



# Absa Group Limited

Annual consolidated and separate financial statements for  
the reporting period ended 31 December 2025

## Contents

|     |                                                                                     |
|-----|-------------------------------------------------------------------------------------|
| 3   | Directors' approval                                                                 |
| 4   | Group Chief Executive Officer and Group Financial Director responsibility statement |
| 5   | Group Audit and Compliance Committee report                                         |
| 8   | Company Secretary's certificate to the shareholders of Absa Group Limited           |
| 9   | Directors' report                                                                   |
| 14  | Independent auditors' report to the shareholders of Absa Group Limited              |
| 21  | Consolidated statement of financial position                                        |
| 22  | Consolidated statement of comprehensive income                                      |
| 24  | Consolidated statement of changes in equity                                         |
| 28  | Consolidated statement of cash flows                                                |
| 29  | Summary of material accounting policies                                             |
| 69  | Notes to the consolidated financial statements                                      |
| 279 | Company statement of financial position                                             |
| 280 | Company statement of comprehensive income                                           |
| 281 | Company statement of changes in equity                                              |
| 283 | Company statement of cash flows                                                     |
| 284 | Company summary of material accounting policies                                     |
| 286 | Notes to the Company financial statements                                           |

**Absa Group Limited**  
**(1986/003934/06)**

### **Annual consolidated and separate financial statements for the reporting period ended 31 December 2025**

These audited annual consolidated and separate financial statements (financial statements) were prepared by Absa Group Financial Reporting under the direction and supervision of the Absa Group Limited Financial Director, D Raju CA (SA).

## Directors' approval

### Statement of directors' responsibilities in relation to financial statements

The following statement, which should be read in conjunction with the auditors' responsibility statement set out on page 19 is made to distinguish, for the benefit of shareholders, the respective responsibilities of the directors and of the auditors in relation to the consolidated and separate financial statements of Absa Group Limited and its subsidiaries (the Group).

In accordance with the Companies Act 71 of 2008 (Companies Act), the directors are responsible for the preparation of the annual financial statements. These annual financial statements conform to IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants' (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the South African Companies Act, the JSE Listings Requirements, and fairly present the affairs of Absa Group Limited standalone company (the Company) and Absa Group Limited (the Group) as at 31 December 2025, and the net income and cash flows for the reporting period then ended.

To enable the directors to meet these responsibilities:

- All directors and senior management develop an environment whereby all directors and employees endeavour to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach and in line with the King IV code of conduct report.
- The Board of Directors of the Group (Board) sets standards and management implements systems of internal control and accounting as well as information systems aimed at providing reasonable assurance that both on- and off-statements of financial position are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.
- The Board and management identify all key areas of risk across the Group and endeavour to mitigate or minimise these risks by ensuring that appropriate infrastructure, controls, systems, and discipline are applied and managed within predetermined procedures and constraints.
- The Group's Internal Audit and Compliance functions, which operate unimpeded and independently from operational management and have unrestricted access to the Group Audit and Compliance Committee (GACC), appraise, evaluate and, when necessary, recommend improvements to the systems of internal control, accounting and compliance practices, based on plans that, combined with the efforts of the Group's risk functions, take cognisance of the relative degrees of risk of each function or aspect of the business.
- The GACC, together with the external and internal auditors, plays an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure. The GACC is satisfied that the external auditors (KPMG & PwC) are independent.
- The Board approves the Enterprise Risk Management Framework (ERMF) through recommendation by the Group Risk Capital Management Committee (GRCMC).
- The Board, through the GACC which is assisted by the GRCMC in respect of risk matters, reviewed the compliance practices and procedures to enable the Board to discharge their regulatory responsibilities, by overseeing the plan and progress management makes in improving compliance in respect of Know Your Customer, Anti-Money Laundering and Sanctions requirements; and by considering that the Group's systems and processes appropriately reflect the current legal and regulatory environment, refer to note 48.
- The Group consistently adopts appropriate and relevant accounting policies, and these are supported by reasonable and prudent judgements and estimates on a consistent basis.

Based on the above, and to the best of their knowledge and belief, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the current reporting period.

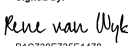
The directors continuously assess the Group's ability to continue as a going concern. The Group's going concern assessment outlines relevant going concern indicators based on amongst other factors the following:

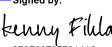
- forecasts underpinned by the Group's strategy;
- the Group's operating environment; and
- a probability assessment based on the Group's performance, liquidity, credit ratings, market performance and governance and control.

Based on the assessment process outlined above, the directors have no reason to believe that the Group and the Company will not be going concerns in the next reporting period. These financial statements have been prepared on this basis.

It is the responsibility of the independent external auditors to report on the financial statements. Their report to the shareholders of the Group and the Company is set out on page 14 to 20 of this report.

The Directors' Report on pages 9 to 13 and the annual financial statements of the Group and the Company were approved by the Board and are signed on their behalf by:

Signed by:  
  
 B1C730E735E1478  
**Rene van Wyk**  
 Group Chairman

Signed by:  
  
 278F2078772141C...  
**K Fihla**  
 Group Chief Executive Officer

Johannesburg

9 March 2026

## Group Chief Executive Officer and Group Financial Director responsibility statements

The directors, whose names are stated below, hereby confirm that:

- a) The annual financial statements, set out on pages 21 to 299, fairly present in all material respects the consolidated and separate financial position, financial performance and cash flows of Absa Group Limited in terms of the International Financial Reporting Standards (IFRS® Accounting Standards).
- b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading.
- c) Internal financial controls have been put in place to ensure that material information relating to Absa Group Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements contained herein.
- d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls.
- e) Where we are not satisfied, we have disclosed to the Group Audit and Compliance Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies.
- f) We are not aware of any fraud involving directors.

Signed by:

  
278F2078772141C...

**K Fihla**  
Group Chief Executive Officer

Signed by:

  
C2EDF5F0A89B4F2...

**D Raju**  
Group Financial Director

Johannesburg

9 March 2026

# Group Audit and Compliance Committee Report

## Introduction

This report summarises the Group Audit and Compliance Committee's (the Committee) activities and key matters considered for the reporting period ended 31 December 2025. Prepared for inclusion in the annual financial statements, it describes how the Committee carried out its statutory functions in accordance with applicable legislation, the JSE Listings Requirements and its Board-approved Terms of Reference.

## Mandate and terms of reference

The Committee operated in accordance with Board-approved Terms of Reference that set out its responsibilities and authority. The Committee's oversight focuses on matters relevant to the integrity of financial and prudential reporting, internal financial controls and the combined-assurance framework. Where matters fall primarily within the mandate of other Board committees, the Committee receives updates through established governance forums and focuses on the financial reporting and assurance implications.

## Composition, independence, and attendance

The Committee is comprised of independent non-executive directors who possess expertise in banking, finance, risk management, and governance. During the year, the Committee held seven scheduled meetings and additional ad hoc sessions as required. The Committee also held private sessions with Internal Audit, Compliance and the external auditors, and engaged with regulators as appropriate.

| Member                                                                                                          | Meeting attendance |
|-----------------------------------------------------------------------------------------------------------------|--------------------|
| Tasneem Abdool-Samad (Chair)                                                                                    | 7/7                |
| Alison Beck                                                                                                     | 7/7                |
| Fulvio Tonelli                                                                                                  | 7/7                |
| Peter Mageza                                                                                                    | 7/7                |
| René van Wyk (Stepped down from the Committee to assume the role of Absa Group Chairman, effective 29 May 2025) | 3/4                |
| Sindi Zilwa (Appointed to the Committee, effective 1 April 2025)                                                | 4/4                |
| Zarina Bassa (Appointed to the Committee, effective 1 April 2025)                                               | 4/4                |

## Committee evaluation and effectiveness

The Committee's performance and the independence of its members are evaluated annually as part of the Board's assessment process. Based on the outcomes of the evaluation, the Board concluded that the Committee operated effectively during the year and fulfilled its responsibilities in accordance with its Terms of Reference.

## Key focus areas

In alignment with its mandate, the Committee reviewed several key matters during the year under review:

### Regulatory and prudential reporting oversight (Compliance and reporting controls)

The Committee monitored regulatory developments relevant to prudential and financial reporting and assessed the implications for disclosures, internal financial controls, and the integrity, completeness and accuracy of regulatory submissions. Oversight included consideration of progress against regulatory commitments, remediation outcomes and supervisory engagement, drawing on reports from Compliance, Internal Audit and the external auditors.

The Committee noted the outcomes of independent work performed over the Compliance function during the year and oversaw management's response to strengthen governance, operating processes and reporting capabilities. The Committee also monitored developments relating to financial crime, AML and KYC, focusing on the related reporting, disclosure and assurance implications. Further detail on prudential and Pillar 3 disclosures is provided in the Group's risk and capital management reporting, with the Committee focusing on related reporting controls and assurance implications.

### Control environment and internal controls

The Committee oversaw the internal control environment relevant to financial and prudential reporting, drawing on reports from management and assurance providers within the combined assurance framework. The Committee considered the design and operating effectiveness of key internal financial controls, the status of remediation actions and the implications for financial reporting and disclosures. The Committee received periodic updates on the operation of whistleblowing arrangements, focusing on trends and matters escalated to the Committee due to potential financial reporting, internal control or regulatory reporting implications, and monitored management's responses and remediation.

### Combined Assurance

The Committee reviewed the adequacy of assurance coverage over key risks relevant to financial and prudential reporting, drawing on management reporting, the work of control functions and independent assurance provided by Internal Audit and the external auditors. The Committee considered combined assurance reporting to identify key themes, avoid unnecessary duplication and highlight any gaps in coverage, and monitored the remediation of matters raised through established governance processes. Based on the information presented, the Committee concluded that combined assurance arrangements were appropriately coordinated and supported its oversight of financial reporting and internal financial controls. This oversight supports the Committee's responsibilities for governance and disclosure under applicable requirements, including the JSE Listings Requirements, and is aligned with the Group's combined assurance approach.

### Subsidiary oversight

The Committee supported the Board's group-wide governance arrangements by engaging with subsidiary audit committees to reinforce consistent governance, internal control and financial reporting practices across the Group. The Committee received summaries of material matters considered by subsidiary audit committees and monitored the escalation of significant issues through established Group governance forums, focusing on the related financial reporting, disclosure and assurance implications.

### Emerging developments affecting financial and prudential reporting

The Committee monitored emerging developments that could reasonably be expected to affect financial or prudential reporting, significant judgements or disclosure. This included regulatory and accounting developments relevant to reporting, and the Committee considered management's readiness and the adequacy of disclosures and control frameworks. Where matters were overseen primarily by other Board committees, the Committee noted relevant updates and focused on the associated financial reporting, disclosure and assurance implications. No matters arose that required adjustment to the annual financial statements.

# Group Audit and Compliance Committee Report

## External auditors

PricewaterhouseCoopers (PwC) and KPMG served as joint external auditors for the 2025 audit.

## Audit approach and scope

The Committee reviewed and approved the external audit plan and audit engagement terms, including the proposed scope, materiality, significant risk areas and the planned use of specialists, and considered the auditors' assessment of key accounting judgements and areas of estimation uncertainty. The Committee also evaluated the effectiveness of the audit, including the quality and timeliness of reporting, the experience of the engagement teams and the auditors' responsiveness to areas of focus. The Committee held private sessions with the external auditors, without management present, to discuss audit scope, key judgements and any matters arising.

## Independence and non-audit services

The Committee assessed the auditors' independence in accordance with applicable requirements and the Group's policy on non-audit services. In doing so, the Committee considered the nature and extent of non-audit services provided during the year, fee levels, and safeguards applied. The Committee also considered audit firm tenure and the rotation of the designated audit partners. On this basis, the Committee is satisfied that the joint external auditors remained independent. Non-audit services were pre-approved in accordance with the Group's non-audit services policy and monitored to ensure that independence was not compromised.

## Audit quality

In evaluating audit quality, the Committee considered information provided by the auditors regarding their quality management and monitoring processes and relevant external inspection outcomes available to the Committee. These inputs informed the Committee's assessment of auditor suitability and audit quality in line with the JSE Listings Requirements. The Committee's assessment included consideration of audit quality information made available to it in support of its annual recommendation regarding the appointment of the external auditors. Based on this assessment, the Committee recommended the reappointment of PwC and KPMG as joint external auditors in accordance with applicable requirements.

## Reportable irregularity

The Committee notes that in December 2025 the joint auditors reported a suspected reportable irregularity to IRBA in accordance with the provisions of section 45 of the Auditing Profession Act. This related to a former non-executive director who failed to disclose information that was relevant to the director's appointment. In January 2026, the auditors confirmed that the reportable irregularity was no longer taking place. The Committee and Management engaged with the joint auditors on this issue including through the filing of representations.

The Committee notes that the matter is now closed (see Note 60 in the Consolidated financial statements and Note 22 in the Company financial statements).

## Internal audit

The Committee approved the Internal Audit charter and annual plan and monitored delivery against the plan during the year. Internal Audit provided independent, risk-based assurance on the design and operating effectiveness of controls relevant to financial and prudential reporting and reported functionally to the Chair of the Committee. The Committee held private sessions with the Chief Internal Auditor and reviewed key themes arising from Internal Audit work and management's remediation progress through established governance processes. The Committee also considered Internal Audit's quality assurance arrangements and alignment to applicable professional standards. The Committee is satisfied with the effectiveness of the Chief Internal Auditor and the arrangements for Internal Audit.

## Finance function and Financial Director assessment

The Committee completed its annual evaluation of the effectiveness, resources, expertise and experience of the Group's finance function in accordance with the Companies Act, King IV and the JSE Listings Requirements. Relying on management reports and input from assurance providers, the Committee is satisfied that the finance function remains suitably resourced and has the requisite expertise and experience to support high-quality financial reporting and a sound control environment. The Committee is also satisfied that the Financial Director has the requisite expertise and experience to fulfil the responsibilities of the role.

## Significant matters (Key Audit Matters)

The Committee assessed whether the key audit matters identified by the external auditors appropriately aligned with the Group's risk profile. In addition, significant accounting judgements were evaluated, with particular attention to the soundness of assumptions and the transparency of related disclosures.

| Significant matter                                        | How the Committee addressed the matter                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expected credit losses on loans and advances to customers | The Committee considered reports from management, Internal Audit and the external auditors on ECL governance, key judgements and associated controls. Focus areas included macroeconomic assumptions, the use of overlays, staging and SICR triggers, and sensitivity to alternative scenarios. The Committee also reviewed the clarity and balance of the related disclosures and concluded that the ECL provision and disclosures were appropriate.                 |
| Valuation of complex financial instruments                | The Committee reviewed the valuation control framework, including independent price verification, model governance and key valuation judgements, with particular focus on Level 3 measurements. The Committee considered the appropriateness of significant inputs and valuation adjustments and assessed the transparency of related disclosures. Based on the assurance received, the Committee concluded that valuations and IFRS 13 disclosures were appropriate. |

## Annual financial statements and Integrated reporting process

The Committee thoroughly reviewed the Group's annual financial statements and related disclosures, including official result announcements and the application of significant accounting policies and judgments. The Committee evaluated the appropriateness of management's judgments, assessed the robustness of supporting documentation, and ensured that all disclosures presented for the reporting period were clear, balanced, and comprehensive.

## Group Audit and Compliance Committee Report

Based on the work performed and the assurance obtained from management and assurance providers, the Committee concluded that the annual financial statements were prepared in accordance with IFRS® Accounting Standards and recommended them to the Board for approval.

The Committee also took note of impending amendments to IFRS® Accounting Standards and monitored management's preparedness for standards not yet effective. Ongoing oversight will emphasize governance, presentation implications, and required disclosures as preparatory work continues through established reporting and assurance frameworks.

The Committee noted updates from the Social, Sustainability and Ethics Committee (SSEC) on ESG matters. The Committee's focus was on the integrity of ESG-related information included in the Annual Financial Statements and Integrated Report, including the governance, processes and assurance applied to material ESG metrics and disclosures, where relevant to the Committee's mandate.

### Committee opinion and conclusion

Having considered the information and assurances presented during the year, the Committee confirms that it fulfilled its statutory responsibilities in accordance with its Terms of Reference and applicable requirements, including the JSE Listings Requirements.

Based on the reports and assurance received from management and assurance providers, nothing has come to the Committee's attention to indicate that there were material breakdowns in internal financial controls relevant to the preparation of the annual financial statements. The Committee is not aware of any significant control failures that resulted in material losses to the Group.

Following its review of the Group and Company annual financial statements for the reporting period ended 31 December 2025, the Committee recommended their approval to the Board, which subsequently granted approval of the annual financial statements.

On behalf of the GACC

Signed by:  
  
**T Abdul-Samad**  
Chair of the GACC

Johannesburg

9 March 2026

## Company Secretary's certificate to shareholders of Absa Group Limited

In accordance with the provisions of the Companies Act, I certify that, in respect of the reporting period ended 31 December 2025, the Company has lodged with the Commissioner of the Companies and Intellectual Property Commission, all returns and notices prescribed by the Act and that all such returns and notices are true, correct and up to date.

Signed by:  
  
32B753E8387C47A...

**N R Drutman**

*Company Secretary*

Johannesburg

9 March 2026



## Directors' report

### General information and nature of activities

The Group, which has a primary listing on the JSE and a secondary listing on the A2X exchange, is incorporated and domiciled in South Africa and provides retail, business, corporate, investment banking, insurance, financial services and wealth management products and services. The Group operates in 12 African countries, as well as the UK and USA and employs 37 033 people. The address of the registered office of the Group is the 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg, 2001.

The Group is one of South Africa's largest financial services organisations, serving retail, business and corporate customers and clients in Sub-Saharan Africa. The Group has majority stakes in banks in Botswana, Ghana, Kenya, Mauritius, Mozambique, Seychelles, South Africa, Tanzania (Absa Bank Tanzania and National Bank of Commerce), Uganda and Zambia, representative offices in Namibia and Nigeria, as well as securities entities in the United Kingdom and United States, along with a non-banking advisory subsidiary in China and a Technology support office in the Czech Republic.

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

The consolidated and separate financial statements were approved for issue by the Board Finance Committee, a committee of the Board, on 9 March 2026.

The financial statements present the financial positions, results of operations and cash flows of the Group and the Company for the reporting period ended 31 December 2025.

### Group Audit and Compliance Committee report

Refer to pages 5 to 7.

### Group results

#### Main business and operations

The Group recorded an increase of 12.25% in headline earnings to R24 762m (2024: R22 059m) for the reporting period. Headline earnings per share (HEPS) increased by 12.20% to 2 987.0 cents (2024: 2 662.2 cents) and diluted HEPS by 11.21% to 2 955.5 cents (2024: 2 657.7 cents). Refer to note 38 for the breakdown of headline earnings.

### Headline earnings were derived from the following activities:

|                                                                  | Group   |                  |
|------------------------------------------------------------------|---------|------------------|
|                                                                  | 2025    | Restated<br>2024 |
|                                                                  | Rm      | Rm               |
| Personal and Private Banking                                     | 7 535   | 7 037            |
| Business Banking                                                 | 3 865   | 4 211            |
| Africa Regions – Personal and Private Banking & Business Banking | 2 519   | 1 663            |
| Corporate and Investment Banking                                 | 13 008  | 11 423           |
| Head office, Treasury and other operations                       | (2 165) | (2 275)          |
| Headline earnings (refer to note 38)                             | 24 762  | 22 059           |

Certain comparative segmental information contained in this set of financial statements has been restated due to reportable segment changes and business portfolio changes. Refer to notes 1.21 and 52 for further details.

## Directors' report

### Details of the members of the Board:

| Name                 | Position as director                         | Changes in the current reporting period    |
|----------------------|----------------------------------------------|--------------------------------------------|
| R van Wyk            | Independent non-executive director, Chairman | Appointed as Chairman 15 July 2025         |
| N Mjoli-Mncube       | Lead independent non-executive director      |                                            |
| T Abdool-Samad       | Independent non-executive director           |                                            |
| Z Bassa              | Independent non-executive director           | Appointed 1 April 2025                     |
| A Beck (British)     | Independent non-executive director           |                                            |
| J Cummins (British)  | Independent non-executive director           | Resigned 30 September 2025                 |
| L Diogo (Mozambican) | Independent non-executive director           | Passed away 16 January 2026                |
| K Fihla              | Group Chief Executive Officer                | Appointed 17 June 2025                     |
| R Keanly             | Independent non-executive director           |                                            |
| P Mageza             | Independent non-executive director           |                                            |
| A Mangale            | Independent non-executive director           |                                            |
| S Moloko             | Independent non-executive director, Chairman | Resigned 15 July 2025                      |
| D Raju               | Group Financial Director                     |                                            |
| C Russon             | Interim Group Chief Executive Officer        | Stepped down from interim position 16 June |
| I Rensburg           | Independent non-executive director           | Resigned 31 August 2025                    |
| F Tonelli            | Independent non-executive director           |                                            |
| S Zilwa              | Independent non-executive director           | Appointed 1 April 2025                     |

### Shareholder information

|                                                          | 2025                                    |                           |              | 2024                                       |                           |              |
|----------------------------------------------------------|-----------------------------------------|---------------------------|--------------|--------------------------------------------|---------------------------|--------------|
|                                                          | Number of Shareholders/<br>note holders | Number of<br>Shares/notes | %<br>holding | Number of<br>Shareholders/<br>note holders | Number of<br>Shares/notes | %<br>holding |
| <b>Public and non-public shareholders</b>                |                                         |                           |              |                                            |                           |              |
| <b>Ordinary shares</b>                                   |                                         |                           |              |                                            |                           |              |
| <b>Public</b>                                            |                                         |                           |              |                                            |                           |              |
| Public Investment Corporation (SA)                       | 1                                       | 123 558 690               | 13.82        | 1                                          | 43 459 283                | 4.86         |
| M&G plc                                                  | 2                                       | 40 650 515                | 4.55         | 2                                          | 51 165 669                | 5.72         |
| Other                                                    | 56 600                                  | 663 829 146               | 74.22        | 55 698                                     | 734 212 154               | 82.09        |
| <b>Non public</b>                                        |                                         | 66 338 556                | 7.41         |                                            | 65 539 801                | 7.33         |
| Treasury shares (Refer to note 21.2)                     |                                         | 65 597 829                | 7.33         |                                            | 64 918 470                | 7.26         |
| Directors and prescribed officers<br>refer to note 21.3) |                                         | 740 727                   | 0.08         |                                            | 621 331                   | 0.07         |
| <b>Total</b>                                             |                                         | <b>894 376 907</b>        | <b>100</b>   |                                            | <b>894 376 907</b>        | <b>100</b>   |

## Directors' report

### Additional Tier 1 capital

The Additional Tier 1 capital notes represent perpetual, subordinated instruments redeemable in full at the option of Absa Group Limited (the issuer) on 16 November 2027, 31 October 2028, 14 May 2029, 29 November 2029 and 09 July 2031 subject to regulatory approval. These instruments include a write-off provision which is required under Basel III. This provision is triggered by the Prudential Authority and shall be instituted at the earlier of (i) a decision that a write-off, without which the Issuer would become non-viable, is necessary; or (ii) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have non-viable. In addition, the Additional Tier 1 Notes do not have a contractual obligation to pay interest. Accordingly, the instruments are classified as equity instruments. Additional Tier 1 notes that were issued on 05 December 2019 and 26 October 2020 were redeemed on 05 June 2025 and 27 October 2025 respectively.

### Treasury shares

Absa Life Limited and Absa Capital Securities Proprietary Limited hold **2 991 446** treasury shares (2024: 2 312 087). Newshelf 1405 (RF) Proprietary Limited (which is currently consolidated into the Group) holds **62 606 383** (7%) Absa Group Limited shares (2024: 62 606 383) as part of the Group's B-BBEE transaction. 3% is designated for the SA Staff Scheme (eKhaya transaction), in which employees will become shareholders after five years (from 1 September 2023). An additional 4% is designated for an evergreen CSI Trust. The CSI trust was established in 2023, and transfers its substantial dividend income received to its beneficiaries, who are primarily black participants in the CSI programmes focusing on education and youth employment. The B-BBEE transaction is disclosed in note 21.2.

### Re-election of retiring directors

In line with international best practice, the Company has a requirement in terms of which all directors on the Board for longer than nine years are subject to annual re-election by shareholders at the annual general meeting (AGM).

In terms of the Company's Memorandum of Incorporation (MOI), one-third of the directors are required to retire at each AGM and may offer themselves for re-election.

### Directors' and officers' personal financial interests in contracts

Transactions with directors are entered into in the normal course of business under terms that are no more favourable than those arranged with third parties. Executive directors are entitled to Absa Group Ordinary shares awards, the details of which are included in the Directors' and prescribed officers' remuneration note 61.

No other contracts were entered into in which Directors and officers of the Company had a personal financial interest, and which significantly affected the business of the Group. The Directors had no interest in any third-party or company responsible for managing any of the business activities of the Group.

### Directors' and prescribed officers' emoluments

The emoluments and services of Directors and prescribed officers are determined by the Group Remuneration Committee (Remco) as disclosed in the Directors' and prescribed officers' remuneration note 61.

### Subsidiaries, associates and joint ventures

The interests in subsidiaries, associates and joint ventures are set out in note 45 to the consolidated financial statements.

### Acquisitions during the current reporting period

There were no acquisitions made during the 2025 financial period.

### Acquisitions during the prior reporting period

Absa Bank Limited increased its shareholding in South African Bankers Services Company Proprietary Limited by 0.685%. This increased the carrying value of the investment by R106m.

Absa Group Limited increased its shareholding in Sanlam Investment Holdings Proprietary Limited. This increased the carrying value of the investment by R24m.

On 6 July 2024, Absa Bank Mauritius Limited met the conditions for acquiring 100% of the assets and liabilities of HSBC's domestic Wealth, and Personal and Banking business in Mauritius. The acquisition became effective on this date. Included in the identifiable assets and liabilities acquired on the effective date are inputs (loans and advances, a portfolio of customer deposits, a branch and customer relationships), certain processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create interest and non-interest income. The acquired set is hence a business and has been accounted for as a business combination within the scope of IFRS 3.

The fair value of the acquired loans and advances is R2 454m. The gross contractual amount for the loans and advances is R2 491m, with a loss allowance of R37m recognised on acquisition.

The acquisition date fair value of the consideration transferred was allocated to the fair values of the acquired assets of R6 985m and liabilities assumed of R6 916m. The gain on bargain purchase recognised in the consolidated statement of comprehensive income due to the acquisition of the business was R69m. The acquired business contributed revenues of R69m and profit of R65m to the group for the reporting period ended 31 December 2024.

### Disposals during the current reporting period

In line with the Group's strategic intent, during 2025 the Group concluded the disposal of three insurance entities to Hollard, within its Africa Regions - Personal and Private Banking & Business Banking.

## Directors' report

On 1 April 2025, the Group disposed of its interest in Global Alliance Seguros, S.A. (Mozambique). The total consideration received amounted to R475m, comprising R20m in cash, a receivable of R412m, and a deferred consideration of R43m. The Group's share of net assets disposed was R515m, and transaction costs incurred amounted to R6m. This transaction resulted in a gross loss of R46m.

