earnings growth and an improved RoE

A robust African franchise, **underpinned by strong growth in South Africa** and business lines

Underlying fundamentals of **our client franchise showing positive momentum**

… while building a long-term sustainable franchise

Absa remains an institution built on **solid foundations, scale and competitive advantages**

Pan-African leadership is in place with a commitment to **creating a customer obsessed, winning culture**

We **continue to invest** while managing cost growth to deliver long term shareholder value

Disclaimer

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