Subsequently, on 1 May 2025, the Group disposed of Absa Life Botswana Proprietary Limited. The transaction yielded a cash consideration of R180m. The Group's share of net assets disposed was R164m, and transaction costs amounted to R13m. The disposal resulted in a profit of R3m.

On 1 June 2025, the Group completed the disposal of Absa Life Zambia Limited for a cash consideration of R37m. The Group's share of net assets disposed was R40m, and transaction costs incurred were R14m. This transaction resulted in a gross loss of R17m.

In November 2025, the South African Bankers Service Company Proprietary Limited which was rebranded as 'PayInc', issued ordinary shares to new shareholders, including the South African Reserve Bank. As a result of this share issuance, the Group's equity interest in PayInc decreased from 23.81% to 9.58% by way of a dilution. Despite this reduction in shareholding, the Group continues to exercise significant influence over PayInc and, accordingly, accounts for its remaining interest as an Investment in Associate in accordance with IAS 28.

### Disposals during the prior reporting period

Devco Holdings, a division in the Business Banking segment (previously Relationship Banking), divested its entire shareholding in Absa Property Development (Pty) Ltd. The assets held at the time of the divestment were valued at R203m, while the liabilities amounted to R228m. The sale was finalised on 28 June 2024 and resulted in a profit of R25m.

Refer to note 51 for additional information on the above acquisitions and disposals of businesses and other significant assets.

### Dividends

- On 18 August 2025, an interim dividend of 785 cents per ordinary share was declared. The dividend was announced on 18 August 2025 to ordinary shareholders registered on 12 September 2025. The dividend was paid on 15 September 2025.
- On 9 March 2026, a final dividend of 850 cents per ordinary share was approved by the Board. The dividend was announced on 10 March 2026 to ordinary shareholders registered on 24 April 2026. This dividend is payable on 28 April 2026.
- Refer to Note 41 for Common Equity Tier 1 distribution.

### Special resolutions

The following special resolutions were passed by the Group's ordinary shareholders at the AGM held on 3 June 2025, in accordance with the Companies Act:

#### • Special resolution number 1 – Remuneration of non-executive directors

Resolved to approve the proposed remuneration to be payable to non-executive directors for their services as directors of the Company for the period 1 June 2025 to and including the last day of the month preceding the date of the next AGM.

#### • Special resolution number 2 – General authority to repurchase the Company's securities

Resolved that the Company or any subsidiary of the Company may, subject to the Company's MOI, section 48 of the Companies Act, the JSE Listings Requirements and any other stock exchange upon which the securities in the capital of the Company may be quoted or listed from time to time, repurchase ordinary shares issued by the Company, provided that this authority shall be valid only until the date of the next AGM of the Company or for 15 months from the date of the resolution, whichever is the earlier, and may be varied by a special resolution at any general meeting of the Company at any time prior to the AGM.

#### • Special resolution number 3 – Financial assistance for subscription of securities

Resolved to enable the Company, in terms of a general authority contemplated in section 44(3)(a)(ii) of the Companies Act, for a period of two years from the date of this resolution, to provide financial assistance as regulated by section 44 of the Companies Act for the purpose of or in connection with the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company.

#### • Special resolution number 4 – Financial assistance to a related or inter-related company

Resolved to enable the Company, in terms of a general authority contemplated in section 45(3)(a)(ii) of the Companies Act, for a period of two years from the date of this resolution, to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act to a related or inter-related company/ corporation and/or to a member of a related or inter-related company/corporation.

## Directors' report

### Company Secretary

N R Drutman is the Group Company Secretary. Her contact details are as follows:

7th Floor, Absa Towers West 15 Troye Street Johannesburg, 2001  
 Telephone: (+27 11) 350 5347  
 Email: [groupsec@absa.africa](mailto:groupsec@absa.africa)

### Auditors

KPMG Inc. and PricewaterhouseCoopers Inc. were appointed as joint auditors of the Group for the 2025 reporting period, effective 1 January 2025. Riaz Muradmia and John Bennett are the designated audit partners.

### Authorised and issued share capital

#### Authorised

The authorised share capital of the Company of R1 900 000 000 consists of 950 000 000 ordinary shares of R2,00 each.

The authorised preference shares of the Company of R300 000 consists of 30 000 000 non-cumulative, non-redeemable listed preference shares of R0.01 each.

#### Issued

The total issued share capital at the reporting date was made up as follows:  
 894 376 907 (2024: 894 376 907) ordinary shares of R2,00 each.

No preference shares are currently in issue by the Group (2024: -).

#### Acquisition of shares during the current reporting period

Between 19 March and 19 September 2025, 4 207 854 Group ordinary shares were repurchased for R753.97m, at an average price of R178.60 per share, under the general authority to repurchase shares previously granted by shareholders. These ordinary shares were purchased by the Group for the purpose of settling vested equity settled share-backed schemes.

- During the period 19 - 24 March 2025, 355 000 Group ordinary shares were purchased for R65.83m, at an average of R185.44 per share;
- During the period 29 - 30 April 2025, 652 854 Group ordinary shares were purchased for R111.14m, at an average of R170.12 per share.
- During the period 28-30 May 2025, 1 300 000 Group ordinary shares were purchased for R226.65m, at an average of R174.36 per share.
- During the period 16 - 19 September 2025, 1 900 000 Group ordinary shares were purchased for R350.35m, at an average of R184.47 per share.

#### Acquisition of shares during the prior reporting period

Between 14 May and 17 October 2024, 3 200 000 Group ordinary shares were repurchased for R511.9m, at an average price of R159.98 per share, under the general authority to repurchase shares previously granted by shareholders. These ordinary shares were purchased by the Group for the purpose of settling vested equity settled share-backed schemes.

- During the period 14 - 16 March 2024, 2 000 000 Group ordinary shares were purchased for R306.46m, at an average of R153.23 per share;
- During the period 15 - 17 October 2024, 1 200 000 Group ordinary shares were purchased for R205.48m, at an average of R171.23 per share.

## Independent auditors' report

### To the Shareholders of Absa Group Limited

#### Report on the audit of the consolidated and separate financial statements

##### Our opinion

We have audited the consolidated and separate financial statements of Absa Group Limited (the Group and Company) set out on pages 21 to 299, which comprise:

- the consolidated and company statements of financial position as at 31 December 2025;
- the consolidated and company statements of comprehensive income for the reporting period then ended;
- the consolidated and company statements of changes in equity for the reporting period then ended;
- the consolidated and company statements of cash flows for the reporting period then ended;
- the summary of material accounting policies; and
- the notes to the consolidated and company financial statements, excluding the sections marked as "unaudited" in notes 45.5 (Regulatory requirements), 47 (Assets under management and administration), 57.2 (Climate-sensitive concentration of risk), 57.5.1.3.3 (Simplified Standardised Approach Components under FRTB – AR Entities), 57.6.1 (Capital adequacy ratios), 57.7.10.4 (Concentration risk), and 57.7.12.2 (Solvency position) to the consolidated financial statements.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Absa Group Limited as at 31 December 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the reporting period then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report:

##### Final Materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures. Materiality is also used in evaluating the effect of misstatements, both individually and in aggregate, on the consolidated and separate financial statements as a whole.

Based on our professional judgement, we determined certain quantitative thresholds for materiality for the consolidated and separate financial statements as a whole as follows:

|                                                        | Consolidated Financial Statements                                                                                                                                                                                                                                                                                                                                                                                                                                        | Separate Financial Statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Final materiality</i>                               | R1 600 million                                                                                                                                                                                                                                                                                                                                                                                                                                                           | R980 million                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>How we determined it</i>                            | Approximately 5% of profit before tax                                                                                                                                                                                                                                                                                                                                                                                                                                    | Approximately 1% of total assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <i>Rationale for the materiality benchmark applied</i> | <p>We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark.</p> <p>We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector and is further based on our professional judgement after consideration of qualitative factors that impact the Group.</p> | <p>We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users and is a generally accepted benchmark for bank holding companies.</p> <p>We chose 1% which is consistent with quantitative materiality thresholds used for bank holding companies in this sector and is further based on our professional judgement after consideration of qualitative factors that impact the Company.</p> |

## Independent auditors' report

### Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We performed risk assessment procedures to determine those components in the Group that are likely to include risks of material misstatement to the consolidated financial statements and the extent of audit procedures to perform at those components to address those risks.

We identified fifteen (15) components at which further audit procedures were performed on the entire financial information of the components, either because audit evidence needed to be obtained on all or a significant proportion of the component's financial information, or that component represented a pervasive risk of material misstatement to the consolidated financial statements.

We also identified thirty-three (33) components, at which further audit procedures were performed on one or more classes of transactions, account balances or disclosures based on the assessed risks of material misstatement to the consolidated financial statements.

Accordingly, we performed audit procedures on forty-eight (48) components, of which we involved component auditors in performing the audit work on forty-three (43) components.

Based on our risk assessment procedures, we have determined that there is a less than reasonable possibility of a material misstatement in the remaining financial information not subject to further audit procedures.

### Group auditor oversight

As part of establishing the overall Group audit strategy and plan, we conducted risk assessment and planning discussion meetings with component auditors to discuss the Group audit risks relevant to the respective components.

As group auditor, we engaged with the component auditors to assess the audit risks and strategy relating to their respective components. During these engagements, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further audit procedures required by us was then performed by the component auditors.

We also inspected the work performed by component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

## Independent auditors' report

### Key audit matter

#### Expected credit losses (ECL) on loans and advances to customers at amortised cost

The disclosure associated with ECL on loans and advances to customers at amortised cost is set out in the consolidated financial statements in the following material accounting policies and notes:

- Note 1.2.1 – Approach to credit risk and impairment of loans and advances
- Note 1.7.4 – Expected credit losses on financial assets
- Note 7 – Loans and advances
- Note 32 – Credit impairment charges
- Note 57.2 – Credit risk
- Note 57.3 – Macro-overlays and sensitivity analysis

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The Group's loans and advances to customers and the related ECL is material to the consolidated financial statements.</p> <p>We identified the audit of ECL on loans and advances to customers at amortised cost to be a matter of most significance to the current year audit due to the following:</p> <ol style="list-style-type: none"> <li>1. There is a high degree of estimation uncertainty and significant judgements and assumptions applied in estimating modelled ECL on loans and advances to customers;</li> <li>2. Economic scenario forecasts, incorporating forward-looking information (FLI) which are used to estimate the ECL on loans and advances to customers require estimation and incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation. Any impacts not captured by the statistical model are accounted for via further management adjustments, some of which are judgemental in nature. Such adjustments are also posted where current and forward-looking risks are not fully reflected in the historic data used to calibrate models;</li> <li>3. Wholesale stage 3 impairments of loans and advances to customers are assessed for recoverability individually and require significant management judgement in estimating future recoveries; and</li> <li>4. Credit risk disclosures are significant as they explain the application of <i>IFRS 9 Financial Instruments</i> (IFRS 9) including key judgements and material inputs used in determining the ECL</li> </ol> <p>In calculating the ECL, the key areas of significant management judgement and estimation included:</p> <ol style="list-style-type: none"> <li><b>1. Modelled ECL impairment losses</b> <ul style="list-style-type: none"> <li>• A significant portion of ECL is calculated on a modelled basis which incorporates observable data, assumptions, and estimations. The development and execution of these models requires significant management judgement, including estimation of the probability of default (PD); exposure at default (EAD) and loss given default (LGD) model parameters.</li> <li>• Significant increase in credit risk (SICR) is assessed based on the current risk of default of an account relative to its risk of default at origination. This incorporates judgement and estimation by management.</li> <li>• The determination of the write-off point is based on management's judgement.</li> </ul> </li> </ol> <p>The credit impairment models are subject to formal model governance</p> | <p>Making use of our internal credit risk and economic expertise, our audit procedures addressed the key areas of significant judgement and estimation in determining the ECL on loans and advances to customers at amortised cost, as set out below.</p> <p>In addition, we tested controls and/or performed substantive procedures over the model data inputs, where the inputs are considered material to the models. Where management made use of qualitative or quantitative out-of-model adjustments to cater for forward-looking risks, these were substantively assessed for reasonability.</p> <ol style="list-style-type: none"> <li><b>1. Modelled ECL impairment losses</b> <ul style="list-style-type: none"> <li>• We obtained an understanding of management's data, methodologies and assumptions used in the various ECL models and how these were calibrated to use historical information to estimate ECL, including the controls over the governance of changes to ECL models and the implementation of new ECL models where relevant.</li> <li>• We tested the IT general controls, including change management controls, and application controls relating to the IT systems that support the modelled ECL processes.</li> <li>• We independently reperformed ECL estimates, calculated independent estimates or benchmarked the model calculations for material portfolios, including sovereign risk based on the assumptions as per the model documentation, and independently reperformed the PD, EAD and LGD parameters, to test the assumptions and appropriateness of the judgement applied in the</li> </ul> </li> </ol> |



## Independent auditors' report

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>and approval.</p> <p><b>2. Estimation and incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation</b></p> <ul style="list-style-type: none"> <li>The macroeconomic scenario forecasts are developed internally and require management judgement. Given the uncertain macroeconomic environment, both locally and internationally, there is complexity in incorporating these scenario forecasts, forward-looking information (FLI) and probability weightings into the estimation of ECL.</li> <li>Management adjustments to the modelled ECL output are applied to the portfolios to address specific risks which were not catered for in the FLI incorporated into the models.</li> <li>Determining the key macroeconomic drivers of credit risk including the relative importance/weighting of each identified factor incorporates judgement and estimation by management.</li> </ul> <p><b>3. Stage 3 ECL impairments assessed on an individual basis</b></p> <ul style="list-style-type: none"> <li>A significant portion of loans and advances to customers are assessed for recoverability on an individual basis and occurs outside of the model, primarily in the Business Banking, Corporate and Investment Banking portfolios. Significant judgements, estimates and assumptions are applied by management to: <ul style="list-style-type: none"> <li>determine if the loans and advances are credit impaired;</li> <li>evaluate the valuation and recoverability of collateral;</li> <li>determine the expected value to be realised from collateral (including the timing of such realisations) and other collection efforts; and</li> <li>estimate the timing of the future cash flows.</li> </ul> </li> </ul> | <p>ECL calculations.</p> <ul style="list-style-type: none"> <li>We assessed the appropriateness of the SICR methodologies and model calibrations and tested the resultant stage allocations. For retail portfolio loans and advances to customers, we also tested the performance of the SICR approach by considering historic volumes of accounts moving into arrears and the forward-looking view of default risk.</li> <li>We tested controls and/or performed substantive procedures over the data inputs into the models where the inputs are considered material to the models.</li> <li>We tested controls relating to the staging of loans and advances to customers (for retail portfolios, the system flagging of arrears).</li> <li>For all impacted portfolios, we considered historical post write-off recoveries to evaluate the reasonableness of the write-off definition and to determine whether the current write-off point is still the point at which there was no reasonable expectation of significant further recovery as per the requirements of IFRS 9.</li> </ul> <p><b>2. Estimation and incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation</b></p> <ul style="list-style-type: none"> <li>We tested controls over the approval of macroeconomic forecasts and variables used within the ECL models by the appropriate governance structures. With assistance from our internal economics experts, we assessed the appropriateness of the macroeconomic scenario forecasts and probability weightings by benchmarking these against external evidence and economic data.</li> <li>We tested the performance and sensitivity of the forward-looking models to evaluate whether the chosen macroeconomic variables and model structure provides a reasonable representation of the impact of macroeconomic changes on the ECL under each macroeconomic scenario. This includes the impact of the macroeconomic scenarios on PDs, LGDs and SICR.</li> <li>We assessed the reasonableness of how management considered the uncertain macroeconomic environment on the ECL model through independent ECL quantification and sensitivity analyses.</li> <li>We evaluated the governance process over management adjustments; assessed management's rationale for the adjustments; and the appropriateness of the assumptions and data used in the determination of management's adjustments. We further evaluated whether these were reflective of current market volatility, idiosyncratic risks, or emerging trends.</li> </ul> <p><b>3. Stage 3 ECL impairments assessed on an individual basis</b></p> <ul style="list-style-type: none"> <li>We tested management's processes and key controls over judgements used to determine whether specific exposures are credit impaired, including the completeness and reasonability of these assessments.</li> <li>For a sample of stage 3 exposures, we performed independent credit reviews, and our procedures incorporated probability-weighted scenarios in assessing the reasonability of the estimate of the recoverable amount and timing of expected future cash flows used in measuring ECL. We have performed the following for a sample of stage 3 exposures: <ul style="list-style-type: none"> <li>Where collateral had a material impact on the ECL calculation, we tested the Group's legal right to the collateral by inspecting legal agreements and bond registration information, as well as assessing the reasonability of the valuation of the collateral by evaluating key assumptions against available market and internal information.</li> <li>Where future cash flows are estimated based on the loan counterparty's enterprise value, we have tested these valuations with reference to available market information</li> </ul> </li> </ul> |

## Independent auditors' report

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>4. Disclosures related to credit risk</b></p> <p>Credit risk disclosures are significant as they explain the application of IFRS 9 including key judgements and material inputs used in determining the ECL.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>and counterparty specific information.</p> <p><b>4. Disclosures related to credit risk</b></p> <ul style="list-style-type: none"> <li>We tested the design and implementation and operating effectiveness of controls over the credit risk financial reporting process in respect of the disclosures presented in note 57.2 to the consolidated financial statements.</li> <li>We evaluated whether the credit risk disclosures are consistent with the ECL information tested which included the ECL data, models, estimates and macroeconomic forecasts.</li> <li>We assessed the disclosures in the consolidated financial statements for compliance in accordance with the requirements of IFRS 9.</li> </ul> <p>Outcome: The results of our procedures listed above were satisfactory and we found the estimate recognised to be acceptable.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>Valuation of complex financial instruments held at fair value</b></p> <p>The disclosure associated with the valuation of complex financial instruments is set out in the consolidated financial statements in the following material accounting policies and notes:</p> <ul style="list-style-type: none"> <li>Note 1.2.3 – Fair value measurements</li> <li>Note 55 – Fair value disclosures</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>Complex financial instruments held at fair value are recorded within the following financial statement line items:</p> <ul style="list-style-type: none"> <li>Investment securities;</li> <li>Trading portfolio assets and liabilities;</li> <li>Loans and advances; and</li> <li>Deposits and debt funding.</li> </ul> <p>The financial instruments recorded in the above financial statement line items include derivatives, repurchase and reverse repurchase agreements, structured debt securities and modelled valuation adjustments (XVA's).</p> <p>The complexity arises from the fair value modelling of these financial instruments and the inputs and assumptions used in the valuation thereof.</p> <p>There is significant management judgement relating to the application of sophisticated valuation techniques and models, key assumptions and inputs used to estimate the valuation of the respective financial instruments and the related fair value disclosures.</p> <p>Significant judgement is required concerning unobservable inputs used in the valuation of complex financial instruments, including those for which there are no quoted market prices, or those which are either illiquid or volatile in nature. These judgements relate primarily to credit spreads, yield curves, discount rates, funding spreads and forecasted dividend estimates. These inputs depend on various sources of external and internal data and the use of sophisticated modelling techniques.</p> <p>As a result of the above, the disclosures relating to the valuation of</p> | <p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>We created financial instrument groupings to select samples of financial instruments for testing based on our risk assessment procedures and by analysing population by the product type, valuation method, data and assumptions to identify which financial instruments were considered complex.</li> <li>We obtained an understanding, evaluated the design and implementation, and tested the operating effectiveness of key controls identified in the valuation process over complex financial instruments. These controls relate to model validation and management's independent pricing valuation process.</li> <li>We tested IT general controls, including change management controls, and application controls, including both system interfaces and system configuration controls, relating to the IT systems that support the valuation of complex financial instruments.</li> <li>We engaged our internal valuation experts who assessed the appropriateness of a sample of financial instruments by: <ul style="list-style-type: none"> <li>Independently repricing a sample of complex financial instruments using independent models and data and investigating differences outside of our thresholds.</li> <li>Assessing the appropriateness of techniques, methodologies and models used in calculating valuation adjustments such as credit valuation adjustments, funding valuation adjustments, margin valuation adjustments and collateral valuation adjustments (collectively XVA's) for a sample of counterparties.</li> </ul> </li> <li>We assessed the appropriateness of the fair value disclosures with reference to the requirements of <i>IFRS 13 Fair Value</i></li> </ul> |

## Independent auditors' report

| Key audit matter                                                                                                                                                                                                                                                                  | How our audit addressed the key audit matter                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>these complex financial instruments are also significant.</p> <p>We have identified the valuation of complex financial instruments held at fair value as a key audit matter which necessitated significant audit effort and the support of our internal valuation experts.</p> | <p>Measurement by considering the judgement in the key valuation inputs and assumptions.</p> <p>Outcome: The results of our procedures listed above did not identify material misstatements in the financial statements.</p> |

### Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Absa Group Limited Annual consolidated and separate financial statements for the reporting period ended 31 December 2025" which includes the Group Audit and Compliance Committee report, the Company Secretary's certificate to the shareholders of Absa Group Limited and the Directors' report as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the document titled "Absa Group Limited Integrated Report 2025", which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditors' report thereon, but includes the sections marked as "unaudited" in the notes as referenced in the first paragraph of our opinion section.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent auditors’ report

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. and KPMG Inc. has been the joint auditors of Absa Group Limited for four years.

Prior to the commencement of the joint audit relationship with PricewaterhouseCoopers Inc., KPMG Inc. was the joint auditor with another auditor for the year ended 31 December 2021.

Reportable irregularity

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified a suspected reportable irregularity in terms of the Auditing Profession Act. We have reported such matter to the Independent Regulatory Board for Auditors. The reportable irregularity is no longer ongoing. The matter pertaining to the reportable irregularity has been described in note 60 to the consolidated financial statements and note 22 to the separate financial statements.

Signed by:  
PricewaterhouseCoopers Inc.  
3A8C9AC0D95B4A9...

PricewaterhouseCoopers Inc.  
Director: John Bennett  
Chartered Accountant (SA)  
Registered Auditor  
4 Lisbon Lane, Waterfall City  
Jukskei View, South Africa

9 March 2026

3/9/2026 | 4:18:26 PM SAST

Signed by:  
KPMG Inc.  
54B6600E8F0F4A3...

KPMG Inc.  
Registered Auditor  
Riaz Muradmia  
Chartered Accountant (SA)  
Registered Auditor  
85 Empire Road  
Parktown, South Africa

9 March 2026

3/9/2026 | 7:17:07 AM PDT

## Consolidated statement of financial position

as at 31 December

|                                                     |      | Group            |                  |                         |
|-----------------------------------------------------|------|------------------|------------------|-------------------------|
|                                                     |      | Restated         |                  |                         |
|                                                     | Note | 2025<br>Rm       | 2024<br>Rm       | 1 January<br>2024<br>Rm |
| <b>Assets</b>                                       |      |                  |                  |                         |
| Cash, cash balances and balances with central banks | 2    | 141 415          | 124 557          | 77 815                  |
| Investment securities                               | 3    | 268 530          | 270 444          | 236 498                 |
| Trading portfolio assets                            | 4    | 287 136          | 226 182          | 191 097                 |
| Hedging portfolio assets                            | 4    | 709              | 4 055            | 5 441                   |
| Other assets                                        | 5    | 29 778           | 23 195           | 27 805                  |
| Current tax assets                                  |      | 577              | 689              | 627                     |
| Non-current assets held for sale                    | 6    | 3 753            | 2 111            | 197                     |
| Loans and advances                                  | 7    | 1 438 559        | 1 349 588        | 1 271 357               |
| Insurance contract assets                           | 8    | 1 229            | 793              | 693                     |
| Reinsurance contract assets                         | 8    | 525              | 1 003            | 972                     |
| Investments linked to investment contracts          | 9    | 27 218           | 23 370           | 21 045                  |
| Investments in associates and joint ventures        | 10   | 2 929            | 2 990            | 2 644                   |
| Investment property                                 | 11   | 314              | 225              | 378                     |
| Property and equipment                              | 12   | 16 055           | 16 250           | 16 016                  |
| Goodwill and intangible assets                      | 13   | 14 455           | 16 010           | 14 442                  |
| Deferred tax assets                                 | 14   | 6 297            | 7 233            | 7 849                   |
| <b>Total assets</b>                                 |      | <b>2 239 479</b> | <b>2 068 695</b> | <b>1 874 876</b>        |
| <b>Liabilities</b>                                  |      |                  |                  |                         |
| Trading portfolio liabilities                       | 15   | 84 533           | 66 020           | 62 548                  |
| Hedging portfolio liabilities                       | 15   | 3 196            | 1 258            | 1 688                   |
| Other liabilities                                   | 17   | 38 751           | 40 291           | 42 093                  |
| Provisions                                          | 16   | 6 818            | 5 807            | 6 045                   |
| Current tax liabilities                             |      | 1 946            | 706              | 833                     |
| Non-current liabilities held for sale               | 6    | 3 370            | 1 064            | -                       |
| Deposits and debt funding                           | 18   | 1 854 348        | 1 718 218        | 1 550 664               |
| Liabilities under investment contracts              | 19   | 27 744           | 23 547           | 21 247                  |
| Insurance contract liabilities                      | 8    | 4 324            | 6 630            | 6 426                   |
| Reinsurance contract liabilities                    | 8    | 249              | 312              | 252                     |
| Subordinated debt                                   | 20   | 22 562           | 21 188           | 18 502                  |
| Deferred tax liabilities                            | 14   | 229              | 378              | 181                     |
| <b>Total liabilities</b>                            |      | <b>2 048 070</b> | <b>1 885 419</b> | <b>1 710 479</b>        |
| <b>Equity</b>                                       |      |                  |                  |                         |
| <b>Capital and reserves</b>                         |      |                  |                  |                         |
| Attributable to ordinary equity holders:            |      |                  |                  |                         |
| Share capital                                       | 21   | 1 657            | 1 658            | 1 657                   |
| Share premium                                       | 21   | 10 437           | 10 562           | 10 464                  |
| Retained earnings                                   |      | 148 758          | 139 199          | 130 308                 |
| Other reserves                                      | 22   | 11 559           | 8 755            | 2 157                   |
|                                                     |      | <b>172 411</b>   | <b>160 174</b>   | <b>144 586</b>          |
| Non-controlling interest – ordinary shares          |      | 8 900            | 8 784            | 6 905                   |
| Non-controlling interest – preference shares        | 23.1 | -                | 4 644            | 4 644                   |
| Other equity: Additional Tier 1 capital             | 23.2 | 10 098           | 9 674            | 8 262                   |
| <b>Total equity</b>                                 |      | <b>191 409</b>   | <b>183 276</b>   | <b>164 397</b>          |
| <b>Total liabilities and equity</b>                 |      | <b>2 239 479</b> | <b>2 068 695</b> | <b>1 874 876</b>        |

The statement of financial position has been restated. Refer to the reporting changes overview in note 1.21 for further details.

## Consolidated statement of comprehensive income

for the reporting period ended 31 December

|                                                            | Note | Group          |                |
|------------------------------------------------------------|------|----------------|----------------|
|                                                            |      | 2025<br>Rm     | 2024<br>Rm     |
| Net interest income                                        |      | 73 941         | 71 105         |
| Interest and similar income                                | 24   | 161 086        | 167 856        |
| Effective interest income                                  |      | 158 482        | 164 957        |
| Other interest income                                      |      | 2 604          | 2 899          |
| Interest expense and similar charges                       | 25   | (87 145)       | (96 751)       |
| Non-interest income                                        |      | 41 756         | 38 844         |
| Net fee and commission income                              | 26   | 26 752         | 25 901         |
| Fee and commission income                                  |      | 31 230         | 29 659         |
| Fee and commission expense                                 |      | (4 478)        | (3 758)        |
| Insurance service result                                   |      | 2 071          | 2 131          |
| Insurance revenue                                          | 27   | 11 678         | 11 852         |
| Insurance service expenses                                 |      | (9 019)        | (9 242)        |
| Net expense from reinsurance contracts                     |      | (588)          | (479)          |
| Net finance expense from insurance contracts               | 28   | (347)          | (220)          |
| Net finance expense from reinsurance contracts             | 28   | (36)           | -              |
| Changes in investment contract liabilities                 | 19   | (2 058)        | (1 083)        |
| Gains and losses from banking and trading activities       | 29   | 10 853         | 8 719          |
| Gains and losses from investment activities                | 30   | 3 635          | 2 527          |
| Other operating income                                     | 31   | 886            | 869            |
| <b>Total income</b>                                        |      | <b>115 697</b> | <b>109 949</b> |
| Credit impairment charges                                  | 32   | (13 410)       | (14 304)       |
| <b>Operating income before operating expenditure</b>       |      | <b>102 287</b> | <b>95 645</b>  |
| Operating expenditure                                      | 33   | (62 235)       | (58 508)       |
| Other expenses                                             |      | (5 686)        | (4 196)        |
| Other impairments                                          | 34   | (3 157)        | (914)          |
| Indirect taxation                                          | 35   | (2 529)        | (2 592)        |
| Loss on net monetary position                              |      | -              | (690)          |
| Share of post-tax results of associates and joint ventures |      | 318            | 282            |
| <b>Operating profit before income tax</b>                  |      | <b>34 684</b>  | <b>33 223</b>  |
| Taxation expense                                           | 36   | (9 082)        | (8 320)        |
| <b>Profit for the reporting period</b>                     |      | <b>25 602</b>  | <b>24 903</b>  |
| <b>Profit attributable to:</b>                             |      |                |                |
| Ordinary equity holders                                    |      | 22 214         | 21 537         |
| Non-controlling interest – ordinary shares                 |      | 1 995          | 1 858          |
| Non-controlling interest – preference shares               |      | 342            | 408            |
| Other equity: Additional Tier 1 capital                    |      | 1 051          | 1 100          |
|                                                            |      | <b>25 602</b>  | <b>24 903</b>  |
| <b>Earnings per share:</b>                                 |      |                |                |
| Basic earnings per share (cents)                           | 37.1 | 2 679.6        | 2 599.2        |
| Diluted earnings per share (cents)                         | 37.2 | 2 651.5        | 2 594.8        |

## Consolidated statement of comprehensive income

for the reporting period ended 31 December

|                                                                                                    |    | Group         |               |
|----------------------------------------------------------------------------------------------------|----|---------------|---------------|
|                                                                                                    |    | 2025          | 2024          |
|                                                                                                    |    | Rm            | Rm            |
| <b>Profit for the reporting period</b>                                                             |    | <b>25 602</b> | <b>24 903</b> |
| <b>Other comprehensive income</b>                                                                  |    |               |               |
| <b>Items that will not be reclassified to profit or loss</b>                                       |    | <b>13</b>     | <b>(219)</b>  |
| Movement on equity instruments designated at fair value through other comprehensive income (FVOCI) |    | (3)           | (36)          |
| Fair value movements                                                                               |    | 12            | (36)          |
| Deferred tax                                                                                       |    | (15)          | -             |
| Movement on liabilities designated at FVTPL due to changes in own credit risk                      |    | (144)         | (200)         |
| Fair value movements                                                                               |    | (197)         | (274)         |
| Deferred tax                                                                                       |    | 53            | 74            |
| Movement in retirement benefit fund assets and liabilities                                         |    | 160           | 17            |
| Increase/(Decrease) in retirement benefit surplus                                                  | 40 | 115           | (42)          |
| Decrease in retirement benefit deficit                                                             | 40 | 95            | 56            |
| Deferred tax                                                                                       | 14 | (50)          | 3             |
| <b>Items that are or may be subsequently reclassified to profit or loss</b>                        |    | <b>1 401</b>  | <b>5 968</b>  |
| Movement in foreign currency translation reserve                                                   |    | (3 005)       | 1 774         |
| Differences in translation of foreign operations                                                   |    | (3 046)       | 1 774         |
| Release to profit or loss                                                                          |    | 41            | -             |
| Movement in cash flow hedging reserve                                                              |    | 2 388         | 1 795         |
| Fair value movements                                                                               |    | 3 020         | 827           |
| Amounts transferred within other comprehensive income                                              |    | (122)         | 11            |
| Release to profit or loss                                                                          | 53 | 373           | 1 621         |
| Deferred tax                                                                                       | 14 | (883)         | (664)         |
| Movement in fair value of debt instruments measured at FVOCI                                       |    | 1 875         | 2 223         |
| Fair value movements                                                                               |    | 2 292         | 2 508         |
| Release to profit or loss                                                                          | 29 | 12            | (2)           |
| Deferred tax                                                                                       | 14 | (429)         | (283)         |
| Movement in Insurance finance reserve                                                              |    | 143           | 176           |
| Finance income from insurance contracts                                                            |    | 337           | 283           |
| Finance (expense) from reinsurance contracts                                                       |    | (43)          | (47)          |
| Deferred tax                                                                                       |    | (45)          | 5             |
| Current tax                                                                                        |    | (130)         | (65)          |
| Release to profit or loss                                                                          |    | 24            | -             |
| <b>Total comprehensive income for the reporting period</b>                                         |    | <b>27 016</b> | <b>30 652</b> |
| <b>Total comprehensive income attributable to:</b>                                                 |    |               |               |
| Ordinary equity holders                                                                            |    | 24 585        | 26 395        |
| Non-controlling interest – ordinary shares                                                         |    | 1 038         | 2 749         |
| Non-controlling interest – preference shares                                                       |    | 342           | 408           |
| Other equity: Additional Tier 1 capital                                                            |    | 1 051         | 1 100         |
|                                                                                                    |    | <b>27 016</b> | <b>30 652</b> |

## Consolidated statement of changes in equity

for the reporting period ended 31 December

Group

2025

|                                                                                        | Number of<br>ordinary<br>shares<br>'000 | Share<br>capital<br>Rm | Share<br>premium<br>Rm | Retained<br>earnings<br>Rm | Total other<br>reserves<br>Rm | General<br>credit risk<br>reserve<br>Rm |
|----------------------------------------------------------------------------------------|-----------------------------------------|------------------------|------------------------|----------------------------|-------------------------------|-----------------------------------------|
| <b>Balance at the beginning of the reporting period</b>                                | <b>829 458</b>                          | <b>1 658</b>           | <b>10 562</b>          | <b>139 199</b>             | <b>8 755</b>                  | <b>1 538</b>                            |
| Total comprehensive income                                                             | -                                       | -                      | -                      | 22 226                     | 2 358                         | -                                       |
| Profit for the period                                                                  | -                                       | -                      | -                      | 22 214                     | -                             | -                                       |
| Other comprehensive income                                                             | -                                       | -                      | -                      | 12                         | 2 358                         | -                                       |
| Dividends paid during the reporting period                                             | -                                       | -                      | -                      | (12 957)                   | -                             | -                                       |
| Distributions paid during the reporting period                                         | -                                       | -                      | -                      | -                          | -                             | -                                       |
| Redemption of preference shares                                                        | -                                       | -                      | -                      | 31                         | -                             | -                                       |
| Issuance of Additional Tier 1 capital                                                  | -                                       | -                      | -                      | -                          | -                             | -                                       |
| Redemption of Additional Tier 1 capital                                                | -                                       | -                      | -                      | -                          | -                             | -                                       |
| Purchase of Group shares in respect of equity-settled share-based payment arrangements | -                                       | -                      | (809)                  | (51)                       | -                             | -                                       |
| Elimination of the movement in treasury shares held by Group entities                  | (679)                                   | (1)                    | (125)                  | -                          | -                             | -                                       |
| Movement in share-based payment reserve                                                | -                                       | -                      | 809                    | -                          | 756                           | -                                       |
| Transfer from share-based payment reserve                                              | -                                       | -                      | 809                    | -                          | (809)                         | -                                       |
| Value of employee services                                                             | -                                       | -                      | -                      | -                          | 1 422                         | -                                       |
| Deferred tax                                                                           | -                                       | -                      | -                      | -                          | 143                           | -                                       |
| Movement in general credit risk reserve                                                | -                                       | -                      | -                      | (105)                      | 105                           | 105                                     |
| Share of post-tax results of associates and joint ventures                             | -                                       | -                      | -                      | (330)                      | 330                           | -                                       |
| Transfers between reserves                                                             | -                                       | -                      | -                      | 745                        | (745)                         | -                                       |
| <b>Balance at the end of the reporting period</b>                                      | <b>828 779</b>                          | <b>1 657</b>           | <b>10 437</b>          | <b>148 758</b>             | <b>11 559</b>                 | <b>1 643</b>                            |
| Note                                                                                   | 21                                      | 21                     | 21                     |                            | 22                            | 22                                      |



## Consolidated statement of changes in equity

for the reporting period ended 31 December

Group  
2025

| Fair value through other comprehensive income reserve<br>Rm | Cash flow hedging reserve<br>Rm | Foreign currency translation reserve<br>Rm | Foreign insurance subsidiary regulatory reserve<br>Rm | Insurance finance reserve<br>Rm | Share-based payment reserve<br>Rm | Associates and joint ventures reserve<br>Rm | Capital and reserves attributable to ordinary equity holders<br>Rm | Non-controlling interest - ordinary shares<br>Rm | Non-controlling interest - preference shares<br>Rm | Other equity: Additional Tier 1 Capital<br>Rm | Total equity<br>Rm |
|-------------------------------------------------------------|---------------------------------|--------------------------------------------|-------------------------------------------------------|---------------------------------|-----------------------------------|---------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------|-----------------------------------------------|--------------------|
| 874                                                         | 516                             | 1 496                                      | 44                                                    | 64                              | 2 002                             | 2 221                                       | 160 174                                                            | 8 784                                            | 4 644                                              | 9 674                                         | 183 276            |
| 1 801                                                       | 2 388                           | (2 029)                                    | -                                                     | 198                             | -                                 | -                                           | 24 584                                                             | 1 038                                            | 342                                                | 1 052                                         | 27 016             |
| -                                                           | -                               | -                                          | -                                                     | -                               | -                                 | -                                           | 22 214                                                             | 1 995                                            | 342                                                | 1 051                                         | 25 602             |
| 1 801                                                       | 2 388                           | (2 029)                                    | -                                                     | 198                             | -                                 | -                                           | 2 370                                                              | (957)                                            | -                                                  | -                                             | 1 413              |
| -                                                           | -                               | -                                          | -                                                     | -                               | -                                 | -                                           | (12 957)                                                           | (922)                                            | (342)                                              | -                                             | (14 221)           |
| -                                                           | -                               | -                                          | -                                                     | -                               | -                                 | -                                           | -                                                                  | -                                                | -                                                  | (1 051)                                       | (1 051)            |
| -                                                           | -                               | -                                          | -                                                     | -                               | -                                 | -                                           | 31                                                                 | -                                                | (4 644)                                            | -                                             | (4 613)            |
| -                                                           | -                               | -                                          | -                                                     | -                               | -                                 | -                                           | -                                                                  | -                                                | -                                                  | 3 009                                         | 3 009              |
| -                                                           | -                               | -                                          | -                                                     | -                               | -                                 | -                                           | -                                                                  | -                                                | -                                                  | (2 586)                                       | (2 586)            |
| -                                                           | -                               | -                                          | -                                                     | -                               | -                                 | -                                           | (860)                                                              | -                                                | -                                                  | -                                             | (860)              |
| -                                                           | -                               | -                                          | -                                                     | -                               | -                                 | -                                           | (126)                                                              | -                                                | -                                                  | -                                             | (126)              |
| -                                                           | -                               | -                                          | -                                                     | -                               | 756                               | -                                           | 1 565                                                              | -                                                | -                                                  | -                                             | 1 565              |
| -                                                           | -                               | -                                          | -                                                     | -                               | (809)                             | -                                           | -                                                                  | -                                                | -                                                  | -                                             | -                  |
| -                                                           | -                               | -                                          | -                                                     | -                               | 1 422                             | -                                           | 1 422                                                              | -                                                | -                                                  | -                                             | 1 422              |
| -                                                           | -                               | -                                          | -                                                     | -                               | 143                               | -                                           | 143                                                                | -                                                | -                                                  | -                                             | 143                |
| -                                                           | -                               | -                                          | -                                                     | -                               | -                                 | -                                           | -                                                                  | -                                                | -                                                  | -                                             | -                  |
| -                                                           | -                               | -                                          | -                                                     | -                               | -                                 | 330                                         | -                                                                  | -                                                | -                                                  | -                                             | -                  |
| (558)                                                       | -                               | (129)                                      | (16)                                                  | -                               | (42)                              | -                                           | -                                                                  | -                                                | -                                                  | -                                             | -                  |
| 2 117                                                       | 2 904                           | (662)                                      | 28                                                    | 262                             | 2 716                             | 2 551                                       | 172 411                                                            | 8 900                                            | -                                                  | 10 098                                        | 191 409            |
| 22                                                          | 22                              | 22                                         | 22                                                    | 22                              | 22                                | 22                                          |                                                                    |                                                  | 23                                                 | 23                                            |                    |

## Consolidated statement of changes in equity

for the reporting period ended 31 December

2024

|                                                                                        | Number of<br>ordinary<br>shares<br>'000 | Share<br>capital<br>Rm | Share<br>premium<br>Rm | Retained<br>earnings<br>Rm | Total other<br>reserves<br>Rm | General<br>credit<br>risk<br>reserve<br>Rm |
|----------------------------------------------------------------------------------------|-----------------------------------------|------------------------|------------------------|----------------------------|-------------------------------|--------------------------------------------|
| <b>Balance at the beginning of the reporting period</b>                                | 829 054                                 | 1 657                  | 10 464                 | 130 308                    | 2 157                         | 895                                        |
| Total comprehensive income                                                             | -                                       | -                      | -                      | 21 327                     | 5 068                         | -                                          |
| Profit for the period                                                                  | -                                       | -                      | -                      | 21 537                     | -                             | -                                          |
| Other comprehensive income                                                             | -                                       | -                      | -                      | (210)                      | 5 068                         | -                                          |
| Dividends paid during the reporting period                                             | -                                       | -                      | -                      | (11 366)                   | -                             | -                                          |
| Distributions paid during the reporting period                                         | -                                       | -                      | -                      | -                          | -                             | -                                          |
| Issuance of Additional Tier 1 capital                                                  | -                                       | -                      | -                      | -                          | -                             | -                                          |
| Redemption of Additional Tier 1 capital                                                | -                                       | -                      | -                      | -                          | -                             | -                                          |
| Purchase of Group shares in respect of equity-settled share-based payment arrangements | -                                       | -                      | (755)                  | (145)                      | -                             | -                                          |
| Elimination of the movement in treasury shares held by Group entities                  | 404                                     | 1                      | 98                     | -                          | -                             | -                                          |
| Movement in share-based payment reserve                                                | -                                       | -                      | 755                    | -                          | 559                           | -                                          |
| Transfer from share-based payment reserve                                              | -                                       | -                      | 755                    | -                          | (755)                         | -                                          |
| Value of employee services                                                             | -                                       | -                      | -                      | -                          | 1 289                         | -                                          |
| Deferred tax                                                                           | -                                       | -                      | -                      | -                          | 25                            | -                                          |
| Non-vested shares due to market condition                                              | -                                       | -                      | -                      | -                          | 44                            | -                                          |
| Movement in general credit risk reserve                                                | -                                       | -                      | -                      | (643)                      | 643                           | 643                                        |
| Share of post-tax results of associates and joint ventures                             | -                                       | -                      | -                      | (282)                      | 282                           | -                                          |
| <b>Balance at the end of the reporting period</b>                                      | <b>829 458</b>                          | <b>1 658</b>           | <b>10 562</b>          | <b>139 199</b>             | <b>8 755</b>                  | <b>1 538</b>                               |
| Note                                                                                   | 21                                      | 21                     | 21                     |                            | 22                            | 22                                         |

## Consolidated statement of changes in equity

for the reporting period ended 31 December

| 2024                                                     |                              |                                         |                                                    |                              |                                |                                          |                                                                 |                                               |                                                 |                                            |                 |  |
|----------------------------------------------------------|------------------------------|-----------------------------------------|----------------------------------------------------|------------------------------|--------------------------------|------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|--------------------------------------------|-----------------|--|
| Fair value through other comprehensive income reserve Rm | Cash flow hedging reserve Rm | Foreign currency translation reserve Rm | Foreign insurance subsidiary regulatory reserve Rm | Insurance finance reserve Rm | Share-based payment reserve Rm | Associates and joint ventures reserve Rm | Capital and reserves attributable to ordinary equity holders Rm | Non-controlling interest - ordinary shares Rm | Non-controlling interest - preference shares Rm | Other equity: Additional Tier 1 Capital Rm | Total equity Rm |  |
| (1 200)                                                  | (1 279)                      | 501                                     | 44                                                 | (140)                        | 1 399                          | 1 939                                    | 144 586                                                         | 6 905                                         | 4 644                                           | 8 262                                      | 164 397         |  |
| 2 074                                                    | 1 795                        | 995                                     | -                                                  | 204                          | -                              | -                                        | 26 395                                                          | 2 749                                         | 408                                             | 1 100                                      | 30 652          |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | -                              | -                                        | 21 537                                                          | 1 858                                         | 408                                             | 1 100                                      | 24 903          |  |
| 2 074                                                    | 1 795                        | 995                                     | -                                                  | 204                          | -                              | -                                        | 4 858                                                           | 891                                           | -                                               | -                                          | 5 749           |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | -                              | -                                        | (11 366)                                                        | (870)                                         | (408)                                           | -                                          | (12 644)        |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | -                              | -                                        | -                                                               | -                                             | -                                               | (1 100)                                    | (1 100)         |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | -                              | -                                        | -                                                               | -                                             | -                                               | 3 090                                      | 3 090           |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | -                              | -                                        | -                                                               | -                                             | -                                               | (1 678)                                    | (1 678)         |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | -                              | -                                        | (900)                                                           | -                                             | -                                               | -                                          | (900)           |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | -                              | -                                        | 99                                                              | -                                             | -                                               | -                                          | 99              |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | 559                            | -                                        | 1 314                                                           | -                                             | -                                               | -                                          | 1 314           |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | (755)                          | -                                        | -                                                               | -                                             | -                                               | -                                          | -               |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | 1 289                          | -                                        | 1 289                                                           | -                                             | -                                               | -                                          | 1 289           |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | 25                             | -                                        | 25                                                              | -                                             | -                                               | -                                          | 25              |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | 44                             | -                                        | 44                                                              | -                                             | -                                               | -                                          | 44              |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | -                              | -                                        | -                                                               | -                                             | -                                               | -                                          | -               |  |
| -                                                        | -                            | -                                       | -                                                  | -                            | -                              | 282                                      | -                                                               | -                                             | -                                               | -                                          | -               |  |
| 874                                                      | 516                          | 1 496                                   | 44                                                 | 64                           | 2 002                          | 2 221                                    | 160 174                                                         | 8 784                                         | 4 644                                           | 9 674                                      | 183 276         |  |
| 22                                                       | 22                           | 22                                      | 22                                                 | 22                           | 22                             | 22                                       |                                                                 |                                               | 23                                              | 23                                         |                 |  |

## Consolidated statement of cash flows

for the reporting period ended 31 December

|                                                                                        | Note | 2025<br>Rm      | 2024<br>Rm      |
|----------------------------------------------------------------------------------------|------|-----------------|-----------------|
| <b>Cash flow from operating activities</b>                                             |      |                 |                 |
| Profit before tax                                                                      |      | 34 684          | 33 223          |
| Adjustment of non-cash items                                                           |      |                 |                 |
| Depreciation and amortisation                                                          | 33   | 6 039           | 5 853           |
| Other impairments                                                                      | 34   | 3 157           | 914             |
| Share of post-tax results of associates and joint ventures                             |      | (318)           | (282)           |
| Loss on net monetary position                                                          |      | -               | 690             |
| Other non-cash items included in profit before tax                                     |      | 1 624           | 1 122           |
| Adjustment of dividends received from investing activities                             |      | (141)           | (249)           |
| Cash flow from operating activities before changes in operating assets and liabilities |      | 45 045          | 41 271          |
| Net increase in operating assets                                                       | 50.1 | (208 683)       | (139 621)       |
| Net increase in operating liabilities                                                  | 50.2 | 220 954         | 168 586         |
| Income taxes paid                                                                      |      | (7 230)         | (7 673)         |
| <b>Net cash generated from operating activities</b>                                    |      | <b>50 086</b>   | <b>62 563</b>   |
| <b>Cash flow from investing activities</b>                                             |      |                 |                 |
| Proceeds from sale of non-current assets held for sale                                 |      | 1 859           | 126             |
| Dividends received from investment activities                                          |      | 625             | 260             |
| Purchase of property and equipment                                                     | 12   | (3 318)         | (4 320)         |
| Purchase of investment properties                                                      | 11   | (90)            | (1)             |
| Proceeds from disposal of properties and equipment                                     |      | 674             | 1 519           |
| Purchase of intangible assets                                                          |      | (3 916)         | (4 832)         |
| Proceeds on the acquisition of business                                                |      | -               | 4 472           |
| Proceeds from disposal of intangible assets                                            |      | 174             | 336             |
| Investments in associates and joint ventures                                           |      | -               | (24)            |
| <b>Net cash (utilised in) investing activities</b>                                     |      | <b>(3 992)</b>  | <b>(2 464)</b>  |
| <b>Cash flow from financing activities</b>                                             |      |                 |                 |
| (Purchase)/Sale of own shares                                                          |      | (126)           | 99              |
| Purchase of Group shares in respect of equity settled share-based payment schemes      |      | (861)           | (900)           |
| Redemption of preference shares                                                        |      | (4 598)         | -               |
| Issue of Additional Tier 1 capital                                                     |      | 3 009           | 3 090           |
| Redemption of Additional Tier 1 capital                                                |      | (2 585)         | (1 678)         |
| Proceeds from subordinated debt                                                        | 20   | 5 045           | 5 304           |
| Repayment of subordinated debt                                                         | 20   | (2 761)         | (3 120)         |
| Repayment of lease liabilities                                                         |      | (1 427)         | (1 212)         |
| Distributions paid to Tier 1 Capital holders                                           |      | (1 051)         | (1 100)         |
| Dividends paid                                                                         |      | (14 221)        | (12 644)        |
| <b>Net cash (utilised in) financing activities</b>                                     |      | <b>(19 576)</b> | <b>(12 161)</b> |
| Net increase in cash and cash equivalents                                              |      | 26 518          | 47 938          |
| Cash and cash equivalents at the beginning of the reporting period                     |      | 137 797         | 90 347          |
| Effect of exchange rate movement/hyperinflation on cash and cash equivalents           |      | (305)           | (488)           |
| <b>Cash and cash equivalents at the end of the reporting period</b>                    |      | <b>164 010</b>  | <b>137 797</b>  |

Borrowed funds has been renamed to subordinated debt. Refer to the reporting changes overview in note 1.21 for further details.

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

# Summary of material accounting policies

for the reporting period ended 31 December 2025

## 1. Summary of material accounting policies

### 1.1 Basis of preparation

The material accounting policies applied in the preparation of these consolidated and separate financial statements (authorised on 9 March 2026) are set out below. These statements have been prepared in accordance with IFRS® Accounting Standards, the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements and the South African Companies Act.

The consolidated and separate financial statements have been prepared under the historical cost convention modified to include the effect of the change in purchase power for entities within the group that have a functional currency of a hyperinflationary economy, and for the fair valuation of investment property as well as policyholder liabilities and particular financial instruments to the extent required or permitted under IFRS Accounting Standards as set out in the relevant accounting policies.

The consolidated and separate financial statements are presented in South African Rand, which is the functional currency of the Company, and rounded to the nearest million (Rm) unless otherwise indicated.

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

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

### 1.2 Process of determination and use of estimates, assumption and judgements

#### 1.2.1 Approach to credit risk and impairment of loans and advances

The Group has established a framework, and related processes, which govern its approach to credit risk management and any resultant impairment of financial assets. Where models are used in quantifying the impairments, the governance process is focused around the Absa Group Limited Models Committee (MC) (a board committee) and Business Unit level model approval forums whose remit includes:

- oversight of the development, implementation and evaluation of risk and impairment models;
- oversight of the inception and periodic independent model validations (the frequency of the periodic validation being dependent on model type, materiality and model risk rating);
- the approval of new models, changes to existing models or continued use of models, in line with the Group Model Risk Policy and supporting Standards; and
- approval of overlays to mitigate model deficiencies (post- model adjustments).

Retail impairment allowances are subject to quarterly impairment adequacy reviews and approval by the Retail Impairment Adequacy Forum. Wholesale impairment allowances are subject to monthly impairment adequacy reviews and approval by the Wholesale Impairment Governance Forum.

The consideration of credit risk is a fundamental process for the Group as it ultimately determines the impairment losses recognised from an accounting perspective. This section describes the processes and assumptions applied in estimating impairment under IFRS 9.

#### 1.2.1.1 Approach to credit modelling/internal ratings

The key objective of credit risk measurement is to produce the most accurate possible quantitative assessment of credit risk to which the Group is exposed. Integral to this is the calculation of parameters which are used for credit risk management purposes and in the calculation of regulatory capital, economic capital and the determination of impairment in terms of IFRS Accounting Standards.

The key credit parameters used in this process are:

- probability of default (PD): the likelihood of a customer defaulting on its obligations within the appropriate outcome period;
- exposure at default (EAD): an estimate of the level of credit exposure should the customer default during the appropriate outcome period; and
- loss given default (LGD): an estimate of the percentage of EAD that will not be recovered on a particular credit facility should the customer default during the outcome period. LGD recognises credit risk mitigation, such as collateral or credit derivatives, unless this mitigation has been recognised at fair value.

Whilst there is a close interaction and clear overlaps between the regulatory expected loss methodology and the accounting credit models, there are key departures which impact how the key risk parameters are modelled and applied. These are discussed further in sections 1.2.1.4 and 1.2.1.5.

Internal and vendor-supplied credit models are used to estimate the key credit parameters of PD, LGD and EAD. The Group uses different modelling methodologies, ranging from pure statistical models and cash flow models to expert-based models, taking into account quantitative and qualitative risk drivers. PD, LGD and EAD estimates can be calculated to represent different views of the credit cycle, which are used in different applications.

For example, PD estimates can be calculated on a through-the-cycle (TTC) basis, reflecting the predicted default frequency in an average 12-month period across the credit cycle, or on a point-in-time (PIT) basis, reflecting the predicted default frequency in the next 12 months for a particular period in the credit cycle. EAD and LGD estimates can be calculated as downturn measures, reflecting behaviour observed under stressed economic conditions, or as business-as-usual measures, reflecting behaviour under normal conditions.

These parameters are used for the following credit risk management purposes:

- Credit approval: PD models are used in the approval process in both Retail and Wholesale portfolios. In high-volume Retail portfolios, application and behaviour scorecards are frequently used as decision-making tools. In Wholesale and certain Retail portfolios, PD models are used to direct applications to an appropriate credit sanctioning level.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

- Risk-reward and pricing: PD, EAD and LGD metrics are used to assess the profitability of deals and portfolios and to allow for risk-adjusted pricing and strategy decisions.
- Risk appetite: Regulatory capital, economic capital and earnings volatility measures are used in the Group's risk appetite framework.
- Economic capital calculations: Credit economic capital calculations use PD, LGD and EAD inputs.
- Risk profile reporting: Credit risk reports for senior management make use of model outputs to describe the Group's credit risk profile.

### 1.2.1.2 Validation of models

Models undergo independent validation when new models have been developed (initial validation) and on a periodic basis (ongoing validation). Models are approved by the respective Chief Risk Officers supported by the Business Unit level model approval forums. Where a model is expected to have a material impact on the financial results, this is approved by the Group's Models Committee (MC).

### 1.2.1.3 Default grades

The Group uses two types of PDs, namely:

- The Through-the-Cycle Probability of Default (TTC PD), which reflects the Group's assessment of the borrower's long-run average propensity to default in the next year; and
- The Point in Time Probability of Default (PIT PD), which is calculated factoring the current economic, industry and borrower circumstances.

Both types of PDs are used extensively in the Group's decision-making processes. For communication and comparison purposes, the Group's 21 default grades (DGs), were mapped to external agency rating equivalents as well as the South African Reserve Bank's (SARB) 26 grade PD scale used for regulatory reporting purposes. DG grading represents a TTC view of the distribution of the book at a specific point in time. The indicative mapping of the DG buckets to the equivalent international rating agency and regulatory PD bands are described below:

- DG 1 – 9: assets falling within these DG buckets are regarded as 'investment grade' and, when converted to a rating agency equivalent, correspond to a BBB- rating or better.
- DG 10 – 19: financial assets in these grades typically require more detailed management attention where clear evidence of financial deterioration or weakness exists. Although credit protection may exist, assets in this category are considered to have greater credit risk. These assets contain some credit deficiencies. When converted to a rating agency equivalent, these ratings correspond to a BB+ to B- rating.
- DG 20 – 21: the PD of financial assets in these grades have deteriorated to such an extent that they are included for regular review. Assets so classified must have well defined weaknesses that exacerbate the PD. These ratings correspond to a CCC/C rating.
- Default: assets that are classified as in default are characterised by the distinct possibility that the borrower will default, and should the collateral pledged be insufficient to cover the asset, the Group will sustain some loss when default occurs.

### 1.2.1.4 Approach to impairment of credit exposures

The accounting policy for the impairment of financial assets held at amortised cost or fair value through other comprehensive income applied by the Group is described in note 1.7.4.

The measurement of ECL involves a significant level of complexity and judgement, including estimation of probabilities of default, LGD, a range of unbiased future economic scenarios, estimation of expected lives, estimation of EAD and assessing significant increases in credit risk.

The purpose of estimating ECL is neither to estimate a worst-case scenario nor to estimate the best-case scenario. The estimate reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. In some cases, relatively simple modelling is considered to be sufficient, without the need to consider the outcome under different scenarios. For example, the average credit losses of a large group of financial instruments with shared risk characteristics may be a reasonable estimate of the probability-weighted amount. In other situations, the identification of scenarios that specify the amount and timing of the cash flows for particular outcomes and the estimated probability of those outcomes will be needed.

Under IFRS 9, the Group recognises ECL based on a stage allocation methodology, with such categorisation informing the level of provisioning required. The ECL allowance calculated on stage 1 assets reflects the lifetime losses associated with events of default that are expected to occur within 12 months of the reporting date (12-month ECL). Assets classified within stage 2 and stage 3 carry an ECL allowance calculated based on the lifetime losses associated with defaults that are expected to occur over the lifetime of the exposure (lifetime ECL). The assessment of whether an exposure should be transferred from stage 1 to stage 2, is based on whether there has been a significant increase in credit risk. This is a relative measure, where the credit risk at the reporting date is compared to the risk that existed upon initial recognition of the instrument.

Exposures are classified within stage 3 if they are credit impaired. Refer to 1.2.1.5 for further detail on the significant increase of credit risk.

For IFRS 9 purposes, two distinct PD estimates are required:

- 12-month PD: the likelihood of accounts entering default within 12 months of the reporting date; and
- Lifetime PD: the likelihood of accounts entering default during the remaining life of the asset.

For the purposes of credit modelling under IFRS 9, the PD is calculated on a PIT basis and reflects the likelihood of default assessed based on the prevailing economic conditions at the reporting date, adjusted to take into account estimates of future economic conditions that are likely to impact the risk of default. PIT PDs do not equate to a long run average. This is a key distinction between the IFRS 9 ECL models and the Group's Basel III models. Under Basel III, the PD is the average of default within the next 12 months, calculated based on the long-run historical average over the full economic cycle (that is, TTC).

IFRS 9 provides that financial assets should be written off, and accordingly derecognised, when the Group believes there to be no reasonable expectation of recovery. The Group has well-governed internal policies, which define how an individual account should be assessed for write-off, and which ensure that post write-off recoveries remain insignificant over the long run. Further, the policies are recalibrated over time, as and when actual recovery experience changes. Whilst the Group's write-off policy determines the point of derecognition at an individual account level,

## Summary of material accounting policies

for the reporting period ended 31 December 2025

it also impacts the level of recoveries modelled on a collective basis for the purposes of determining LGDs to be applied at a portfolio level. Under IFRS 9, the Group applies the write-off assumptions consistently at both an individual account level and on a collective modelling basis. This means that the Group's LGD model includes only the present value of forecast recoveries on a pool of loans up until the designated point of write-off. Recoveries which are therefore forecast to be received post the point of write-off are excluded from the LGD model. Recoveries of amounts previously written off are recognised as an ECL gain in the statement of comprehensive income as and when cash is received.

In calculating LGD, losses are discounted to the reporting date using the Effective Interest Rate (EIR) determined at initial recognition or an approximation thereof. For debt instruments, such as loans and advances, the discount rate applied is the EIR calculated on origination or acquisition date.

The EAD model estimates the exposure that an account is likely to have at any stage of default in future. This incorporates both the amortising profile of a term loan, as well as behavioural patterns such as the propensity of the client to draw down on unutilised facilities in the lead up to a default event.

Expert credit judgement may, in certain instances, be applied to account for situations where known or expected risk factors have not been considered in the ECL assessment or modelling process, or where uncertain future events have not been incorporated into the modelled approach. Adjustments are intended to be short-term measures and will not be used to incorporate any continuous risk factors. The Group has a robust policy framework which is applied in the estimation and approval of management adjustments.

### Retail portfolio

Ratings assigned across each Retail portfolio are based on automated application and behavioural scoring systems. The underlying rating is calculated at point of application and updated monthly thereafter. The rating is used in decisions concerning underwriting and account management, and is used to calculate regulatory capital, economic capital, and IFRS 9 ECL. The methodology and data employed in the risk estimation and the rating processes can be summarised as follows:

- Internal risk estimates of PD, EAD and LGD are based on historical experience and are reliant on historical data.
- PDs are assigned at account level, and consist of three elements namely:
  - a term structure, capturing typical default behaviour by the months since observation;
  - a behavioural model which incorporates client level risk characteristics; and
  - a macroeconomic model that incorporates forward-looking macroeconomic scenarios.
- EADs are assigned at an account level and are based on the EAD pool to which the account has been assigned. EAD estimates incorporate all relevant data and information including account balances as well as utilised and unutilised limits, if present.
- LGDs are assigned at account level and are based on the LGD pool to which the account has been assigned. Relevant historical data used in LGD estimates include observed exposure at the point of default, recovery strategies, re-defaults, cure and write-off rates. The models make use of risk drivers such as loan-to-value (LTV) and attributes that describe the underlying asset.

### Wholesale portfolio

The Wholesale rating process relies both on internally developed PD, EAD and LGD rating models and vendor provided solutions. The Wholesale rating process relies on quantitative and qualitative assessments that could be manual or automated. Wholesale PDs and LGDs are modelled using the parameters from regulatory models as starting point. Parameters are adjusted for differences between requirements under Basel III and IFRS 9.

- PD ratings are assigned on a customer level. Information used in the calculation of customer PD ratings includes financial statements, projected cash flows, equity price information, behavioural information as well as quality assessments on strength of support. In converting Basel III compliant PDs to PDs appropriate for the purposes of IFRS 9, the main adjustments effected comprise:
  - a macroeconomic adjustment that changes the paradigm from a long-run average default rate to a PD that reflects the prevailing macroeconomic conditions, thereby adjusting the PD from a seven-year historical average to a PD reflective of the macroeconomic environment at the reporting date; and
  - an adjustment to the regulatory PD to convert it from a PD over 12 months, to a PD over the lifetime of an exposure, to be able to assess significant increases in credit risk and estimate lifetime provisions for stage 2.
- LGD estimates depend on the key drivers of recovery such as collateral value, seniority of claim and costs involved as part of the recovery process. LGD models are based on internal and external loss data and the judgement of credit experts. The main adjustments to LGD comprise a macroeconomic adjustment that changes the long-run LGD to reflect a given macroeconomic scenario as well as the exclusion of forecast recoveries expected beyond the point of write off. Lifetime projections of LGD take into account the expected balance outstanding on a loan at the time of default, as well as the value of associated collateral at that point in time.
- EAD models aim to replicate the expected utilisation of a customer's facility should a default occur. EADs are assigned for each facility using models incorporating internal and external default data as well as the experience of credit experts in relation to particular products or customer groups.

#### 1.2.1.5 Critical areas of judgement with regards to IFRS 9

##### Definition of a significant increase in credit risk

The Group uses various quantitative, qualitative and backstop measures as indicators of a significant increase in credit risk. The thresholds applied for each portfolio are reviewed on a regular basis to ensure they remain appropriate. Where evidence of a significant increase in credit risk is not yet available at an individual instrument level, instruments that share similar risk characteristics are assessed on a collective basis.

Key drivers of a significant increase in credit risk include:

- Where the weighted average probability of default (PD) for an individual exposure or group of exposures as at the reporting date evidences a material deterioration in credit quality, relative to that determined on initial recognition. The Group considers the impact of changes in the quality of credit enhancements (e.g. guarantees) it holds on the borrower's probability of default if a shareholder or parent has provided a guarantee, and has an incentive and the financial ability to prevent default by capital or cash infusion.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

- Adverse changes in payment status, and where accounts are more than 30 days in arrears at reporting date. In the Africa Regions - Personal and Private Banking portfolio, a more conservative arrears rule is applied where this is found to be indicative of increased credit risk (e.g. one day in arrears).
- Accounts in the retail portfolio which meet the portfolio's impairment high risk criteria, such as certain modified accounts, customers' repayment patterns on other products; as well as information based on internal and external behavioural scorecards.
- The Group's watch list framework applied to the Wholesale portfolio, which is used to identify customers facing financial difficulties or where there are grounds for concern regarding their financial health.

### Definition of credit impaired

Assets classified within stage 3 are considered to be credit impaired, which applies when an exposure is in default. Important to the Group's definition of default, is the treatment of exposures which are classified as within forbearance. Forbearance is a concession granted to a counterparty for reasons of financial difficulty that would not otherwise be considered by the Group. The definition of forbearance is not limited to measures that give rise to an economic loss (that is, a reduction in the counterparty's financial obligation).

Wholesale and Retail assets are classified as defaulted when:

- The Group considers that the obligor is unlikely to pay its credit obligations without recourse by the Group to actions such as realising security.
- Elements to be taken as indications of unlikelihood to pay include the following:
- The Group consents to a distressed restructuring/forgiveness of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness of principal, interest or fees;
  - The customer is under debt review, business rescue or similar protection;
  - Advice is received of customer insolvency or death; or,
  - The obligor is 90 days or more past due on any credit obligation to the Group.

In addition, within the Retail portfolios, the Group requires an exposure to reflect a non-credit impaired status after 12 months of being placed into credit impaired, before being considered to have cured from Stage 3. This probation period applies to all exposures, including those that have been classified as credit impaired for reasons other than forbearance with a diminished financial obligation and debt review (e.g. owing to the fact that they become more than 90 days due). For certain exposures in the business banking environment, an exposure is considered cured after a six-month probation period.

For wholesale exposures, an exposure is considered cured from stage 3 based on the facts and circumstances of the specific exposure; but not earlier than 6 months after default.

### Determination of the lifetime of a credit exposure

The determination of initial recognition and asset duration (lifetime) are critical judgements in determining quantum of lifetime losses that apply. The date of initial recognition reflects the date that a transaction (or account) was first recognised on the statement of financial position. The PD recorded at this time provides the baseline used for subsequent determination of a significant increase in credit risk.

When determining the period over which the entity is expected to be exposed to credit risk for off-statement of financial position exposures, but for which the ECL would not be mitigated by the entity's normal credit risk management actions, the Group considers factors such as historical information and experience about:

- the period over which the entity was exposed to credit risk on similar financial instruments;
- the length of time for related defaults to occur on similar financial instruments following a significant increase in credit risk; and
- the credit risk management actions that the entity expects to take once the credit risk on the financial instrument has increased, such as the reduction or removal of undrawn limits.

For asset duration, the approaches which are applied (in line with IFRS 9 requirements) are:

- Term lending: the contractual maturity date, reduced for behavioural trends where appropriate (such as, expected settlement and amortisation); and
- Revolving facilities: for Retail portfolios, asset duration is based on behavioural life. For Wholesale portfolios, a sufficiently long period to cover expected life is modelled and an attrition rate is applied to cater for early settlement.

### Incorporation of forward-looking information into the IFRS 9 modelling

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

Several factors are considered in developing macroeconomic scenarios, including economic growth or contraction, geopolitical uncertainty, expected inflation, sector-specific impacts, business confidence, property prices, household spending, exchange rate fluctuations, unemployment rates, key monetary and fiscal responses initiated by governments and regulatory authorities.

Climate-related risks are not yet explicitly modelled as standalone parameters within the expected credit loss (ECL) calculations but are reflected indirectly through existing credit-risk frameworks, including sector risk assessments, client-level credit risk assessments and implicit macroeconomic overlays (as described below). As methodologies mature, the Group will continue to assess the feasibility of incorporating climate-adjusted credit risk parameters and scenario overlays into ECL models, particularly for climate-sensitive sectors.

The following processes support climate-related credit risk management:

- Sensitive Sector Financing Standards are implemented across the Group which define minimum requirements and enhanced due diligence across high-risk sectors including energy, mining, agriculture, manufacturing and infrastructure.



## Summary of material accounting policies

for the reporting period ended 31 December 2025

- Environmental and Social Management System (ESMS) & Environmental and Social Risk Assessment (ESRA) Tool – This system is integrated into credit processes and screens selected transactions in accordance with the Group ESMS Standard and the Absa's Sensitive Sector Financing Standards. This tool applies risk categorisation and embeds environmental and social covenants into clients' contracts using the ESRA tool. ESMS and ESRA are aligned to International Finance Corporation (IFC) standards. The process was enhanced in 2025 to include a climate risk screening tab to provide climate-vulnerability insights on clients screened for credit decisioning. Currently the ESMS and ESRA tools are only utilised in the initial credit approval process, and not for subsequent monitoring.

The Group's probability weightings have been determined such that the baseline scenario has the highest weighting, since it is the most likely outcome, with the probabilities assigned to the upside and downside scenarios being based on qualitative considerations, taking into account that these are moderate upside and downside scenarios, which hence still could be probable.

Despite the current market conditions being marked by global shocks and high uncertainty, the Group has maintained its probability-weightings of 40%, 30%, and 30% for the baseline, upside, and downside scenarios respectively. The ranges between the baseline, mild upside and downside macroeconomic scenarios are adjusted in financial periods where unprecedented market conditions occur.

The following table shows the key forecast assumptions used for South Africa to calculate the Group's credit impairment charge for the reporting period ended 31 December 2025:

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

The following table shows the key forecast assumptions used for South Africa to calculate the Group's credit impairment charge for the reporting period ended 31 December 2024:

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

The following table shows the key forecast assumptions for the three economic scenarios of our four largest Africa Region markets at 31 December 2025:

|                         | Baseline |      |      |      | Mild upside |      |      |      | Mild downside |      |      |      |
|-------------------------|----------|------|------|------|-------------|------|------|------|---------------|------|------|------|
|                         | 2025     | 2026 | 2027 | 2028 | 2025        | 2026 | 2027 | 2028 | 2025          | 2026 | 2027 | 2028 |
| <b>Botswana</b>         |          |      |      |      |             |      |      |      |               |      |      |      |
| Real GDP (%)            | (2.5)    | 2.0  | 2.5  | 2.7  | 0.5         | 3.3  | 3.7  | 4.2  | (3.0)         | 0.0  | 0.2  | 1.5  |
| CPI (%)                 | 2.9      | 6.2  | 4.7  | 3.8  | 2.6         | 4.0  | 3.1  | 2.8  | 3.2           | 7.4  | 6.5  | 6.0  |
| Average policy rate (%) | 1.9      | 2.1  | 2.2  | 2.2  | 1.9         | 1.7  | 1.7  | 1.9  | 1.9           | 2.8  | 3.2  | 3.2  |
| <b>Ghana</b>            |          |      |      |      |             |      |      |      |               |      |      |      |
| Real GDP (%)            | 4.9      | 5.3  | 5.2  | 5.0  | 5.5         | 6.0  | 6.3  | 6.7  | 4.5           | 4.0  | 3.8  | 3.7  |
| CPI (%)                 | 14.6     | 9.8  | 11.0 | 13.4 | 14.2        | 8.0  | 8.8  | 9.7  | 14.8          | 12.5 | 13.0 | 15.0 |
| Average policy rate (%) | 25.4     | 15.4 | 15.0 | 15.4 | 25.3        | 13.9 | 13.0 | 13.0 | 25.8          | 21.5 | 21.5 | 21.4 |
| <b>Kenya</b>            |          |      |      |      |             |      |      |      |               |      |      |      |
| Real GDP (%)            | 4.7      | 4.9  | 5.1  | 5.0  | 5.5         | 6.5  | 6.1  | 5.9  | 4.0           | 3.4  | 4.2  | 4.1  |
| CPI (%)                 | 4.2      | 5.0  | 5.3  | 5.6  | 4.1         | 4.0  | 4.0  | 4.4  | 4.3           | 6.5  | 7.2  | 8.3  |
| Average policy rate (%) | 10.0     | 9.0  | 9.0  | 9.0  | 10.0        | 8.3  | 7.3  | 7.0  | 10.0          | 10.0 | 10.5 | 10.5 |
| <b>Mauritius</b>        |          |      |      |      |             |      |      |      |               |      |      |      |
| Real GDP (%)            | 3.7      | 3.7  | 4.2  | 4.3  | 4.1         | 4.8  | 5.1  | 5.6  | 3.5           | 3.2  | 3.4  | 3.6  |
| CPI (%)                 | 3.8      | 4.0  | 4.3  | 4.2  | 3.6         | 2.8  | 2.6  | 2.7  | 3.9           | 5.2  | 6.0  | 5.3  |
| Average policy rate (%) | 4.5      | 4.5  | 4.5  | 4.5  | 4.5         | 3.6  | 3.0  | 3.0  | 4.5           | 5.4  | 6.0  | 5.6  |

## Summary of material accounting policies

for the reporting period ended 31 December 2025

The following table shows the key forecast assumptions for the three economic scenarios for our four largest Africa Region markets at 31 December 2024:

|                         | Baseline |      |      |      |      | Mild upside |      |      |      |      | Mild downside |      |      |      |      |
|-------------------------|----------|------|------|------|------|-------------|------|------|------|------|---------------|------|------|------|------|
|                         | 2024     | 2025 | 2026 | 2027 | 2028 | 2024        | 2025 | 2026 | 2027 | 2028 | 2024          | 2025 | 2026 | 2027 | 2028 |
| <b>Botswana</b>         |          |      |      |      |      |             |      |      |      |      |               |      |      |      |      |
| Real GDP (%)            | (0.5)    | 3.6  | 3.8  | 3.9  | 3.8  | 1.5         | 6.7  | 5.0  | 5.0  | 5.0  | (1.8)         | 2.3  | 3.0  | 2.9  | 2.9  |
| CPI (%)                 | 2.9      | 3.0  | 3.7  | 3.6  | 3.6  | 2.8         | 2.5  | 2.8  | 3.1  | 3.1  | 3.1           | 5.4  | 5.3  | 5.1  | 5.0  |
| Average policy rate (%) | 2.2      | 1.9  | 1.9  | 2.1  | 2.2  | 2.2         | 1.5  | 1.6  | 1.7  | 1.7  | 2.2           | 3.0  | 4.3  | 4.3  | 4.3  |
| <b>Ghana</b>            |          |      |      |      |      |             |      |      |      |      |               |      |      |      |      |
| Real GDP (%)            | 5.0      | 4.9  | 5.1  | 5.3  | 5.5  | 6.0         | 5.8  | 6.3  | 6.5  | 6.8  | 3.7           | 3.5  | 4.0  | 4.1  | 4.2  |
| CPI (%)                 | 22.9     | 20.9 | 14.1 | 10.3 | 10.0 | 22.0        | 15.0 | 9.0  | 8.5  | 8.5  | 23.7          | 25.0 | 22.0 | 16.0 | 15.0 |
| Average policy rate (%) | 28.4     | 23.5 | 18.8 | 15.1 | 14.6 | 28.3        | 16.9 | 13.1 | 13.0 | 13.0 | 28.6          | 27.0 | 23.6 | 21.1 | 20.1 |
| <b>Kenya</b>            |          |      |      |      |      |             |      |      |      |      |               |      |      |      |      |
| Real GDP (%)            | 4.9      | 5.1  | 5.0  | 4.9  | 4.9  | 5.1         | 6.0  | 5.9  | 5.8  | 5.7  | 4.6           | 4.1  | 4.2  | 4.2  | 4.2  |
| CPI (%)                 | 4.6      | 5.0  | 5.2  | 5.3  | 6.2  | 4.5         | 3.3  | 4.0  | 4.5  | 5.7  | 4.7           | 8.1  | 10.3 | 9.6  | 8.5  |
| Average policy rate (%) | 12.7     | 9.9  | 9.0  | 9.0  | 9.0  | 12.7        | 9.0  | 7.0  | 7.0  | 7.0  | 12.7          | 11.0 | 12.5 | 13.5 | 13.1 |
| <b>Mauritius</b>        |          |      |      |      |      |             |      |      |      |      |               |      |      |      |      |
| Real GDP (%)            | 6.4      | 4.7  | 4.0  | 4.0  | 4.0  | 7.5         | 6.0  | 4.8  | 4.8  | 4.8  | 5.0           | 3.6  | 3.0  | 2.8  | 2.8  |
| CPI (%)                 | 3.7      | 4.1  | 4.2  | 4.2  | 4.2  | 3.3         | 2.0  | 2.5  | 2.6  | 2.7  | 4.1           | 6.0  | 6.4  | 6.5  | 6.5  |
| Average policy rate (%) | 4.4      | 4.0  | 4.0  | 4.0  | 4.0  | 4.3         | 3.1  | 3.0  | 3.0  | 3.0  | 4.4           | 5.7  | 6.5  | 6.1  | 6.0  |

### Global

The baseline assumption is for the global economy to have grown by 3.2% in 2025, moderating marginally to growth of 3.1% for 2026. Heightened uncertainties created by geo-political conflict and by the volatile decision making by the new US administration are expected to persist. The US Federal Reserve is expected to continue a path of gradual policy rate cuts, whilst other major central banks are generally seen as at or nearing the end of their interest rate cycles. Oil price softness is expected to persist, as is the general trend of heightened prices for base and precious metals. Global risks appetite is expected to continue to favour emerging market assets, particularly from those countries with improving fundamentals. In our mild downside scenario, global economic growth is modestly lower, the US policy rate falls by less as more aggressive import tariffs stoke heightened inflation, whilst commodity prices fall for metals on demand concerns and oil prices rise on an intensification of geopolitical concerns. For the mild upside scenario, the global economy grows more quickly, but inflation fears abate as tariffs are less aggressive and global policy rates are able to fall somewhat further than in Baseline. The faster economic growth will boost most commodities, with oil expected to buckle that trend and instead respond to improved geopolitical tensions by declining.

### South Africa

South Africa's economic activity was volatile in 2025 but at the time of the forecast GDP was expected to have grown by 1.3% in 2025, and to rise by 1.7% for 2026. Notwithstanding challenges in the US/SA relationship, the broad external environment has been favourable, as global growth has held up better than initially feared and as relative movements in commodity prices have favoured South Africa. Domestically, further progress on structural reforms have been made, most notably in the sustained reliability of the electricity supply and in the stabilisation of the logistic sector, and further progress across all areas of Operation Vulindlela is expected. Rand strength is seen not only as a reflection of global dollar weakness but also as reflecting the improving domestic fundamentals. The transition to a lower inflation target has thus far been smooth, and looks set to generate an environment in which households and business can benefit from lower interest rates over the medium-term.

In the mild downside scenario, headwinds emerge for the economy as structural reforms stall, there is some backsliding in electricity and logistic improvements, and a less favourable global backdrop, including higher tariffs from the US and a less beneficial commodity price mix, together serve to restrain economic growth back below 1%. Inflation struggles to consolidate around the new target, thus prompting the Reserve Bank to push the repo rate higher than in base, causing new strains on household and business finances and creating a more difficult path for fiscal sustainability.

Conversely, in the mild upside scenario, household finances are further boosted by a lower inflation environment and an interest rate cutting cycle that goes beyond that of Base. Credit creation is stronger, as firms and household economic sentiment improves. Progress on structural reforms is more rapid, and whilst economic and diplomatic relations with the US remain uneasy, there is some de-escalation as compared to baseline.

### Africa regions

In the baseline, on a GDP-weighted basis the projection was for the Africa regions economies to grow by 4.8% in 2025, with continued difficult conditions expected in Botswana and Mozambique, a recovery story for Zambia, and continued strong performance in East Africa. For 2026, we expect aggregate GDP growth to accelerate to 5.3%, as both Botswana and Mozambique show some signs of improvement and other markets remain firm.

As ever, country-specific conditions are important, both in baseline and across the mild upside and mild downside scenarios, and for our largest four markets we discuss those in more detail below.

Botswana's economy continues to take strain from a weak global diamond market, though this is offset somewhat by the end of the debilitating drought. At the time of our forecasting, GDP was expected to contract by 2.5% in 2025 in our baseline forecast. Although any improvement in the diamond market is likely to be modest in 2026, overall economic activity is expected to show positive growth of 2%, helped by better agricultural conditions and a base effect from mining. We do not anticipate significant changes in the monetary policy rate. In our mild downside scenario, the recession is larger (GDP -3% in 2025, and only flat in 2026) as the diamond market's struggles intensify and a shortfall in government revenues forces some spending reduction. Interest rates rise as the pula weakens and inflation pushes higher. Conversely, our mild upside

## Summary of material accounting policies

for the reporting period ended 31 December 2025

scenario envisions a stronger H2 2025, allowing the country to avoid recession in the year, while much improved weather conditions, a firmer recovery in the market for diamonds, and an accelerated economic reform program from the new government boosts economic growth above 3% in 2026 and over the medium-term. Somewhat better inflation provides space for some modest further monetary accommodation by the Bank of Botswana.

Ghana's economy is projected to have grown by 4.9% in 2025 as exports surge and the sharp drop in inflation and the policy rate create more growth positive domestic conditions even as continued fiscal consolidation provides some headwind to GDP growth. Both the commodity price and monetary policy environment are expected to remain favourable for 2026, helping the economy towards projected growth of 5.3% in the year. The cedi's very sharp appreciation in 2025 is expected to transition to modest depreciation from 2026 as the currency has completed its post-crisis correction. In our downside scenario, slippages in the fiscal consolidation program emerge, place greater upward pressure on the cedi and on inflation and restrain the central bank's ability to reduce rates, thus placing a greater headwind to the economy and trimming forecast economic growth to 4% for 2026. For our upside scenario, exports surge further on an improved global outlook, the exchange rate is expected to be stronger than in Base, thus helping to restrain inflation further and to provide space for deeper interest rate cuts, and economic growth jumps to 6% by 2026.

Kenya's economy continues to perform strongly. In our baseline, we expect the economy to have grown by 4.7% in 2025, helped by a more comfortable inflation outlook, lower policy rates and a stable currency. Inflation is likely to be somewhat higher in 2026, still within the central bank's comfort level, leaving the path to GDP growth just shy of 5% achievable. In the mild downside scenario, recovering global oil prices push inflation somewhat higher, triggering a modest rise in inflation rates and some retraining of the domestic economy. For the mild upside scenario, a quick agreement on a fresh IMF program helps support capital inflows, supporting domestic confidence and the currency, and leading to somewhat lower inflation and an opportunity for the Bank of Kenya to reduce interest rates somewhat further.

Mauritius' economy looks to have found a base in 2025, with GDP growth expected to have bottomed at about 3.7% for the full year as the drought recedes. Fiscal consolidation has been a necessary headwind for the economy, but a commitment to prioritizing capital spending should reap returns over the medium-term. Inflation remains well contained, and we expect little move in the policy rate over the forecast horizon. In the mild upside scenario, somewhat stronger tourism revenues are assumed. This helps boost the currency, which alongside lower oil prices helps decelerate inflation more quickly and provides an opportunity for the central bank to reduce interest rates during 2026. Economic growth recovers to 4.8% in the year. In the mild downside scenario government seeks a faster fiscal consolidation, which provides a further headwind to economic growth that is already being negatively impacted by slower tourism arrivals and higher oil prices. The rupee depreciates more rapidly than base, inflation is higher and the policy pushes higher. GDP growth slips to just above 3% for 2026.

### 1.2.1.6 Critical judgement with regards to modification of financial assets

The Group views pervasive changes to the contractual arrangements of debt instruments issued by entities that carry significant systemic risk as substantial modifications; regardless of the reason for the restructure. As a result, the existing instruments are derecognised, and new financial assets are recognised. The new instruments will be measured as POCI assets if the terms thereof meet the relevant criteria included in IFRS 9.

For more information, refer to note 54.

## 1.2.2 Capitalisation, amortisation and impairment of internally generated intangible assets

### Capitalisation

The determination of which expenditures can be capitalised in the development phase of an intangible asset may involve judgement, as it may be necessary to determine whether an inefficiency has been identified, as the cost thereof may not be capitalised. Management considers scope changes, complexity of the project, as well as the effect of any delays in the delivery of a project, in order to ascertain the appropriateness of capitalisation of development costs. This includes the determination as to whether, and by how much, cost incurred on a project is considered inefficient and needs to be expensed rather than capitalised.

### Amortisation

For intangible assets with a finite useful life, the depreciable amount of the asset is required to be allocated on a systematic basis over its useful life. Amortisation begins when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Judgement is applied to the point at which amortisation commences and may require a group of intangible assets to be ready as whole before amortisation can begin.

### Impairment

The recoverable amount for intangible assets is determined to be the higher of the asset's fair value less costs to sell and its value in use, or the value in use of the cash-generating unit to which it belongs. In determining whether an indicator of impairment exists for intangible assets, the Group considers the rate of technological development and hence obsolescence associated with internally generated intangible assets, as well as the resultant utilisation of these assets, when recognising impairment losses thereon.

The value in use calculation incorporates a number of variables which are determined and/or validated through the exercise of management judgement. These include, inter alia, an estimate of the amount and timing of future cash flows that the entity expects to derive, the time value of money represented by an appropriate discount rate, as well as other factors that market participants would reflect in pricing the future cash flows that the entity expects to derive. The long-term growth rate assumptions used in the impairment calculations are based on our estimates of long-term GDP, taking into account inflation.

The Group uses approved projected cash flow forecasts for a period of three years, with a terminal value thereafter. The long-term growth rate assumptions used in the impairment calculations were revised to a range of 7.2% to 19.1% at 31 December 2025 (7.1% to 16.1% at 31 December 2024). The discount rates used have been adjusted to 14.5% to 29.4% at 31 December 2025 (12.3% to 33.3% at 31 December 2024). A sensitivity

## Summary of material accounting policies

for the reporting period ended 31 December 2025

analysis was performed on the assumptions and even if the estimated discount rate and/or growth rate was changed by 100 and 200 basis points respectively, no additional impairment loss would be recognised.

Note 13 includes details of the amount recognised by the Group as intangible assets.

### 1.2.3 Fair value measurements

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values should be first calculated with reference to observable inputs where these are available in the market. Only where these are unavailable should fair value techniques be applied which employ less observable inputs. Unobservable inputs may only be used where observable inputs or less observable inputs are unavailable. IFRS 13 Fair Value Measurement (IFRS 13) does not mandate the use of a particular valuation technique but rather sets out a principle requiring an entity to determine a valuation technique that is appropriate in the circumstances for which sufficient data is available and for which the use of relevant observable inputs can be maximised. Where management is required to place greater reliance on unobservable inputs, the fair values may be more sensitive to assumption changes and different valuation methodologies that may be applied. For this reason, there is a direct correlation between the extent of disclosures required by IFRS 13 and the degree to which data applied in the valuation is unobservable.

#### Valuation inputs

IFRS 13 requires an entity to classify fair values according to a hierarchy that reflects the significance of observable market inputs. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities, and the lowest priority to unobservable inputs. In some cases, the inputs used to measure the fair value of an asset or a liability might be categorised within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input which is considered to be significant to the entire measurement. The three levels of the fair value hierarchy are specifically defined as follows:

- **Quoted market prices – Level 1**

Fair values are classified as Level 1 if they have been determined using unadjusted quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date. The quoted prices are required to represent actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

- **Valuation technique using observable inputs – Level 2**

Inputs classified as Level 2 are observable for the asset or liability, either directly (i.e. as prices), or indirectly (i.e. derived from prices), but do not constitute quoted prices that are included within Level 1. A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

- **Valuation technique using significant unobservable inputs – Level 3**

Fair values are classified as Level 3 if their determination incorporates significant inputs that are not based on observable market data (that is, they are unobservable inputs). Unobservable input levels are generally determined based on observable inputs of a similar nature, historical observations as well through employing other analytical techniques.

#### Financial assets and financial liabilities

The Group has an established control framework with respect to the measurement of fair values. The framework includes a Traded Risk and Valuation Committee and an Independent Valuation Control team (IVC), which is independent from the front office. The Traded Risk and Valuation Committee, which comprises representatives from senior management, will formally approve valuation policies and any changes to valuation methodologies. Significant valuation issues are reported to the GACC. The Traded Risk and Valuation Committee is responsible for overseeing the valuation control process and will therefore consider the appropriateness of valuation techniques and inputs for fair value measurement.

The IVC team independently verifies the results of trading and investment operations and all significant fair value measurements. They source independent data from independent external parties as well as internal risk areas when performing independent price verification for all financial instruments held at fair value. They also assess and document the inputs obtained from independent external sources to measure the fair value which supports conclusions that valuations are performed in accordance with IFRS Accounting Standards and internal valuation policies.

#### Investment properties

The fair value of investment properties is determined based on the most appropriate methodology applicable to the specific property. Methodologies include the market comparable approach that reflects recent transaction prices for similar properties, discounted cash flows and income capitalisation methodologies. In estimating the fair value of the properties, the highest and best use of the properties is taken into account. Where possible, the fair value of the Group's investment properties is determined through valuations performed by qualified independent external valuers.

When the Group's internal valuations are different to that of the independent external valuers, detailed procedures are performed to substantiate the differences, whereby the IVC verifies the procedures performed by front office and considers the appropriateness of any differences to independent external valuations.

#### Commodities

The determination of the fair value of commodities uses external data, which includes quoted prices on an active market.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### Judgemental inputs on valuation of principal instruments

The following summary sets out the principal instruments whose valuation may involve judgemental inputs:

- **Debt securities and treasury and other eligible bills**

These instruments are valued based on quoted market prices from an exchange, dealer, broker, industry group or pricing service, where available. Where unavailable, fair value is determined with reference to quoted market prices for similar instruments or, in the case of certain instruments, valuation techniques using inputs derived from observable market data, and, where relevant, assumptions in respect of unobservable inputs.

- **Equity instruments**

Equity instruments are valued based on quoted market prices from an exchange, dealer, broker, industry group or pricing service, where available. Where unavailable, fair value is determined with reference to quoted market prices for similar instruments or by using valuation techniques using inputs derived from observable market data, and, where relevant, assumptions in respect of unobservable inputs. Also included in equity instruments are non-public investments, which include investments in venture capital organisations. The fair value of these investments is determined using appropriate valuation methodologies which, depending on the nature of the investment, may include discounted cash flow analysis, enterprise value comparisons with similar companies and price to earnings comparisons. The relevant methodology for each investment is applied consistently over time.

- **Derivatives**

Derivative contracts can be exchange-traded or traded Over The Counter (OTC). OTC derivative contracts include forward, swap and option contracts related to interest rates, bonds, foreign currencies, credit spreads, equity prices and commodity prices or indices on these instruments. Fair values of derivatives are obtained from quoted market prices, dealer price quotations, discounted cash flow and pricing models.

- **Loans and advances**

The fair value of loans and advances is determined by discounting contractual cash flows. Discount factors are determined using the relevant forward base rates (as at valuation date) plus the originally priced spread. Where a significant change in credit risk has occurred, an updated spread is used to reflect valuation date pricing. Behavioural cash flow profiles, instead of contractual cash flow profiles, are used to determine expected cash flows where contractual cash flow profiles would provide an inaccurate fair value.

- **Deposits, debt funding in issue and subordinated debt**

Deposits, debt securities in issue and subordinated debt are valued using discounted cash flow models, applying rates currently offered for issuances with similar characteristics. Where these instruments include embedded derivatives, the embedded derivative component is valued using the methodology for derivatives.

The fair value of amortised cost deposits repayable on demand is considered to be equal to their carrying value. For other financial liabilities at amortised cost, the disclosed fair value approximates the carrying value because the instruments are short-term in nature or have interest rates that reprice frequently.

### Judgmental inputs on valuation of principal instruments

The main valuation adjustments required to arrive at a fair value are described as follows:

- **Bid-offer valuation adjustments**

For assets and liabilities where the Group is not a market maker, mid- prices are adjusted to bid and offer prices respectively unless the relevant mid-prices are reflective of the appropriate exit price as a practical expedient given the nature of the underlying instruments. Bid-offer adjustments reflect expected close out strategy and, for derivatives, the fact that they are managed on a portfolio basis. The methodology for determining the bid-offer adjustment for a derivative portfolio will generally involve netting between long and short positions and the bucketing of risk by strike and term in accordance with the hedging strategy. Bid-offer levels are derived from market sources, such as broker data. For those assets and liabilities where the Group is a market maker and has the ability to transact at, or better than, mid-price (which is the case for certain equity, bond and vanilla derivative markets), the mid-price is used.

- **Uncollateralised derivative adjustments**

A fair value adjustment is incorporated into uncollateralised derivative valuations to reflect the impact on fair value of counterparty credit risk, as well as the cost of funding across all asset classes.

- **Model valuation adjustments**

Valuation models are reviewed under the Group's model governance framework. This process identifies the assumptions used and any model limitations (for example, if the model does not incorporate volatility skew). Where necessary, fair value adjustments will be applied to take these factors into account. Model valuation adjustments are dependent on the size of the portfolio, complexity of the model, whether the model is market standard and to what extent it incorporates all known risk factors. All models and model valuation adjustments are subject to review at least annually.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### Measurement of assets and liabilities at Level 2

The following table presents information about the valuation techniques and significant observable inputs used in measuring assets and liabilities categorised as Level 2 in the fair value hierarchy:

| Category of asset/liability                                                                                         | Valuation techniques applied                                                                                                                            | Significant observable inputs                                                                     |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| <b>Cash, cash balances and balances with central banks</b>                                                          | Discounted cash flow models                                                                                                                             | Underlying price of market traded instruments and/or interest rates                               |
| <b>Trading and hedging portfolio assets and liabilities</b>                                                         |                                                                                                                                                         |                                                                                                   |
| Debt instruments                                                                                                    | Discounted cash flow models                                                                                                                             | Underlying price of market instruments and/or interest rates                                      |
| Derivative assets and liabilities                                                                                   |                                                                                                                                                         |                                                                                                   |
| Commodity derivatives                                                                                               | Discounted cash flow techniques, option pricing models such as the Black Scholes model, futures pricing models and/or Exchange Traded Fund (ETF) models | Spot price of physical or futures, market interest rates and/or volatilities                      |
| Equity derivatives                                                                                                  | Discounted cash flow models, option pricing models and/or futures pricing models                                                                        | Spot share prices, market interest rates, volatility and/or dividend stream                       |
| Foreign exchange derivatives                                                                                        | Discounted cash flow techniques and/or option pricing models, such as the Black Scholes model                                                           | Spot price, interest rate curves, repurchase agreements, money market curves and/or volatilities. |
| Interest rate derivatives                                                                                           | Discounted cash flow and/or option pricing models                                                                                                       | Interest rate curves, repurchase agreement curves, money market curves and/or volatility          |
| Money market assets                                                                                                 | Discounted cash flow models                                                                                                                             | Money market curves and/or interest rates                                                         |
| <b>Loans and advances</b>                                                                                           | Discounted cash flow models                                                                                                                             | Interest rates and/or money market curves                                                         |
| <b>Investment securities, investments linked to investment contracts and liabilities under investment contracts</b> | Listed equities: market bid price                                                                                                                       | Underlying price of market traded instruments and/or interest rate curves                         |
| <b>Deposits</b>                                                                                                     | Discounted cash flow models                                                                                                                             | Interest rates and/or money market curves                                                         |
| <b>debt funding in issue and other liabilities</b>                                                                  | Discounted cash flow models                                                                                                                             | Underlying price of market traded instruments and/or interest rate curves                         |

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### Measurement of assets and liabilities at Level 3

The following table presents information about the valuation techniques and significant unobservable inputs used in measuring assets and liabilities categorised as Level 3 in the fair value hierarchy:

| Category of asset/liability                          | Valuation techniques applied                                                                                    | Significant unobservable inputs                                                                                                                              | Group                                                |                                                      |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
|                                                      |                                                                                                                 |                                                                                                                                                              | 2025                                                 | 2024                                                 |
| Range of unobservable inputs applied                 |                                                                                                                 |                                                                                                                                                              |                                                      |                                                      |
| Loans and advances                                   | Discounted cash flow and/or yield for debt instruments                                                          | Credit spreads                                                                                                                                               | 0.73% - 5.32%                                        | 1.28% to 6.54%                                       |
| Investment securities                                | Discounted cash flow models, third-party valuations, earnings multiples and/or income capitalisation valuations | Future earnings ,credit spreads                                                                                                                              | Discount rate of 8.5%<br>0.2% - 3.5%                 | Discount rate of 8.5%<br>0.505% to 3.95%             |
| Trading and hedging portfolio assets and liabilities |                                                                                                                 |                                                                                                                                                              |                                                      |                                                      |
| Debt instruments                                     | Discounted cash flow models                                                                                     | Credit spreads                                                                                                                                               | 0.2% - 3.5%                                          | 0.505% to 3.95%                                      |
| Derivative assets and liabilities                    |                                                                                                                 |                                                                                                                                                              |                                                      |                                                      |
| Credit derivatives                                   | Discounted cash flow and/or credit default swap (hazard rate) models                                            | Credit spreads, recovery rates and/or quanto ratio                                                                                                           | 0.014% - 6.35%<br>25%-90%<br>30.35%-100%             | 0.035% to 7.35%<br>15% to 90%<br>49.42% to 100%      |
| Equity derivatives                                   | Discounted cash flow, option pricing and/or futures pricing models                                              | Volatility and/or dividend streams (greater than 3 years)                                                                                                    | 25.84% - 26.06%                                      | 17.04% to 32.33%                                     |
| Foreign exchange derivatives                         | Discounted cash flow and/or option pricing models                                                               | African basis curves (greater than 1 year)                                                                                                                   | 4% - 19%                                             | 0.01% to 13.94%                                      |
| Interest rate derivatives                            | Discounted cash flow and/or option pricing models                                                               | Real yield curves (greater than 1 year), repurchase agreement curves (greater than 1 year), funding spreads                                                  | 0.01% - 13.73%                                       | 0.06% to 10.71%                                      |
| Money market                                         | Discounted cash flow models                                                                                     | Credit spreads                                                                                                                                               | 0.2% - 3.5%                                          | 0.505% to 3.95%                                      |
| Deposits and debt funding                            | Discounted cash flow models                                                                                     | Absa Group Limited’s funding spreads (greater than 5 years)                                                                                                  | 0.975%-1.2%                                          | 1.125% to 1.325%                                     |
| Investment properties                                | Discounted cash flow models                                                                                     | Estimates of the periods in which rental units will be disposed, Annual selling price escalations, Income capitalisation rates, Risk adjusted discount rates | 1 to 6 years<br>6% to 8%<br>8% to 8.5%<br>10% to 15% | 1 to 6 years<br>6% to 8%<br>8% to 8.5%<br>10% to 15% |

The sensitivity of the fair value measure is dependent on the unobservable inputs. Significant changes to the unobservable inputs in isolation will have either a positive or negative impact on fair values.

Included in the non-current assets held for sale balance are financial instruments that are measured in accordance with their respective standards (IFRS 9).

Debt instruments include listed bonds and Investment Securities.

The quantitative ranges of these inputs are wide due to the varied nature of financial instruments, prevailing market conditions, and the differing credit risk profiles of counterparties to which the Group is exposed. Refer to Note 55.4 – Sensitivity Analysis of Valuations Using Unobservable Inputs for further details on the input parameters applied, including weighted average discount rates (which incorporate unobservable credit spreads) in determining the fair value of Level 3 financial instruments, in accordance with IFRS 13.

During the current year, the Group elected to combine the disclosures for deposits and debt securities in issue into a single note. This change has been adopted to be comparable to peers and aligns better with the purpose for which the instruments were issued. This represents a presentation only change and does not affect the recognition, measurement, or classification of the underlying funding liabilities. Comparative information has been re-presented, where applicable, to ensure consistency with the current year's disclosure. Refer to note 1.20.2.2 for further details on this reclassification.

#### 1.2.4 Consolidation of structured or sponsored entities

The Group consolidates entities over which it has control. This is considered to be the case when the Group is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In some cases,



## Summary of material accounting policies

for the reporting period ended 31 December 2025

judgement has been applied in determining first, whether an entity meets the definition of a structured or sponsored entity, and secondly, whether the Group controls such entity. The key judgements are set out as follows:

### Definition of a structured entity (SE)

SEs are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. These SEs are consolidated when they are controlled by the Group. Judgement is required in assessing whether an entity is an SE, as well as in determining whether the Group controls the SE. Refer to note 1.3.3 where the factors considered when assessing whether an SE is to be consolidated are outlined.

### Assessment of agent versus principal

Acting as an agent, the Group is primarily engaged to act on behalf and for the benefit of other parties. When assessing whether the Group is acting as a principal or as an agent for an investee the judgement is made based on the following factors:

- scope of our decision-making authority over the investee;
- any rights held by other parties such as kick out rights;
- exposure to variability from returns of an interest more than 20%; and
- the remuneration to which the Group is entitled.

### Assessment of sponsored entities

In addition to the unconsolidated SEs in which the Group has an interest, it also sponsors some unconsolidated SEs in which it has no interest, generally to facilitate client transactions. For the purposes of these disclosures, the Group sponsors an entity when:

- its name appears in the name of the entity or on the products issued by the entity;
- it provides implicit or explicit guarantees of the entity's performances; or
- it led the formation of the entity. Refer to notes 45 and 46.

## 1.2.5 Post-retirement benefits

The valuations of and contributions towards the defined benefit pension plans are determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. The year-end balances of subsidiaries' post-retirement benefit obligations are also affected by the closing foreign currency exchange rates.

Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

### Exposure to actuarial risks

The defined benefit funds expose the Group to the risk that the benefits promised in the various funds cost more than the accumulated assets set aside to meet such benefits, and ultimately will require additional funding from the Group (or its subsidiaries).

This risk can be categorised into a number of actuarial risks described below.

#### Investment risk

The actuarial funding valuations make assumptions about the returns that may be available on invested assets. If the return on pension plan assets is below this rate, it may lead to a strain on the fund, which over time, may result in a pension plan deficit. Typically, the funds have a relatively balanced investment in equity securities, debt funding, cash and real estate to mitigate any concentration risk. Due to the long-term nature of the pension plan liabilities, the boards of the pension funds consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to improve the return generated by the fund. This may in turn result in improved discretionary benefits to members or reduced costs for the sponsoring entity.

#### Inflation/pension increase risk

Benefits in these plans are to some extent tied to inflation, so increased inflation levels represent a risk that could increase the costs of paying the funds' promised benefits. However, the risk is mitigated by ceilings on mandatory benefit increases in most cases and subject to affordability in cases where the mandatory ceiling does not apply.

#### Longevity risk

If pensioners live longer than expected then that will, all else equal, increase the funds' liabilities as benefits are paid for a longer term.

#### Salary risk

An increase in the salary of the plan participants will increase the plan's liability. This risk has been limited with the closure of a number of the defined benefit plans and the introduction of the defined contribution plans. There are now a limited number of active defined benefit members.

Although the Absa Pension Fund has in its entirety been disclosed as a defined benefit element, the defined contribution portion thereof does not retain salary risk.

#### Measurement risk

The IAS 19 Employee Benefits (IAS 19) liabilities are determined using various assumptions about future experience.

One of the most important assumptions is the discount rate derived from prevailing bond yields where these are available (where these are not available, the inflation rate plus a reasonable risk-free real return is used as a proxy). A decrease in the discount rate will, with all else equal,



## Summary of material accounting policies

for the reporting period ended 31 December 2025

increase the plan liability; this may be partially offset by an increase in the value of assets, to the extent that the funds' investments are matched against its liabilities. Other important assumptions are the inflation assumption, pension increase assumption and the longevity assumption and changes in those could affect the measured value of liabilities significantly. Changes in other assumptions used could also affect the measured liabilities.

Refer to note 40 for the specific assumptions used and carrying amounts of post-retirement benefits.

### 1.2.6 Provisions

In terms of IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37), a provision is recognised when the Group has a present obligation as a result of a past event, and it is probable that a transfer of economic benefits will be required to settle the obligation. Further, a reliable estimate of the amount of the obligation is required to be made. Various judgements and assumptions are therefore required in order to determine if a provision is required to be recognised, and further, the carrying amount thereof. With regards to the assessment of matters of a significant nature, including potential litigation and claims, management relies on the advice of the Group's legal counsel.

Refer to note 16 for details of provisions recognised and refer to note 48 for details of contingencies disclosed.

### 1.2.7 Income taxes

The Group is subject to income taxes in numerous jurisdictions and the calculation of the Group's tax charge and liabilities for income taxes necessarily involves a degree of estimation and judgement. There are many transactions and calculations for which the ultimate tax treatment is uncertain or in respect of which the relevant tax authorities may indicate disagreement with the Group's treatment and accordingly the final tax charge cannot be determined until resolution has been reached with the relevant tax authority.

The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes tax liabilities, where appropriate, on the basis of amounts expected to be paid to the tax authorities. The carrying amount of any resulting liabilities will be sensitive to the manner in which tax matters are expected to be resolved, and the stage of negotiations or discussion with the relevant tax authorities. There may be significant uncertainty around the final outcome of tax proceedings, which in many instances, will only be concluded after a number of years. Management estimates are informed by a number of factors including, inter alia, the progress made in discussions or negotiations with the tax authorities, the advice of expert legal counsel, precedent set by the outcome of any previous claims, as well as the nature of the relevant tax environment.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Management's judgement surrounding the probability and sufficiency of future taxable profits, future reversals of existing taxable differences and ongoing developments will determine the recognition of deferred tax. The most significant management assumption in determining the deferred tax asset to be recognised is the forecasts used to support the probability assessment that sufficient taxable profits will be generated by the entities in the Group in order to utilise the deferred tax assets in the medium term.

### 1.2.8 Share-based payments

The initial fair value of awards is determined at grant date, and is measured after taking into account all terms and conditions of the share incentive scheme, excluding non-market vesting conditions. In the case of certain schemes, options are granted to employees with a zero strike price. In this case the Group may consider the share price on the grant date to be the best indication of the grant date fair value. Where management determines this valuation approach to be less appropriate, based on the specific terms and conditions, then an appropriate option pricing model (for instance, a Black Scholes or Monte Carlo simulation) is applied.

Significant inputs into this pricing model include the following inputs:

- Risk-free discount rate of 6.59% to 6.31% at 31 December 2025 (7.45% to 7.56% at 31 December 2024);
- Share price volatility of a flat 25.65% at 31 December 2025 (flat at 29.04% at 31 December 2024); and
- Dividend yield of 7.24% to 7.68% at 31 December 2025 (3.92% to 6.28% at 31 December 2024).

The cumulative expense recognised at each reporting date will reflect the extent to which the vesting period has expired as well as the Group's best estimate of the number of equity instruments that will ultimately vest. Management calibrates this assumption based on historical data.

In the case of cash-settled share-based payment schemes, where fair value is required to be determined at each reporting date, a consistent fair value methodology is applied. The fair value of the awards at each reporting date will impact the expense recognised over each reporting period.

For details of the Group's share awards, refer to note 49.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.2.9 Insurance and reinsurance contracts

#### Estimates of future cash flows

When estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date and estimates of any relevant market variables are consistent with observable market prices. Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows as well as other direct costs and/or an allocation of fixed and variable overheads that are incurred in fulfilling contracts.

#### Discount rates

The Group adjusts the estimates of future cash flows to reflect the time value of money, and the financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of cash flows. The discount rates applied to the estimates of the future cash flows:

- Reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
- Are consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts in terms of, for example, timing, currency and liquidity; and
- Exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

The Group applies the bottom-up approach in determining the relevant discount rate for all insurance contracts, where discounting is required. These discount rates are determined by adjusting a liquid risk-free yield curve to reflect the differences between the liquidity characteristics of the financial instruments that underpin the rates observed in the market and the liquidity characteristics of the insurance contracts.

The Group's South African entities apply a discount rate that is derived from internally calculated swap curves while the AR entities mostly apply discount rates derived from their country specific risk-free yield curves.

The table below sets out the yield curves used to discount cash flows of insurance contracts for major currencies:

|                 | Life<br>2025 | 2024   | Non-life<br>2025 | 2024   |
|-----------------|--------------|--------|------------------|--------|
| <b>1 year</b>   |              |        |                  |        |
| BWP             | -            | 5.83%  |                  |        |
| KES             | 9.30%        | 13.39% | 9.21%            | 11.41% |
| ZAR             | 6.82%        | 7.83%  | 6.78%            | 7.68%  |
| ZMW             | -            | 18.41% |                  |        |
| <b>5 years</b>  |              |        |                  |        |
| BWP             | -            | 7.86%  |                  |        |
| KES             | 11.44%       | 15.06% | 10.64%           | 14.14% |
| ZAR             | 6.66%        | 7.73%  | 6.84%            | 8.01%  |
| ZMW             | -            | 18.41% |                  |        |
| <b>10 years</b> |              |        |                  |        |
| BWP             | -            | 8.75%  |                  |        |
| KES             | 12.80%       | 15.94% | 12.60%           | 13.60% |
| ZAR             | 7.01%        | 8.24%  | 7.94%            | 9.41%  |
| ZMW             | -            | 18.41% |                  |        |
| <b>15 years</b> |              |        |                  |        |
| BWP             | -            | 8.98%  |                  |        |
| KES             | 12.86%       | 16.24% | 12.87%           | 13.72% |
| ZAR             | 7.42%        | 8.81%  | 8.73%            | 10.32% |
| ZMW             | -            | 18.41% |                  |        |
| <b>20 years</b> |              |        |                  |        |
| BWP             | -            | 9.32%  |                  |        |
| KES             | 13.41%       | 15.52% | 13.48%           | 14.78% |
| ZAR             | 7.73%        | 9.21%  | 9.03%            | 10.46% |
| ZMW             | -            | 18.41% |                  |        |

#### Risk adjustment (RA)

The estimate of the present value of the future cash flows is adjusted to reflect the compensation for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk. Financial risk is included in the estimates of the future cash flows, or the discount rate used to adjust the cash flows. Furthermore, the RA for non-financial risk of the Group's reinsurance contracts is the amount of risk being

## Summary of material accounting policies

for the reporting period ended 31 December 2025

transferred by the Group to the reinsurer and is aligned to the methodologies applied to the insurance contracts measured under the general measurement model (GMM) and the premium allocation approach (PAA) model.

The following confidence levels were used to determine the RA for non-financial risk for insurance and reinsurance contracts held:

|                                       | 2025 | 2024 |
|---------------------------------------|------|------|
| Life contracts (weighted average)     | 91%  | 91%  |
| Non-life contracts (weighted average) | 75%  | 75%  |

### Contractual Service Margin and coverage units (CSM)

The number of coverage units refers to the quantity of services provided by the contracts in a group, determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units will be reviewed and updated at each reporting date. The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year and is calculated with reference to the CSM allocated to coverage units released in the year. The coverage units released is determined with reference to the total contractual sum assured for the risks insured with the Group at each valuation/reporting date, factoring in discounting and the expected duration of the contract.

### Insurance service result

The amounts presented as insurance service result in the income statement under IFRS 17 Insurance Contracts (IFRS 17) include:

- Insurance revenue that reflects the total of the changes in the liability for remaining coverage (LRC) that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows (excluding any investment components).
- Insurance service expenses comprising of incurred claims and other incurred insurance service expenses that relate directly to the fulfilment of contracts (excluding any investment components), and losses on onerous groups of contracts and reversals of such losses. Amortisation of insurance acquisition cash flows, as well as any adjustment to the liability for incurred claims are also included. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.
- Net expenses from reinsurance contracts reflecting the amounts recovered from reinsurers and reinsurance expenses.

For contracts measured under the PAA, expected premiums are recognised as revenue (a.k.a. earned premiums) proportionally over the risk period, using the passage of time as the risk is spread evenly over the period of insurance. For warranties, premiums are recognised using the earning pattern that reflects how the risk is released over time.

The portion of premiums received on in-force contracts that relates to unexpired risks is reported as the LRC. The change in the LRC is recognised in profit or loss to ensure revenue is recognised over the period of the risk.

It is the Group's policy not to disaggregate the changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment are included in the insurance service result.

### Net finance income or expenses from insurance and reinsurance contracts

Changes in the carrying amounts of groups of insurance contracts and reinsurance arising from the effects of the time value of money, financial risk and changes therein will be presented as net finance income or expenses from insurance and reinsurance contracts. The Group has applied the accounting policy choice to disaggregate the net finance income or expense between profit or loss and other comprehensive income (OCI). This is achieved through a systematic allocation of the expected total insurance finance income or expense over the duration of the related group of contracts.

#### 1.2.10 Offsetting financial assets and financial liabilities

The Group offsets certain financial assets and liabilities, when it has a legal right to offset and there is an intention to settle these financial instruments on a net basis. When determining whether it is appropriate to offset financial assets and liabilities, the following judgement is applied:

- In determining whether the Group has a legally enforceable right to offset financial assets and financial liabilities, the Group considers the terms of the contractual arrangement as well as the applicable common law principles. The application of these common law principles is sometimes subject to a significant degree of interpretation. In these instances, management will seek the advice of legal counsel.
- Management carefully considers past practice in determining whether there is an intention to settle a financial asset and a financial liability on a net basis. For example, customer accounts could be offset before the customer enters into a process of liquidation or customer accounts could be offset when the customer exceeds the limit of the facility granted. Management also evaluates whether the customer's accounts are managed on a net basis which would support the view that there is an intention to settle on a net basis.

The above are considered to ensure the Group's financial assets and liabilities are presented accurately in accordance with the characteristics of the items in question as resources or obligations of the entity. Refer to note 44.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.2.11 Translation of foreign currencies

In instances where the Group would be unable to repatriate funds from foreign subsidiaries at official published rates, it translates balances based on the spot rate at year end that the Group is able to access, should it wish to repatriate the funds at that date. For more detail, refer to Note 57.8.1.

### 1.2.12 Hyperinflation

The determination of whether an economy is hyperinflationary is based on the indicators included in IAS 29 Financial Reporting in Hyperinflationary Economies ("IAS 29") which considers qualitative as well as quantitative factors, including whether the accumulated inflation over a three-year period is in excess of 100%. When an economy that was previously considered hyperinflationary no longer displays characteristics of hyperinflation, the Group discontinues hyperinflationary accounting as per IAS 29. The Group concluded that Ghana was no longer considered hyperinflationary from 1 January 2025 and ceased the application of IAS 29 from that date.

Refer to Note 57.8.2 for more information in this regard.

## 1.3 Consolidated financial statements of the Group

### 1.3.1 Subsidiaries

The Group controls and hence consolidates an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power exists where the Group has existing rights that give it the current ability to direct the relevant activities of the investee (i.e. the activities that most significantly affect the entity's returns). These requirements apply to all entities, including voting right entities (also commonly known as operating entities) and structured entities.

Only substantive rights, and not protective rights, are considered when assessing power. For rights to be substantive, the party must have the practical ability to exercise those rights, and such rights must not be protective in nature. Protective rights are designed at inception to protect the interests of the holder against future risks without giving that party participative power over the entity, and hence that party cannot at inception have power or prevent another party from having power over the entity.

The Group consolidates certain investees in which it holds less than a majority, owing to the fact that voting rights are not the dominant factor in determining who controls the entity. These consolidated investees are typically structured entities. Factors that have been considered by the Group in reaching this decision are as follows:

- The commercial rationale for the inclusion of the structured entity within the given transaction structure;
- Risks to which the entity was designed to be exposed;
- Risks the entity was designed to pass on to the parties involved with the entity; and
- Whether the Group is exposed to some or all of those risks.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group. They are deconsolidated from the date that control ceases.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control included above.

Intragroup transactions and balances are eliminated on consolidation and consistent accounting policies are used throughout the Group for the purposes of the consolidation.

Changes in ownership interests in subsidiaries are accounted for as equity transactions if they occur after control has already been obtained and they do not result in loss of control.

Investments in subsidiaries are accounted for at cost less impairment in the separate financial statements of the investor. The cost of these investments is assessed for impairment when there are indicators that an impairment may have occurred. Where an indicator of impairment exists, the recoverable amount of the investment is calculated, and an impairment loss is recognised to the extent that the recoverable amount of the investment is less than its cost.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.3.2 Investments in associates and joint ventures

Associates are entities in which the Group has significant influence, but not control, over its operating and financial policies. Where the Group holds less than 20%, significant judgement is applied in assessing whether the Group has significant influence in the investee. Factors considered in performing this assessment include, but are not limited to, the Group's representation on the board of directors of the investee and participation in the policy making processes of the investee. A joint arrangement is a contractual agreement between two or more parties to undertake an economic activity that is under joint control. Joint ventures are joint arrangements whereby the joint venturers that have joint control of the arrangement have rights to the net assets of the entity.

The Group's investments in associates and joint ventures are initially recorded at cost and increased (or decreased) each reporting period by the Group's share of the post-acquisition profit (or loss) and reduced by dividends received. In some cases, investments in these entities may be held at fair value through profit or loss (whereby the Group applies the equity method exemption), for example, those held by private equity businesses.

Investments in associates and joint ventures are accounted for at cost less impairment in the separate financial statements of the investor.

### 1.3.3 Structured entities

An interest in a structured entity is any form of investment or arrangement which creates variability in returns arising from the performance of the structured entity for the Group. Such interests include but are not limited to holdings of debt or equity securities, derivatives that transfer financial risks to the Group, and in some cases financial guarantees and investment management fee agreements. At market, plain-vanilla interest rate swaps and derivatives that are determined to introduce risk to a structured entity are not considered to be an interest in an entity.

Depending on the Group's power over the activities of the entity and its exposure to and ability to influence its returns from it, it may consolidate the entity. To the extent that the Group has an interest in a structured entity that it does not consolidate, it provides the disclosures as required by IFRS 12 Disclosures of Interests in Other Entities (IFRS 12).

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.4 Segment reporting

The Group's segmental reporting is in accordance with IFRS 8 Operating Segments (IFRS 8). Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee, which is responsible for allocating resources and assessing performance of the operating segments and has been identified as the CODM. Income and expenses directly associated with each segment are included in determining business segment performance. The Group assesses the materiality of income and expense items for inclusion in the segment report in order to ensure material items are included as per the guidance detailed in IFRS 8. The segment results reported to the CODM exclude the impact of hyperinflation (refer to note 57.8.2) and as a result, the effect of hyperinflation is included as a reconciling adjustment in the Segment Report.

### 1.5 Foreign currencies

#### 1.5.1 Foreign currency translations

The Group has foreign operations that are based outside of South Africa, and in accordance with the requirements of IAS 21 The Effects of Changes in Foreign Exchange Rates (IAS 21), have a functional currency that is different from the Group's presentation currency (that is, the Rand). A foreign operation is a subsidiary, associate, joint venture, or branch whose activities are based in a country or currency other than that of the reporting entity. In accordance with IAS 21, the functional currency is the currency of the primary economic environment in which an entity operates.

For foreign operations which are not considered to operate in hyperinflationary economies, prior to consolidation (or equity accounting) the assets and liabilities are translated at the closing rate and items of income, expense and Other comprehensive income (OCI) are translated into Rand at the rate on the date of the transactions. For foreign operations that are considered to operate in hyperinflationary economies, the assets, liabilities, income, expense and OCI items are translated into Rand at the closing rate. Exchange differences arising on the translation of foreign operations are recognised in OCI and accumulated in the foreign currency translation reserve. The amount recognised in such reserve is transferred to profit or loss when the Group loses control, joint control or significant influence over the foreign operation or upon partial disposal of the operation. On partial disposal of a subsidiary such that control is retained, the proportion disposed is allocated to NCI.

In terms of IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29), the financial results of Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the purchase power current at the end of the reporting period, following the application of the historic cost approach. As the Group presents its financial information in a stable currency, comparative amounts are not adjusted for the effect of the change in purchase power. The Group has elected to recognise differences between comparative amounts arising annually in the standalone accounts of Group entities applying hyperinflation and current year hyperinflation-adjusted amounts in OCI as part of exchange differences in the FCTR. The carrying amounts expressed in the measuring unit at the end of the previous reporting period are treated as the basis for the carrying amounts in subsequent reporting periods.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the reporting period end date. Gains or losses on the net monetary position are recognised in profit or loss. All income statement amounts are restated by applying the change in the general price index from the date on which a transaction was initially recognised to the reporting period end date. At the end of the reporting period, all components of equity are restated by applying a general price index from the beginning of the year or a later contribution date, if applicable. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

At the beginning of the initial year of application, equity components, excluding retained earnings, are restated by applying a general price index, determined based on the dates the components were initially recognised. The Group has elected to recognise the impact of these restatements directly in retained earnings. Restated retained earnings are therefore derived from all other amounts in the restated statement of financial position.

#### 1.5.2 Foreign currency transactions

A foreign currency transaction is recorded initially at the rate of exchange at the date of the transaction. The application of average exchange rates is permitted if they provide a reasonable approximation of the actual exchange rate (for example, in the case of foreign denominated interest income).

At each subsequent reporting date:

- foreign currency monetary amounts are reported using the closing rate;
- non-monetary items carried at historical cost are reported using the exchange rate at the date of the transaction; and
- non-monetary items carried at fair value are reported at the rate that existed when the fair values were determined.

### 1.6 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the parent and the number of basic weighted average number of ordinary shares excluding treasury shares held in employee benefit trusts or held for trading. When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effects of all dilutive potential ordinary shares held.

### 1.7 Financial instruments

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.7.1 Initial recognition

The Group recognises financial assets and liabilities when it becomes a party to the terms of the contract, for regular way transactions, this is on trade date. All financial instruments are measured initially at fair value plus/minus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss, where transaction costs are expensed upfront.

### 1.7.2 Day one profits or losses

On initial recognition, it is presumed that the transaction price is the fair value unless there is information available in an active market to the contrary. The best evidence of an instrument's fair value on initial recognition is typically the transaction price. However, if fair value can be evidenced by comparison with other observable current market transactions in the same instrument, or is based on a valuation technique whose inputs include only data from observable markets, then the instrument is recognised at the fair value derived from such observable market data. Any difference between the transaction price and a market observable fair value is recognised immediately in profit or loss.

For valuations that have made use of significant unobservable inputs, an evaluation is made of the contribution of unobservable inputs to the initial price ("Day One Profit") which is recognised in profit or loss either on a straight-line basis over the full term of the transaction or over the period of time to the date that the inputs are expected to become observable, should this date be able to be reasonably estimated.

### 1.7.3 Classification and measurement of financial instruments

On initial recognition, the Group classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income; or
- Fair value through profit or loss.

The classification and subsequent measurement of financial assets depends on:

- The business model within which the financial assets are managed; and
- The contractual cash flow characteristics of the asset (that is, whether the cash flows represent 'solely payments of principal and interest').

#### Business model assessment

The business model reflects how the Group manages the financial assets in order to generate cash flows and returns. The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The factors considered in determining the business model include (i) how the financial assets' performance is evaluated and reported to management, (ii) how the risks within the portfolio are assessed and managed and (iii) the frequency, volume, timing of past sales, sales expectations in future periods, and the reasons for such sales.

#### Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

In making the assessment of whether the contractual cash flows have SPPI characteristics, the Group considers whether the cash flows are consistent with a basic lending arrangement. That is, the contractual cash flows recovered must represent solely the payment of principal and interest. Principal is the fair value of the financial asset on initial recognition. Interest typically includes only consideration for the time value of money and credit risk but may also include consideration for other basic lending risks and costs, such as liquidity risk and administrative costs, together with a profit margin. Where the contractual terms include exposure to risk or volatility that is inconsistent with a basic lending arrangement, the cash flows would not be considered to be SPPI and the assets would be mandatorily measured at fair value through profit or loss, as described below. In making the assessment, the Group considers, inter alia, contingent events that would change the amount and timing of cash flows, prepayment and extension terms, leverage features, terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements), and features that modify consideration of the time value of money (e.g. tenor mismatch). Contractual cash flows are assessed against the SPPI test in the currency in which the financial asset is denominated.

#### 1.7.3.1 Debt instruments

Debt instruments are those instruments that generally meet the definition of a financial liability from the issuer's perspective, such as loans and government and corporate bonds. The Group classifies its debt instruments into one of the following three categories:

- **Amortised cost** – Financial assets are classified within this measurement category if they are held within a portfolio whose primary objective is the collection of contractual cash flows, where the contractual cash flows on the instrument are SPPI, and that are not designated at fair value through profit or loss. These financial assets are subsequently measured at amortised cost where interest is recognised as 'Effective interest' within 'Interest and similar income' using the EIR method. The carrying amount is adjusted by the cumulative ECL recognised.
- **Fair value through other comprehensive income** – This classification applies to financial assets which meet the SPPI test, and are held within a portfolio whose objectives include both the collection of contractual cash flows and the selling of financial assets. These financial assets are subsequently measured at fair value with movements in the fair value recognised in other comprehensive income, with the exception of interest income, ECL and foreign exchange gains and losses which are recognised within profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to 'Gains and losses from banking and trading activities' in profit or loss. Interest income from these financial assets is included as 'Effective interest' within 'Interest and similar income' using the EIR method.
- **Fair value through profit or loss** – Financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are mandatorily measured at fair value through profit or loss. Gains and losses on these instruments are recognised in 'Gains and losses from banking and trading activities' in profit or loss. The Group may also irrevocably designate financial assets that would otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income, as at fair value through profit or loss, if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise arise. These will be subsequently measured at fair value through profit or loss with gains and losses recognised as 'Gains and losses from banking and trading activities' or 'Gains and losses from investment activities' in profit or loss.



## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.7.3.2 Equity instruments

IFRS 9 provides that at initial recognition, an irrevocable election may be made to present subsequent changes in the fair value of an equity instrument in other comprehensive income, provided that the instrument is neither held for trading nor constitutes contingent consideration recognised in a business combination. Amounts recognised in other comprehensive income are not subsequently recognised in profit or loss. Dividends, when representing a return on investment, continue to be recognised in profit or loss when the Group's right to receive payment is established. All equity instruments for which the designation at fair value through other comprehensive income has not been applied are required to be recognised at fair value through profit or loss. Gains and losses on equity instruments at fair value through profit or loss are recognised as 'Gains and losses from banking and trading activities' in profit or loss.

### 1.7.3.3 Financial liabilities

A financial liability may be designated at fair value through profit or loss if (i) measuring the instrument at fair value eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or (ii) if the instrument belongs to a group of financial liabilities that are managed on a fair value basis, in accordance with a documented risk management or investment strategy. The fair value designation is voluntary, but may only be applied at initial recognition, and once applied cannot be reversed. Own credit gains or losses arising from the valuation of financial liabilities designated at fair value through profit or loss are recognised in other comprehensive income, unless doing so would create or enlarge an accounting mismatch in profit or loss. In this case, own credit gains or losses are recognised in profit or loss. Amounts recognised in other comprehensive income are not subsequently recognised in profit or loss.

Where a financial liability has not been classified as held for trading or designated at fair value through profit or loss, it is held at amortised cost. That is, the initial fair value (which is normally the amount borrowed) is adjusted for premiums, discounts, repayments and the amortisation of coupon, fees and expenses to represent the EIR of the liability. Interest expense is recognised as 'Interest expense and similar charges.' Terms included in a financial liability contract (the host) which, had it been a standalone contract, would have met the definition of a derivative and where the economic characteristics and risks are not closely related to the economic characteristics and risks of the host, are either separated from the host and accounted for in the same way as a derivative, or the entire contract is designated at fair value through profit or loss.

### 1.7.3.4 Derivatives

Derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices defined in the contract. They include swaps, forward rate agreements, futures, options and combinations of these instruments and primarily affect the Group's net interest income, net trading income, and derivative assets and liabilities. Notional amounts of the contracts are not recorded on the statement of financial position. Derivatives are subsequently measured at fair value through profit or loss, with changes in their fair values recognised as 'Gains and losses from banking and trading activities' in profit or loss, except for changes in the fair value of derivatives used to economically hedge the Group's interest rate risk which are recognised as 'Other interest income', or 'Interest expense and similar charges' in profit or loss.

### 1.7.4 Expected credit losses on financial assets

The Group recognises ECL based on unbiased forward-looking information. ECL is recognised on all financial assets measured at amortised cost, lease receivables, debt instruments at fair value measured through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value.

The Group uses a mixed approach for impairment where parameters are modelled at an individual financial instrument level or on a portfolio basis. A collective approach will only be carried out when financial instruments share similar risk characteristics, which could include factors such as instrument type, collateral type, industry, geography or credit risk ratings. Credit losses are the present value of the difference between:

- all contractual cash flows that are due to an entity in accordance with the contract; and
- all the cash flows that the entity expects to receive.

### Three-stage approach to ECL

IFRS 9 requires entities to recognise ECL based on a stage allocation methodology, with such categorisation informing the level of provisioning required. The ECL allowance calculated on stage 1 assets reflects the lifetime losses associated with events of default that are expected to occur within 12 months of the reporting date (hereafter referred to as 12-month ECL). Assets classified within stage 2 and stage 3 carry an ECL allowance calculated based on the lifetime losses associated with defaults that are expected to occur over the lifetime of the exposure (hereafter referred to as lifetime ECL). In determining the forecast credit losses over the duration of an exposure, recoveries expected to be received post the designated point of write-off are excluded. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Interest is calculated on stage 1 and stage 2 assets based on the gross carrying amount of the asset, whilst interest income on stage 3 assets is calculated based on the net carrying value (that is, net of the impairment losses). The remaining contractual interest on stage 3 assets is recognised as part of the impairment allowance raised against these assets.

The stage allocation is required to be performed as follows:

- **Stage 1:** This stage comprises exposures which are performing in line with the Group's credit expectations as at the date of origination. That is to say, the credit exposures which are assigned to stage 1 have not experienced a significant increase in credit risk since the date of initial recognition. Financial assets that are not purchased or originated with a credit impaired status are required to be classified on initial recognition within stage 1. Exposures which were previously classified within stage 2 or stage 3, may also cure back to stage 1 in line with the Group's credit risk management cure criteria. Whilst the standard does permit an accounting policy election to classify low credit risk assets within stage 1, such election has not been made by the Group.
- **Stage 2:** Exposures are required to be classified within stage 2 when a significant increase in credit risk is observed, although the exposure is not yet credit impaired. The assessment of whether an exposure should be transferred from stage 1 to stage 2, is a relative



## Summary of material accounting policies

for the reporting period ended 31 December 2025

measure, where the credit risk at the reporting date is compared to the risk that existed at initial recognition. The factors which trigger a reclassification from stage 1 to stage 2 have been defined so as to meet the specific requirements of IFRS 9, and in order to align with the Group's credit risk management practices. These factors have been set out in section 1.2.1.4. Stage 2 assets are considered to be cured (i.e. reclassified back into stage 1), when there is no longer evidence of a significant increase in credit risk, and in accordance with the Group's credit risk management cure criteria. The definition of high risk is, from a credit management perspective, central to controlling the flow of exposures back to stage 1 and gives effect to any cure periods deemed necessary.

- **Stage 3:** Credit exposures are classified within stage 3 when they are credit impaired, which is guided by the Group's regulatory definition of default. An instrument is credit impaired when there is objective evidence of impairment at the reporting date. Purchased or originated credit impaired lending facilities are classified on origination within its own category separate to stage 3 assets. Defaulted assets are considered to be cured once the original event triggering default no longer applies, and the defined probation period (that is, the required consecutive months of performance) have been met. In the Retail portfolio, the cure definition applied is quite stringent, and assets will typically only cure from stage 3 to stage 2, but won't move directly from stage 3 to stage 1. In the Wholesale portfolio assets can move from stage 3 directly to stage 1.

### Expected credit loss calculation

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money (represented by the EIR); and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

As noted, ECL comprises the unbiased probability weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. ECL is calculated (for both 12-month ECL and lifetime losses ECL) as a function of the EAD; PD and LGD. These terms are interpreted as follows per the requirements of IFRS 9:

- EAD is the estimated amount at risk in the event of a default (before any recoveries) including behavioural expectation of limit usage by customers in the various stages of credit risk.
- PD is the probability of default at a particular point in time, which may be calculated based on the defaults that are possible within the next 12 months; or over the remaining life; depending on the stage allocation of the exposure.
- LGD is calculated based on the difference between the contractual cash flows due and the cash flows expected to be received up until the designated point of write-off. These forecast losses are discounted to the reporting date based on the EIR. The expectation of cash flows takes into account cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The estimate reflects the amount and timing of cash flows expected from the enforcement of collateral less the costs of obtaining and selling the collateral. The collection of any cash flows expected beyond the contractual maturity of the contract is also included.

### Lifetime of financial instruments

For exposures in stage 2 and stage 3, the maximum lifetime over which ECL is measured, is the maximum contractual period over which the Group is exposed to credit risk. The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. In rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the Group uses the remaining contractual term of the financial instrument.

Certain credit exposures include both a drawn and an undrawn component and the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the exposure to credit losses to the contractual notice period. In this case, ECL is measured over the period that the Group is exposed to credit risk, even if that period extends beyond the maximum contractual period. Within the Group, this applies to overdrafts, credit cards and other revolving products. These contracts are cancellable at very short notice and they have no fixed term but credit may continue to be extended for a longer period and may only be withdrawn after the credit risk of the borrower increases, which could be too late to prevent losses. For these types of products, the expected life is based on the behavioural life, i.e. the period over which there is exposure to credit risk which is not expected to be mitigated by credit actions (e.g. limit decreases) even though the contract permits immediate limit decrease.

### Forward-looking information

Forward-looking information is factored into the measurement of ECL through the use of multiple expected macroeconomic scenarios that are either reflected in estimates of PD and LGD for material portfolios; or adjusted through expert credit judgement where the effects cannot be statistically modelled.

### Write-off

The gross carrying amount of a financial asset is directly reduced (that is, written off) when the entity has no reasonable expectations of recovering it in its entirety, or a portion thereof. The corresponding impairment allowance is also reduced. This reduction occurs when the asset is a stage 3 financial asset. A write-off constitutes a derecognition event for accounting purposes. Depending on the nature of the account, balances are written off when:

- There has been less than one qualifying payment received within the last 12 months; or
- It is no longer economically viable to keep the debt on the statement of financial position.

A qualifying payment, for use in the write-off assessment, is defined as the minimum monthly contractual payment due.

Indicators which suggest that it is not economically viable to retain an account on the statement of financial position include (but are not limited to):

- The exposure is unsecured, i.e. there is no tangible security the Group can claim against (excluding suretyships);
- The debt has prescribed;

## Summary of material accounting policies

for the reporting period ended 31 December 2025

- The exposure would attract reputational risk should the Group pursue further legal action due to the valuation/exposure ratio, for example where the exposure is low and the valuation is very high in relation to the low exposure;
- Where the cost to recover is high in relation to the valuation of the asset, for example legal, realisation and safe-guarding costs as well as rates and taxes.

Under IFRS 9, the Group applies the write-off assumptions consistently at both an individual account level and on a collective modelling basis. This means that the Group's LGD model includes only the present value of forecast recoveries on a pool of loans up until the designated point of write-off. Post write-off enforcement activities include the negotiation of payment arrangements, realisation of collateral, and other collection strategies through legal process as well as through internal and external debt collectors. The type of collection strategies applied vary across the Group, depending on factors such as period outstanding, security and customer relationships. Recoveries of amounts previously written off are recognised as an ECL gain within credit impairment charges in the statement of comprehensive income as and when the cash is received.

### 1.7.5 Derecognition of financial assets and financial liabilities

#### 1.7.5.1 Derecognition of financial assets

In the course of its normal banking activities, the Group makes transfers of financial assets, either legally (where legal rights to the cash flows from the asset are passed to the counterparty) or beneficially (where the Group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty). Depending on the nature of the transaction, this may result in derecognition of the assets in their entirety, partial derecognition or no derecognition of the assets subject to the transfer. The gain or loss on derecognition of financial assets is determined as the difference between the carrying value of the financial asset derecognised (including impairment, if any) and the fair value of any proceeds received.

Full derecognition occurs when the rights to receive cash flows from the asset have been discharged, cancelled or have expired, or the Group transfers both its contractual right to receive cash flows from the financial assets (or retains the contractual rights to receive the cash flows, but assumes a contractual obligation to pay the cash flows to another party without material delay or reinvestment) and substantially all the risks and rewards of ownership, including credit risk, prepayment risk and interest rate risk. When an asset is transferred, in some circumstances, the Group may retain an interest in it (continuing involvement) requiring the Group to repurchase it in certain circumstances for other than its fair value on that date.

#### 1.7.5.2 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Refer to note 1.7.6.2 for the treatment of modifications of financial liabilities.

### 1.7.6 Modification of financial assets and financial liabilities

#### 1.7.6.1 Modification of financial assets

Modifications to financial assets are assessed as follows:

- A loan modification is a permanent change to one or more of the terms of the loan. Enforcing or adopting terms that were present in the original terms of the facility is not a modification. The treatment of a renegotiation or modification of the contractual cash flows of a financial asset depends on whether the modification is done for commercial reasons or because of financial difficulty of the borrower.
- Contractual modifications on commercial terms are treated as a new transaction and result in derecognition of the original financial asset, only to the extent that the modification is substantial, and the recognition of a 'new' financial asset. Any difference between the carrying amount of the derecognised asset and the fair value of the new asset is recognised in profit or loss.
- When the Group modifies the contractual conditions due to financial difficulties of the borrower, the asset is not derecognised unless the terms of the contract are substantively changed (such as the inclusion of an equity participation feature or a substantial change in counterparty). If the asset is not substantially modified, then the gross carrying amount of the financial asset is recalculated to be the present value of the modified cash flows discounted at the original EIR and the resulting modification gain/loss is recognised in profit or loss as part of the total impairment loss. Modification gain or losses typically occur on stage 2 and 3 assets.

#### 1.7.6.2 Modification of financial liabilities

Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified (taking into account both quantitative and qualitative factors), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Where the terms of an existing liability are not substantially modified, the liability is not derecognised. Costs incurred on such transactions are treated as an adjustment to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

### 1.7.7 Offsetting of financial assets and financial liabilities

In accordance with IAS 32 Financial Instruments: Presentation (IAS 32), the Group reports financial assets and financial liabilities on a net basis on the statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 1.7.8 Hedge accounting

The Group applies IAS 39 hedge accounting to represent, to the maximum possible extent permitted under accounting standards, the economic effects of its interest and currency risk management strategies. Derivatives are used to hedge interest rate, exchange rate, commodity, and equity exposures as well as exposures to certain indices such as commodity, equity and retail price indices related to non-trading positions.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

Where derivatives are held for risk management purposes, and when transactions meet the required criteria for documentation and hedge effectiveness, the Group applies fair value hedge accounting and cash flow hedge accounting as appropriate to the risks being hedged. The Group assesses on an ongoing basis whether the hedge has been highly effective. A hedge is regarded as highly effective only when offsetting changes in fair value or cash flows attributable to the hedged risk during the period are within a range of between 80% and 125%.

Hedge accounting is discontinued when a derivative is not highly effective as a hedge, is sold, terminated, exercised or where the forecast transaction is no longer highly probable to occur. The same applies if the hedged item is sold or repaid. Instruments that have been designated as hedging instruments are reported in a separate line on the statement of financial position at each reporting date.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. Prospective testing is based on the estimation of certain parameters to assess whether the hedging relationship will be effective or not. The estimation of these parameters is performed using best practice statistical forecasting and simulation methodologies based on current and historical market data. Resultant simulated hedging relationships are assessed by calculating a statistically based hedge effectiveness test criterion.

### Fair value hedge accounting

Changes in fair value of derivatives that qualify and are designated as fair value hedges are recorded in profit or loss, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The fair value changes adjust the carrying value of the hedged asset or liability held at amortised cost, for hedged assets held at FVOCI the fair value change attributable to the hedged risk adjusts OCI.

If hedge relationships no longer meet the criteria for hedge accounting, hedge accounting is discontinued. For fair value hedges of interest rate risk, the fair value adjustment to the hedged item is amortised to profit or loss over the period to maturity of the previously designated hedge relationship using the effective interest rate method. If the hedged item is sold or repaid, the unamortised fair value adjustment is recognised immediately in profit or loss.

### Cash flow hedge accounting

For qualifying cash flow hedges, the fair value gain or loss on the hedging instrument associated with the effective portion of the cash flow hedge is recognised initially in other comprehensive income, and then recycled to profit or loss in the reporting periods when the hedged item will affect profit or loss. Any ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss immediately. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged item is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to profit or loss.

### Hedges of a net investment in a foreign operation

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in OCI. Any ineffective portion of the gain or loss is recognised immediately in profit or loss. Gains or losses on the hedging instrument relating to the effective portion of the hedge are reclassified to profit or loss, on disposal of the foreign operation.

### 1.7.9 Equity instruments

Equity instruments are instruments that represent a residual interest in the Group's net assets. The key feature which distinguishes an equity instrument from a financial liability is whether there is a contractual obligation of the issuer to deliver cash or another financial asset to the holder of the instrument.

#### 1.7.10 Compound financial instruments

The Group applies IAS 32 to determine whether funding is either a financial liability (debt) or equity.

Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the Group having a present obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument; if this is not the case, the instrument is generally an equity instrument. Where issued financial instruments contain both liability and equity components, these are accounted for separately. The fair value of the debt is estimated first, and the balance of the proceeds is included within equity.

#### 1.7.11 Subordinated debt

The majority of subordinated debt is measured at amortised cost using the EIR method except where hedge accounting is applied as per 1.7.8.

#### 1.7.12 Repurchase and reverse repurchase agreements

Reverse repurchase agreements (and stock borrowing or similar transactions) are a form of secured lending whereby the Group provides a loan or cash collateral in exchange for the transfer of collateral, generally in the form of marketable securities subject to an agreement to transfer the securities back at a fixed price in the future. Repurchase agreements are where the Group obtains such loans or cash collateral, in exchange for the transfer of collateral.

The Group purchases securities (under a reverse repurchase agreement) or borrows securities subject to a commitment to resell or return them. The securities are not included on the statement of financial position as the Group does not acquire the risks and rewards of ownership. Consideration paid (or cash collateral provided) is accounted for as a loan asset. The Group may also sell securities (under a repurchase agreement) or lend securities subject to a commitment to repurchase or redeem them. The securities are retained on the statement of financial position since the Group retains substantially all the risks and rewards of ownership.

Consideration received (or cash collateral provided) is accounted for as a financial liability.

#### 1.7.13 Loan commitments

The Group enters into commitments to lend to its customers subject to certain conditions. Such loan commitments are made either for a fixed period, or are cancellable by the Group subject to notice conditions.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

Under IFRS 9, loan commitments are measured with reference to the quantum of ECL required to be recognised. In the case of undrawn loan commitments, the inherent credit risk is managed and monitored by the Group together with the drawn component as a single exposure. The EAD on the entire facility is therefore used to calculate the cumulative ECL. As a result, the total ECL is recognised in the ECL allowance in respect of the financial asset unless the total allowance exceeds the gross carrying amount of the financial asset. If this is the case, the excess ECL is recognised as a provision on the face of the statement of financial position.

### 1.7.14 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of the debt instrument. Financial guarantees are initially recognised at fair value on the date that the guarantee was given. Other than where the fair value option is applied subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial measurement, less amortisation calculated to recognise in profit or loss any fee income earned over the reporting period, and the amount of the loss allowance expected from the guarantee at the reporting date. Any increase in the liability relating to guarantees is recognised in profit or loss. For financial guarantee contracts the cash shortfalls are future payments to reimburse the holder for a credit loss that it incurs less any amounts that the entity would expect to receive from the holder, the debtor, or any other party.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.8 Share capital

#### 1.8.1 Ordinary share capital

Proceeds received upon the issuance of shares are included in equity, net of directly attributable transaction costs. Dividends and other distributions made to equity holders are recognised as a reduction in equity when they are appropriately authorised and are no longer at the discretion of the entity.

#### 1.8.2 Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the entity's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific future date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends which are therefore paid on these instruments are included in the cash flows applied in determining the EIR of the instrument. The accrual of dividends is presented as an interest expense in profit or loss.

### 1.9 Revenue recognition

#### 1.9.1 Net interest income

Interest revenue which is calculated using the EIR method is separately presented on the face of the statement of comprehensive income. Effective interest is calculated on loans and advances and debt instruments which are classified at amortised cost and debt instruments at fair value through other comprehensive income.

Further, an effective interest expense is calculated on financial liabilities held at amortised cost. Application of the EIR methodology results in the recognition of interest, together with direct and incremental fees and costs, on a time portion basis over the expected lives of the assets and liabilities. The expected life of an instrument or a portfolio of instruments may be modelled as being shorter than the contractual tenor where historical experience suggests that customer prepayment behaviour impacts the forecasted cash flow profile.

Commitment fees are typically received by the Group in return for loan commitments issued. For loan commitments where drawdown is probable, the fee will be recognised as deferred income on balance sheet and subsequently recognised as an adjustment to EIR on the loan upon drawdown. The remaining portion will continue to be deferred until further loan drawdown takes place or else be recognised as fee income when the loan commitment expires without being drawn. To the extent that the drawdown of the loan commitment is not probable, the commitment fee is regarded as compensation for the provision of a service and is amortised to profit or loss as fee income over the loan commitment period.

Commitment fees charged based on unutilised or undrawn amounts is accrued as fee income based on the actual undrawn amount.

The Group also presents as part of net interest income, other interest income and other interest and charges similar in nature, which are not calculated on the effective interest rate method.

Certain costs incurred impact the yield of financial instruments in a manner similar to EIR, such as costs incurred as a percentage of deposits as part of a regulatory initiative to provide protection for depositors. These costs are included as interest expense and similar charges. The related annual levy payable to the regulator is recognised in operating expenditure.

#### Impact of IFRS 9 ECL on interest recognition

IFRS 9 requires interest income to be calculated on stage 1 or stage 2 financial assets by multiplying the EIR by the gross carrying amount of such assets. Dissimilar to stage 1 and stage 2 assets, IFRS 9 requires interest income on stage 3 financial assets to be calculated based on the net carrying value of the exposure, that is, the gross carrying value less the ECL allowance. In order to practically give effect to this requirement, the Group first suspends the recognition of contractual interest, and second, multiplies the net carrying value by the EIR. Unrecognised interest (which is referred to as interest in suspense (IIS)) is the difference between the interest calculated on the gross carrying amount of the financial asset (that is, the interest charged), and the net interest amount, calculated based on the net carrying amount of the financial asset. In some instances, an entity may recover cash flows which are in excess of the cumulative interest previously recognised over the life of the instrument. The IIS recovered is presented as a gain within ECL.

#### 1.9.2 Net trading income

In accordance with IFRS 9 trading positions are measured at fair value, with fair value gains and losses being recognised within profit or loss as part of 'gains and losses from banking and trading activities'.

Interest and dividends which are received or paid as a consequence of issuing or holding instruments that are managed as part of the Group's trading activities are presented together with the fair value gains and losses on such instruments. Fair value gains or losses may be caused by movements in interest and exchange rates, equity prices and other market variables.

Gains and losses on derivatives linked to investment contracts are recognised in 'gains and losses from investment activities'.

#### 1.9.3 Net fee and commission income

Net fee and commission income is calculated by subtracting fee and commission charges from fee and commission income. Fee and commission income relates to revenue earned for the rendering of services and is recognised net of any trade discounts, volume rebates and amounts received on behalf of third parties, such as sales taxes, goods and service taxes and value added taxes.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

In assessing whether the Group is acting as a principal or agent to the transaction, consideration is given to the rights held by other parties against the Group and the Group's exposure to risks and rewards.

Evidence that suggests that the Group is acting as an agent include:

- Minimal legal obligations owing to the buyer and seller;
- No liability for the non-performance of obligations by its clients and/or the market counterparties under the transactions executed.
- The immediate and entire transfer of any risks and rewards to the other party with no residual exposure retained;
- No exposure to client or market counterparty credit risk arising from amounts receivable;
- The nature and amount of remuneration received.

When the Group is acting as an agent, amounts collected on behalf of the principal are not income. Only the net commission retained by the Group is, in this case, recognised as income.

Fee and commission income earned in respect of services rendered are recognised on an accrual basis as and when the service is rendered.

Monthly account servicing and maintenance fees, fees received to service performance guarantees, and trust and fiduciary servicing fees are recognised as revenue over the period over which the performance obligation is discharged. Fees earned on the execution of a significant act, including commissions received, merchant income, and transactional and consulting fees earned are recognised at a point in time, which is the point at which the transaction is concluded and the customer obtains control of the transferred service.

Fee and commission expenses are expenses which are direct and incremental to the generation of fee and commission income.

### 1.10 Classification of insurance and investment contracts

The Group issues contracts that transfer insurance risk, financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. The Group defines significant insurance risk as the possibility of having to pay significant benefits on the occurrence of an insured event compared to those benefits payable if the insured event did not occur. IFRS 17 is applied to insurance contracts as defined in the standard. This may differ from the definitions applied by insurance regulators in determining which contracts are to be written on an insurance license. Hence, certain contracts are recognised and presented as insurance contracts in accordance with IFRS 17, despite not being considered as regulated insurance contracts.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk and are recognised as financial liabilities.

#### 1.10.1 Insurance and reinsurance contracts

##### 1.10.1.1 Level of aggregation

Insurance contracts are aggregated into different groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Group entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e. by year of issue), whereafter each annual cohort are classified into one of the following three groups:

- Contracts that are onerous on initial recognition;
- Contracts that have no significant possibility of becoming onerous after initial recognition; or
- Remaining contracts in the annual cohort.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added. Groups of reinsurance contracts are established such that a group may comprise a legal contract(s) with a single reinsurer.

The aggregation requirements of the Standard limit the offsetting of gains on groups of profitable contracts, which are generally deferred, against losses on groups of onerous contracts, which are recognised immediately.

##### 1.10.1.2 Measurement overview

The Group has divided its insurance contracts issued and reinsurance contracts held into two broad portfolios, namely life and non-life contracts. The general measurement model (GMM) is largely applied to the Group's life contracts whilst the premium allocation approach (PAA) is largely applied to the Group's non-life insurance contracts and group life policies.

#### Contracts measured using GMM

Under the GMM, groups of insurance contracts are measured by estimating the related fulfilment cash flows, including the CSM that is representative of unearned profit.

The fulfilment cash flows comprise of:

- Probability-weighted estimates of expected cash flows from premiums, claims and benefits within the contract boundary, including directly attributable expenses to determine the expected value of a range of scenarios that reflects the full range of possible outcomes;
- An explicit entity specific adjustment for non-financial risk (i.e. risk adjustment) (see note 1.2.9); and
- An adjustment for the time value of money and financial risks associated with the future cash flows (see note 1.2.9).

## Summary of material accounting policies

for the reporting period ended 31 December 2025

The Group has elected to disaggregate insurance finance income or expense between profit or loss and other comprehensive income. This is achieved through a systematic allocation of the expected total insurance finance income or expense over the duration of the related group of contracts.

The carrying amount of a group of contracts at each reporting date is the sum of the LRC and the liability for incurred claims (LIC).

The LRC comprises the fulfilment cash flows that relate to services that will be provided under contracts in future periods and any remaining CSM and RA at the reporting date. The CSM at the reporting date is the carrying amount at the beginning of the year adjusted for any new contracts added to the group in the current year, interest accretion, changes in fulfilment cash flows that relate to future services, changes specific to foreign exchange differences and the amount of CSM released as revenue. The RA at the reporting date is determined similar to that of the CSM, with the exclusion of interest.

The LIC represents the Group's obligation to investigate and pay valid claims for insured events that have occurred, including events that have occurred but for which claims have not been reported, as well as other incurred insurance expenses. Additionally, it also relates to the Group's obligation to pay amounts for insurance services already provided, investment components or other amounts that are not related to the provision of insurance contract services and that does not form part of the LRC. The LIC is calculated as:

- The probability weighted estimate of expected cash flows; and
- An explicit entity specific adjustment for non-financial risk (risk adjustment).

The Group discounts its liabilities for unpaid claims. The Group estimates the LIC using the input of assessments for individual cases reported and statistical analyses.

### Contracts measured using PAA

PAA is a simplified measurement model and is applied by the Group when the contract boundary for each contract in a group of insurance contracts is one year or less or applying it will produce a measurement of the LRC for the group that would not differ materially from applying the GMM.

When applying the PAA, there is a rebuttable presumption that no such contracts are onerous at initial recognition. Should facts and circumstances indicate otherwise, an additional assessment is performed to distinguish onerous contracts from non-onerous contracts. For contracts that are not onerous, the company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods to determine whether those contracts have a significant possibility of becoming onerous. The facts and circumstances considered to identify whether a group of contracts is onerous are based on:

- Pricing information
- Results of similar contracts issued
- Environmental factors such as changes in regulations and market conditions

Under the PAA, the LRC is determined on initial recognition as the premiums received less acquisition cost cash flows, where applicable. Insurance acquisition cash flows for life contracts recognised using PAA will be expensed immediately in profit or loss when incurred, whilst such cash flows will be deferred for the non-life contracts.

Subsequently, the LRC is increased for any premiums received and reduced by the amount of insurance revenue recognised in profit or loss.

The Group does not adjust the LRC to reflect the time value of money and the effect of financial risk for its insurance contracts with a contract boundary of one year or less, as the time between providing each part of the services and the related premium due date is not more than a year.

The LIC for contracts measured using the PAA will be determined in the same manner as that for contracts measured using the GMM.

### Measurement of insurance acquisition cash flows

Insurance acquisition costs comprise of commissions and other variable costs arising from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Insurance acquisition cash flows that are directly attributable to a group of contracts are allocated only to that group and to the groups that will include renewals of those contracts.

When the Group defers insurance acquisition cash flows for insurance contracts measured using the GMM or PAA, these acquisition costs are allocated on a systematic and rational method to future groups. Should an indicator of impairment arise, the deferred portion of the insurance acquisition cash flows is assessed for impairment and recognised accordingly. The Group derecognises the asset for insurance acquisition cash flows and include it in the measurement of the related group of insurance contracts when this group is recognised.

### Fair value approach on transition

As previously reported, the Group transitioned to IFRS 17 on 1 January 2022. On transition, the Group applied the fair value approach to its life insurance contracts issued and reinsurance contracts held before 2016, owing to limitations in data availability and the risk of hindsight. The full retrospective approach was applied to all other insurance contracts issued and reinsurance contracts held.

For those contracts to which the fair value approach was applied at transition, the CSM was determined as the difference between the fair value of contracts and their fulfilment cash flows. The fair value was measured using discounted cash flow techniques incorporating cash flows that are within the contract boundary and incorporated the Group's own non-performance risk. The Group also included a margin comprising a risk premium to reflect what market participants would demand as compensation for the uncertainty inherent in the cash flows, and a profit margin to reflect what market participants would require to assume the obligations to service insurance contracts.

For all contracts measured under the fair value approach, the Group used reasonable and supportable information available at the transition date to determine:



## Summary of material accounting policies

for the reporting period ended 31 December 2025

- how to identify groups of contracts;
- whether a contract meets the definition of a direct participating contract;
- how to identify discretionary cash flows for contracts without direct participation features; and
- whether an investment component meets the definition of an investment contract with DPF.

The groups of contracts measured under the fair value approach contain contracts issued more than one year apart. For these groups, the discount rates on initial recognition were determined at the transition date instead of at the date of initial recognition. For groups of reinsurance contracts covering onerous underlying contracts, the Group established a loss-recovery component at transition date, referencing the amount of the loss component that relates to the underlying contracts.

### 1.10.1.3 Reinsurance contracts held

Reinsurance contracts entered into by the Group with reinsurers, under which the Group is compensated for losses on one or more contracts issued by the Group, and which meet the classification requirements for insurance contracts, are classified as reinsurance contracts held.

For contracts which do not meet the requirements to be classified as reinsurance, the total asset is recognised under financial assets.

#### Measurement of reinsurance contracts

The carrying amount of a group of reinsurance contracts is the sum of the asset/liability for remaining coverage and the asset for incurred claims. The Group applies the GMM except when reinsurance contracts are eligible for measurement under the PAA (i.e. when the contract boundary is one year or less).

In applying the GMM to the Group's reinsurance contracts, the Group measures the estimate of the present value of future cash flows using cash flows that would only relate to the reinsurance contract and includes the directly attributable expenses with an adjustment for any risk of non-performance by the reinsurer. The RA for non-financial risk is the amount of risk being transferred by the Group to the reinsurer. The calculation thereof is aligned to the respective methodologies applied to the insurance contracts measured under the GMM and PAA models.

The discount rate used for reinsurance contracts held is determined in the same manner as that applied to a group of insurance contract liabilities.

### 1.10.2 Investment contracts

Acquisition costs directly attributable to investment contracts are recognised in profit or loss.

The Group issues investment contracts with fixed and guaranteed terms. Investment contracts with fixed and guaranteed terms are financial liabilities of which the fair value is dependent on the fair value of the financial assets backing the liabilities. These contracts and the corresponding policyholder liabilities are measured at fair value through profit or loss at inception. Subsequent changes to the fair value are taken to profit or loss.

Valuation techniques are used to establish the fair value at inception and at each reporting date. The Group's main valuation techniques incorporate all factors that market participants would consider and are based on observable market data. The fair value of a linked investment contract is determined using the current unit values that reflect the fair values of the financial assets contained within the Group's unitised investment funds linked to the financial liability, multiplied by the number of units attributed to the contract holder at the reporting date. The fair value of fixed interest rate products is determined by discounting the maturity value at market rates of interest.

If the investment contract is subject to a put or surrender option held by the customer, the fair value of the financial liability is never less than the amount payable on surrender, discounted for the required notice period, where applicable.

Withdrawals from, and deposits in investment contracts are excluded from profit or loss.

## 1.11 Commodities

The Group may actively buy and sell metals, for both physical and financial settlement. Positions are principally acquired or incurred for the purpose of selling or repurchasing in the near term and for short-term profit taking. When dealing activities are executed in this manner the Group is considered to be a broker-trader of commodities.

Inventories held by broker-traders are outside the measurement scope of IAS 2 Inventories (IAS 2) and are accordingly measured at fair value less cost to sell (with any changes in fair value less cost to sell recognised in profit or loss). Commodities held under this business model are presented within trading and hedging portfolio assets, and fair value measurement changes are presented within gains and losses from banking and trading activities.

## 1.12 Intangible assets

### 1.12.1 Goodwill

Goodwill recognised in a business combination under IFRS 3 Business Combinations (IFRS 3) is an asset which represents the future economic benefits arising from other assets acquired in the business combination that are not individually identified and separately recognised. Goodwill



## Summary of material accounting policies

for the reporting period ended 31 December 2025

does not generate cash flows independently of other assets or groups of assets, and often contributes to the cash flows of multiple cash-generating units.

Goodwill arises on the acquisition of subsidiaries and is measured on initial recognition as the excess of (a) over (b) below:

- (a) The aggregate of:
  - the consideration transferred measured in accordance with IFRS 3;
  - the amount of any non-controlling interest in the acquiree, also measured in accordance with IFRS 3; and
  - in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.
- (b) The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with IFRS 3.

In accordance with the requirements of IAS 36 Impairment of Assets (IAS 36), goodwill is tested for impairment on an annual basis, or more frequently when there are indicators that an impairment may have occurred. Impairment is tested by comparing the carrying amount of the cash-generating unit (CGU), including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds its carrying amount, the CGU and the goodwill allocated to that CGU is not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognises an impairment loss.

### 1.12.2 Intangible assets other than goodwill

Intangible assets include brands, customer lists, internally generated software, and licences and are accounted for in accordance with IAS 38 Intangible Assets (IAS 38). Intangible assets may only be recognised when all of the requirements under IAS 38 are met. The asset, which is controlled by the entity, must be separately identifiable, reliably measurable, and it should be probable that future economic benefits will be derived from the asset. The asset is identifiable when it is either separable (that is, it is capable of being sold, transferred, licensed, rented or exchanged) or the asset arises from contractual or other legal rights.

Development expenditure is capitalised only if development costs can be measured reliably, completion of development is technically and commercially feasible, the generation of future economic benefits is probable and the asset's capability of use can be demonstrated.

Further, the Group should have sufficient resources to complete development. The expenditure capitalised includes the cost of materials, staff costs, professional fees and overhead costs that are directly attributable to preparing the asset for intended use. Other development expenditure which does not meet the above requirements is recognised in profit or loss when the Group has right of access to the goods or as the services are received.

Intangible assets are stated at cost (which is, in the case of assets acquired in a business combination, the fair value at acquisition date) less amortisation and any provision for impairment. The assets are amortised over their useful lives in a manner that reflects the pattern in which they contribute to future cash flows, as set out in the table below.

Intangible assets are reviewed for impairment when there are indicators that impairment may have occurred. Should such an indicator exist, or in the instance that an intangible asset is not yet available for use, the asset is tested for impairment annually by comparing its carrying value with its recoverable amount based on value in use. Any impairment loss identified is recognised immediately in profit or loss.

|                                  | Customer lists and relationship                                        | Computer software development cost                                                              | Other                                                                    |
|----------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Useful lives                     | Finite                                                                 | Finite                                                                                          | Finite                                                                   |
| Amortisation method used         | Amortised over the period of the expected use on a straight-line basis | Amortised over the period of the expected use from the related project on straight – line basis | Amortised over the period of the expected use on a straight – line basis |
| Internally generated or acquired | Acquired                                                               | Internally generated                                                                            | Acquired                                                                 |
| Annual amortisation rate (%)     | 8 – 20                                                                 | 10 – 33                                                                                         | 10                                                                       |

## 1.13 Property and equipment

### 1.13.1 Property and equipment not subject to lease agreements

Property and equipment is stated at cost, which includes direct and incremental acquisition costs less accumulated depreciation and provisions for impairment, if required. Subsequent costs are capitalised if these result in an enhancement to the asset. Depreciation is provided on the depreciable amount of items of property and equipment on a straight-line basis over their estimated useful lives. Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property and equipment are kept under review to take account of any change in circumstances.

The Group uses the following annual rates in calculating depreciation:

| Item                          | Annual depreciation rate (%) |
|-------------------------------|------------------------------|
| Computer equipment            | 14 – 25                      |
| Freehold property             | 2                            |
| Furniture and other equipment | 10 – 15                      |

## Summary of material accounting policies

for the reporting period ended 31 December 2025

|                        |         |
|------------------------|---------|
| Motor vehicles         | 25      |
| Leasehold improvements | 10 – 15 |
| Aircraft               | 25      |

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss within 'other operating income' in the reporting period that the asset is derecognised.

### 1.13.2 Property and equipment subject to lease agreements

#### 1.13.2.1 Property and equipment subject to lease agreements

##### As lessee

Where the Group is a lessee, a right-of-use asset and corresponding lease liability are recognised at the lease commencement date. The right-of-use asset is initially and subsequently measured at cost with depreciation recognised on a straight-line basis over the shorter of the asset's useful life and the lease term. The right-of-use asset is included within 'property and equipment' in the statement of financial position. The lease liability is initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if readily determinable, or the lessee's incremental borrowing rate. After the commencement date, the lease liability is measured by increasing the carrying amount to reflect interest thereon, and reducing the carrying amount to reflect lease payments made. Any reassessments and/or lease modifications will be reflected by re-measuring the carrying amount of the lease liability. Interest is recognised within net interest income and the lease liability is included within 'other liabilities' in the statement of financial position.

The lease payments in relation to short-term leases (leases with a lease term of 12 months or less at commencement date) and leases in which the underlying asset is of low value are recognised as an expense on a straight-line basis over the lease term.

##### As lessor

##### Finance leases

A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. Where the Group is the lessor, the leased asset is not held on the statement of financial position; instead, a finance lease receivable is recognised representing the minimum lease payments receivable under the terms of the lease, discounted at the rate of interest implicit in the lease. Finance income on the receivable is allocated over the lease term on a systematic basis so as to reflect a constant periodic rate of return on the lessor's net investment in the finance lease.

##### Operating leases

An operating lease is a lease in which substantially all of the risks and rewards of the leased assets remain with the lessor. Where the Group is the lessor, lease income is recognised on a straight-line basis over the period of the lease unless another systematic basis is more appropriate. The Group recognises leased assets relating to excess space within branches. As such items do not meet the definition of investment property per IAS 40 Investment Property (IAS 40), they are recognised on the statement of financial position within property and equipment.

### 1.13.3 Investment properties

IAS 40 applies to the accounting for property (land and/or buildings) held to earn rentals or for capital appreciation (or both). The Group initially recognises investment properties at cost, and subsequently at fair value at each reporting date reflecting market conditions at the reporting date. Gains and losses on measurement are included in profit or loss, and presented within 'other operating income'.

## 1.14 Repossessed properties

Repossessed properties acquired in exchange for loans as part of an orderly realisation are reported in 'other assets' as inventory as they are held for sale in the ordinary course of business. The repossessed properties are recognised when the risks and rewards of the properties have been transferred to the Group. The corresponding loans are derecognised when the Group becomes the holder of the title deed.

The properties acquired are initially recorded at cost, which is the lower of their fair value less costs to sell and the carrying amount of the loan (net of impairment allowance) at the date of exchange. They are subsequently measured at the lower of the carrying amount or net realisable value. No depreciation is charged in respect of these properties. Any subsequent write-down of the acquired properties to net realisable value is recognised in the statement of comprehensive income, in 'other operating income'. Any subsequent increase in net realisable value, to the extent that it does not exceed the cumulative write-down, is also recognised in 'other operating income'. Gains or losses on disposal of repossessed properties are reported in 'other operating income'.

## 1.15 Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. This condition is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of their carrying amount or fair value less cost to sell. Any impairment loss on a disposal group is first allocated to reduce goodwill and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets, deferred tax

## Summary of material accounting policies

for the reporting period ended 31 December 2025

assets, investment properties, insurance assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss until finally sold.

Property, equipment and intangible assets, once classified as held for sale, are not depreciated or amortised.

### 1.16 Cash and cash equivalents

For the purposes of the Statement of cash flows, Cash and cash equivalents comprises coins and notes, mandatory reserve balances held with the SARB and other central banks, money market assets, call advances and nostro balances which form part of loans and advances to banks, mobile money balances which are included in other assets, as well as short-term treasury bills which are included in investment securities. While cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less, repurchase and reverse repurchase agreements are not considered to be part of cash equivalents.

### 1.17 Provisions, contingent liabilities and commitments

A provision is recognised to reflect a present obligation (legal or constructive) arising from a past event where it is more likely than not that a transfer of economic benefits will be necessary to settle the obligation. Further, the expected transfer of economic benefits must be reliably estimable.

A provision is recognised by the Group to reflect the anticipated cost of restructuring when the general recognition criteria for a provision are met. In assessing whether a constructive obligation to restructure might exist the Group assesses whether there is a detailed formal plan to execute the restructuring, and the Group has raised a valid expectation amongst those affected that such restructuring will be implemented.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, and present obligations where the transfer of economic resources is uncertain or cannot be reliably measured. Contingent liabilities are not recognised on the statement of financial position but are disclosed unless the outflow of economic resources is remote.

Under IFRS 9, the ECL calculated on financial guarantees and letters of credit are presented as provisions on the statement of financial position. In the case of undrawn loan commitments, the inherent credit risk is managed and monitored by the Group together with the drawn component as a single exposure. The EAD on the entire facility is therefore used to calculate the cumulative ECL. As a result, the total ECL is recognised in the ECL allowance in respect of the financial asset unless the total allowance exceeds the gross carrying amount of the financial asset. If this is the case, the excess ECL is recognised as a provision on the face of the statement of financial position.

### 1.18 Employee benefits

#### 1.18.1 Post-retirement benefits

The Group operates a number of pension schemes including defined contribution and defined benefit schemes as well as post-retirement medical aid plans.

##### Defined contribution schemes

The Group recognises contributions due in respect of the reporting period in profit or loss. Any contributions unpaid at the reporting date are included as a liability.

##### Defined benefit schemes

The Group recognises its obligation (determined using the projected unit credit method) to members of the scheme at the reporting date, less the fair value of the scheme assets. Scheme assets are stated at fair value as at the reporting date.

Costs arising from current service cost, interest on net defined benefit liability or asset, past service cost settlements are recognised in profit or loss.

All actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling are recognised through other comprehensive income in order for the net defined benefit scheme asset or liability recognised in the statement of financial position to reflect the full value of the plan surplus or deficit, taking into account the asset ceiling.

Remeasurements of the net defined benefit liability (or asset, as the case may be) comprise experience adjustments (differences between previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions.

Interest is calculated by applying the discount rate to the opening net defined benefit liability or asset, taking into account any changes in the net defined liability or asset during the period as a result of contribution and benefit payments.

Gains and losses on curtailments are recognised when the curtailment occurs, which may be when a demonstrable commitment to a reduction in benefits, or reduction in eligible employees, occurs. The gain or loss comprises any change in the present value of the obligation and the fair value

## Summary of material accounting policies

for the reporting period ended 31 December 2025

of the assets. Where a scheme's assets exceed its obligation, an asset is recognised to the extent that it does not exceed the present value of future contribution holidays or refunds of contributions.

### Post-employment medical aid plans

The cost of providing healthcare benefits to retired employees is accrued as a liability in the financial statements over the reporting period that the employees provide services to the Group, using a methodology similar to that for defined benefit pension schemes.

#### 1.18.2 Staff costs

Short-term employee benefits, including salaries, accrued performance costs, salary deductions and taxes are recognised over the reporting period in which the employees provide the services to which the payments relate. Performance costs are recognised to the extent that the Group has a present obligation to its employees that can be measured reliably and are recognised on an undiscounted basis over the period of service that employees are required to work to qualify for the services.

Termination benefits result from either an entity's decision to terminate the employment or an employee's decision to accept an entity's offer of benefits in exchange for termination of employment.

#### 1.18.3 Share-based payments

The Group operates equity-settled and cash-settled share-based payment plans.

### Employee services settled in equity instruments

The cost of the employee services received in respect of the shares or share options granted is recognised in profit or loss over the period that employees provide services, generally the period from which the award is granted (or the employee notified) to the vesting date of the shares or options. The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant.

The number of shares and options expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met. Failure to meet the non-vesting condition is treated as a cancellation, resulting in an acceleration of recognition of the cost of the employee services.

The fair value of shares is the market price ruling on the grant date, in some cases adjusted to reflect restrictions on transferability. The fair value of options granted is determined using option pricing models to estimate the numbers of shares likely to vest. These take into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Market conditions that must be met in order for the award to vest are also reflected in the fair value of the award, as are any other non-vesting conditions.

Note 49 includes details of the Group's share awards. Share-based payments are recognised as expenses with a corresponding credit in equity in the standalone financial statements of the employing entity. The entity obliged to settle the share-based payment transaction (generally Absa Group Limited) recognises an increased investment in subsidiary, together with an increase to the share-based payment reserve in equity.

Recharge arrangements that exist between entities within the Group do not impact the nature of the share-based payment transaction, and therefore do not affect the classification as either equity-settled or cash-settled. Group entities account for intergroup recharges within equity.

### Employee services settled in cash

The fair value of the amount payable to employees in terms of a cash-settled share-based payment is recognised as an expense, with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as staff costs in profit or loss. No amount is recognised for services received if the awards granted do not vest because of a failure to satisfy a vesting condition. Refer to note 17 for the carrying amount of liabilities arising from cash-settled arrangements.

## 1.19 Tax

### 1.19.1 Current tax

Income tax payable on taxable profits (current tax) is recognised as an expense in the reporting period in which the profits arise. Withholding taxes are also treated as income taxes. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offset against taxable profits arising in the current or prior reporting period.

Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

The Group has determined that global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax. The Group has applied a temporary mandatory relief from deferred tax accounting regarding the impact of the top-up tax and hence accounts for it as a current tax as incurred.

### 1.19.2 Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates and legislation

## Summary of material accounting policies

for the reporting period ended 31 December 2025

enacted or substantively enacted by the reporting date which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

### 1.19.3 Dividends withholding tax

The South African tax legislation provides that dividends are taxed at 20% in the hands of certain qualifying shareholders, rather than in the hands of the entity which declares such dividend. As such, where dividends are declared and paid by the Group, the Group does not recognise dividends tax.

### 1.19.4 Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the asset or expense; and
- receivables and payables that are stated with the amount of VAT included.

Non-recoverable VAT on operating expenditure is disclosed separately in 'other expenses' in profit or loss.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

## 1.20 Treasury shares

The cost of an entity's own equity instruments that it has reacquired ('treasury shares') is deducted from equity. Gain or loss is not recognised on the purchase, sale, issue, or cancellation of treasury shares. Treasury shares may be acquired and held by the entity or by other members of the consolidated group. Consideration paid or received is recognised directly in equity.

## 1.21 Reporting changes overview

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

### 1.21.1 Correction of prior period error

#### 1.21.1.1 Misclassification between fixed deposits and negotiable certificates of deposit

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

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

### 1.21.2 Restatements to the statement of financial position

#### 1.21.2.1 Change in naming convention: "Borrowed funds" to "Subordinated debt"

During the current financial year, the Group refined the naming conventions used for labelling borrowed funds in the financial statements to enhance clarity and align with market practice. As part of this update, the line item previously presented as 'Borrowed funds' has been renamed 'Subordinated debt'. This represents a change in naming in accordance with IAS 1 *Presentation of Financial Statements* and does not constitute a change in accounting policy. The amendment is limited to terminology and has no impact on the recognition and measurement, or classification of

## Summary of material accounting policies

for the reporting period ended 31 December 2025

the underlying financial liabilities, nor on the amounts reported in the current or prior periods. Comparative information has been relabeled to ensure consistency of presentation.

### 1.21.2.2 Change in presentation: Deposits and debt funding

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

| 31 December 2024                |                              |                              |                |
|---------------------------------|------------------------------|------------------------------|----------------|
| Statement of financial position | As previously restated<br>Rm | Change in presentation<br>Rm | Restated<br>Rm |
| <b>Liabilities</b>              |                              |                              |                |
| Deposits                        | 1 509 308                    | (1,509,308)                  | -              |
| Debt securities in issue        | 208 910                      | (208 910)                    | -              |
| Deposits and debt funding       | -                            | 1 718 218                    | 1 718 218      |

| 01 January 2024                 |                               |                              |                |
|---------------------------------|-------------------------------|------------------------------|----------------|
| Statement of financial position | As previously published<br>Rm | Change in presentation<br>Rm | Restated<br>Rm |
| <b>Liabilities</b>              |                               |                              |                |
| Deposits                        | 1 339 536                     | (1,339,536)                  | -              |
| Debt securities in issue        | 211 128                       | (211 128)                    | -              |
| Deposits and debt funding       | -                             | 1 550 664                    | 1 550 664      |

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### Deposits and debt funding note

31 December 2024

|                                        | As previously<br>published per<br>Note 18<br>(restated for<br>Note 1.21.1.2) | As previously<br>published per<br>Note 18 | As previously<br>published per<br>Note 19<br>(restated for<br>Note 1.21.1.2) | Updated            |
|----------------------------------------|------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------------------|--------------------|
|                                        | Customers<br>Rm                                                              | Banks<br>Rm                               | Rm                                                                           | Presentation<br>Rm |
| <b>Deposits</b>                        |                                                                              |                                           |                                                                              |                    |
| Call deposits                          | 139 691                                                                      | 7 159                                     | -                                                                            | 146 850            |
| Cheque account deposits                | 347 062                                                                      | -                                         | -                                                                            | 347 062            |
| Credit card deposits                   | 2 079                                                                        | -                                         | -                                                                            | 2 079              |
| Fixed deposits                         | 317 862                                                                      | 25 654                                    | -                                                                            | 343 516            |
| Foreign currency deposits              | 86 625                                                                       | 28 147                                    | -                                                                            | 114 772            |
| Notice deposits                        | 98 457                                                                       | -                                         | -                                                                            | 98 457             |
| Other deposits                         | 2 829                                                                        | 9 667                                     | -                                                                            | 12 496             |
| Repurchase agreements                  | 24 779                                                                       | 78 613                                    | -                                                                            | 103 392            |
| Savings and transmission deposits      | 340 432                                                                      | 252                                       | -                                                                            | 340 684            |
| <b>Debt securities in issue</b>        |                                                                              |                                           |                                                                              |                    |
| Commercial paper                       | -                                                                            | -                                         | 5 244                                                                        | 5 244              |
| Credit linked notes                    | -                                                                            | -                                         | 33 409                                                                       | 33 409             |
| Floating rate notes                    | -                                                                            | -                                         | 50 632                                                                       | 50 632             |
| Negotiable certificates of deposit     | -                                                                            | -                                         | 69 361                                                                       | 69 361             |
| Other                                  | -                                                                            | -                                         | 1 700                                                                        | 1 700              |
| Promissory notes                       | -                                                                            | -                                         | 837                                                                          | 837                |
| Senior notes                           | -                                                                            | -                                         | 47 726                                                                       | 47 726             |
| Structured notes and bonds             | -                                                                            | -                                         | 1                                                                            | 1                  |
| <b>Total deposits and debt funding</b> |                                                                              |                                           |                                                                              | <b>1 718 218</b>   |

### Interest expense and similar charges note

31 December 2024

|                                                           | As previously<br>published per<br>Note 26 | As previously<br>published per<br>Note 26 | As previously<br>published | Updated            |
|-----------------------------------------------------------|-------------------------------------------|-------------------------------------------|----------------------------|--------------------|
|                                                           | Customers<br>Rm                           | Banks<br>Rm                               | Rm                         | Presentation<br>Rm |
| <b>Deposits</b>                                           |                                           |                                           |                            |                    |
| Call deposits                                             | 10 784                                    | 2 156                                     | -                          | 12 940             |
| Cheque account deposits                                   | 9 619                                     | -                                         | -                          | 9 619              |
| Credit card deposits                                      | 7                                         | -                                         | -                          | 7                  |
| Fixed deposits                                            | 21 656                                    | 2 015                                     | -                          | 23 671             |
| Foreign currency deposits                                 | 3 516                                     | 396                                       | -                          | 3 912              |
| Notice deposits                                           | 6 562                                     | -                                         | -                          | 6 562              |
| Other deposits                                            | 438                                       | 253                                       | -                          | 691                |
| Repurchase agreements                                     | 22 671                                    | -                                         | -                          | 22 671             |
| <b>Debt funding (previously Debt securities in issue)</b> |                                           |                                           | 13 503                     | 13 503             |
| <b>Total deposits and debt funding</b>                    | <b>75 253</b>                             | <b>4 820</b>                              | <b>13 503</b>              | <b>93 576</b>      |

#### 1.21.3 Business portfolio changes impact

##### Integration of business units

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



## Summary of material accounting policies

for the reporting period ended 31 December 2025

Business Banking has adopted the revised naming convention and is now called Africa Regions – Personal and Private Banking & Business Banking (AR PPB & BB).

### Wholesale operating model change

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

### Reallocation of income, expenses, and intergroup balances

Income and expense line items have been reallocated from Head Office to the relevant business units to align with changes in how the Group evaluates the performance of those units. The reallocation primarily relates to depositor insurance costs and eKhaya (employee share scheme) expenses. These reallocations resulted in adjustments to the related intergroup asset and liability balances, specifically loans to and from Group companies, which eliminate on consolidation of the Group but impact the segment report as presented in note 52. The impact of these items is reflected in the **‘business portfolio changes’** column in the tables below.

### Correction of prior period error

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

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

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.21.3.1 Statement of comprehensive income

31 December 2024

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

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.21.3.2 Statement of financial position

31 December 2024

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

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.21.3.3 ECL on Loans and advances at amortised cost and undrawn facilities

31 December 2024

Group

|                                                          | As previously published |               |               | Adjustment    |               |               | Restated      |               |               |
|----------------------------------------------------------|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                          | Stage 1<br>Rm           | Stage 2<br>Rm | Stage 3<br>Rm | Stage 1<br>Rm | Stage 2<br>Rm | Stage 3<br>Rm | Stage 1<br>Rm | Stage 2<br>Rm | Stage 3<br>Rm |
| <b>Balances at the beginning of the reporting period</b> |                         |               |               |               |               |               |               |               |               |
| Transactions and deposits                                | 276                     | 267           | 532           | 40            | 31            | 123           | 316           | 298           | 655           |
| Relationship Banking                                     | 594                     | 779           | 3 286         | (594)         | (779)         | (3 286)       | -             | -             | -             |
| Business Banking                                         | -                       | -             | -             | 554           | 748           | 3 163         | 554           | 748           | 3 163         |
| Corporate and Investment Banking SA                      | 735                     | 438           | 2 367         | -             | -             | -             | 735           | 438           | 2 367         |
| <b>Movement</b>                                          |                         |               |               |               |               |               |               |               |               |
| Transactions and deposits                                | (29)                    | (100)         | 77            | 34            | (21)          | 97            | 5             | (121)         | 174           |
| Relationship Banking                                     | 112                     | (279)         | (186)         | (112)         | 279           | 186           | -             | -             | -             |
| Business Banking                                         | -                       | -             | -             | 64            | (275)         | (268)         | 64            | (275)         | (268)         |
| Corporate and Investment Banking SA                      | (130)                   | (172)         | 1 044         | 14            | 17            | (15)          | (116)         | (155)         | 1 029         |
| <b>Balances at the end of the reporting period</b>       |                         |               |               |               |               |               |               |               |               |
| Transactions and deposits                                | 247                     | 167           | 609           | 74            | 10            | 220           | 321           | 177           | 829           |
| Relationship Banking                                     | 706                     | 500           | 3 100         | (706)         | (500)         | (3 100)       | -             | -             | -             |
| Business Banking                                         | -                       | -             | -             | 618           | 473           | 2 895         | 618           | 473           | 2 895         |
| Corporate and Investment Banking SA                      | 605                     | 266           | 3 411         | 14            | 17            | (15)          | 619           | 283           | 3 396         |

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.21.3.4 Maximum exposure to credit risk

|                                        | Gross<br>Maximum<br>Exposure<br>Rm | Group        |                |                |              |                |                |               |
|----------------------------------------|------------------------------------|--------------|----------------|----------------|--------------|----------------|----------------|---------------|
|                                        |                                    | Stage 1      |                |                | Stage 2      |                |                | Stage 3       |
|                                        |                                    | DG 1-9<br>Rm | DG 10-19<br>Rm | DG 20-21<br>Rm | DG 1-9<br>Rm | DG 10-19<br>Rm | DG 20-21<br>Rm | Default<br>Rm |
| <b>Loans and advances to customers</b> |                                    |              |                |                |              |                |                |               |
| <b>As previously reported</b>          |                                    |              |                |                |              |                |                |               |
| Transactions and deposits              | 4 987                              | 312          | 3 060          | 221            | 121          | 327            | 148            | 798           |
| Relationship Banking                   | 159 237                            | 12 716       | 128 209        | -              | 5            | 8 996          | -              | 9 311         |
| Business Banking                       | -                                  | -            | -              | -              | -            | -              | -              | -             |
| Corporate and Investment Banking SA    | 331 914                            | 176 619      | 128 247        | 10             | 47           | 17 777         | 268            | 8 946         |
| <b>Adjustment</b>                      |                                    |              |                |                |              |                |                |               |
| Transactions and deposits              | 6 834                              | 383          | 5 335          | -              | -            | 515            | -              | 601           |
| Relationship Banking                   | (159 237)                          | (12 716)     | (128 209)      | -              | (5)          | (8 996)        | -              | (9 311)       |
| Business Banking                       | 144 174                            | 9 947        | 117 446        | -              | 5            | 8 056          | -              | 8 720         |
| Corporate and Investment Banking SA    | 8 229                              | 2 386        | 5 428          | -              | -            | 425            | -              | (10)          |
| <b>Restated</b>                        |                                    |              |                |                |              |                |                |               |
| Transactions and deposits              | 11 821                             | 695          | 8 395          | 221            | 121          | 842            | 148            | 1 399         |
| Relationship Banking                   | -                                  | -            | -              | -              | -            | -              | -              | -             |
| Business Banking                       | 144 174                            | 9 947        | 117 446        | -              | 5            | 8 056          | -              | 8 720         |
| Corporate and Investment Banking SA    | 340 143                            | 179 005      | 133 675        | 10             | 47           | 18 202         | 268            | 8 936         |

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.21.3.5 Analysis of credit risk mitigation and collateral

|                                        | Gross<br>Maximum<br>Exposure | Collateral - credit impaired financial<br>assets               |                        |           | Total<br>maximum<br>exposure<br>credit<br>impaired<br>financial<br>assets |
|----------------------------------------|------------------------------|----------------------------------------------------------------|------------------------|-----------|---------------------------------------------------------------------------|
|                                        | Rm                           | Guarantees<br>credit<br>insurance<br>and credit<br>derivatives | Physical<br>collateral | Unsecured |                                                                           |
|                                        |                              | Rm                                                             | Rm                     | Rm        |                                                                           |
| <b>Loans and advances to customers</b> |                              |                                                                |                        |           |                                                                           |
| <b>As previously reported</b>          |                              |                                                                |                        |           |                                                                           |
| Transactions and deposits              | 9 504                        | -                                                              | -                      | 813       | 813                                                                       |
| Relationship Banking                   | 191 516                      | 47                                                             | 5 846                  | 3 497     | 9 390                                                                     |
| Business Banking                       | -                            | -                                                              | -                      | -         | -                                                                         |
| Corporate and Investment Banking SA    | 552 922                      | -                                                              | 322                    | 8 623     | 8 945                                                                     |
| <b>Adjustment</b>                      |                              |                                                                |                        |           |                                                                           |
| Transactions and deposits              | 9 003                        | 1                                                              | 482                    | 119       | 602                                                                       |
| Relationship Banking                   | (191 516)                    | ( 47)                                                          | (5 846)                | (3 497)   | (9 390)                                                                   |
| Business Banking                       | 174 116                      | 46                                                             | 5 341                  | 3 378     | 8 765                                                                     |
| Corporate and Investment Banking SA    | 160 215                      | -                                                              | 23                     | -         | 23                                                                        |
| <b>Restated</b>                        |                              |                                                                |                        |           |                                                                           |
| Transactions and deposits              | 18 507                       | 1                                                              | 482                    | 932       | 1 415                                                                     |
| Relationship Banking                   | -                            | -                                                              | -                      | -         | -                                                                         |
| Business Banking                       | 174 116                      | 46                                                             | 5 341                  | 3 378     | 8 765                                                                     |
| Corporate and Investment Banking SA    | 714 137                      | -                                                              | 345                    | 8 623     | 8 968                                                                     |

Included in the Corporate and Investment Banking SA adjustment is an amount of R151 818m arising from the revised treatment of intraday settlement limits, following alignment with the Prudential Authority's large-exposure directive. This change required the inclusion of these limits, despite their operation as unsecured, non-credit-impaired liquidity-management facilities that must be fully repaid within the same day and cannot be utilised overnight.

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.21.3.5 Analysis of credit risk mitigation and collateral

| Collateral - not credit impaired financial assets  |                     |                 |        |           | Total maximum exposure not credit impaired financial assets |
|----------------------------------------------------|---------------------|-----------------|--------|-----------|-------------------------------------------------------------|
| Guarantees credit insurance and credit derivatives | Physical collateral | Cash collateral | Other  | Unsecured |                                                             |
| Rm                                                 | Rm                  |                 |        | Rm        | Rm                                                          |
| -                                                  | -                   | -               | -      | 8 691     | 8 691                                                       |
| 525                                                | 132 153             | 81              | -      | 49 367    | 182 126                                                     |
| -                                                  | -                   | -               | -      | -         | -                                                           |
| -                                                  | 69 667              | -               | 72 282 | 402 028   | 543 977                                                     |
| 2                                                  | 6 254               | 3               | -      | 2 142     | 8 401                                                       |
| (525)                                              | (132 153)           | ( 81)           | -      | (49 367)  | (182,126)                                                   |
| 523                                                | 117 525             | 78              | -      | 47 225    | 165 351                                                     |
| -                                                  | 8 374               | -               | -      | 151 818   | 160 192                                                     |
| 2                                                  | 6 254               | 3               | -      | 10 833    | 17 092                                                      |
| -                                                  | -                   | -               | -      | -         | -                                                           |
| 523                                                | 117 525             | 78              | -      | 47 225    | 165 351                                                     |
| -                                                  | 78 041              | -               | 72 282 | 553 846   | 704 169                                                     |



## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.21.3.6 Assets and liabilities not held at fair value

|                                        | Group                    |                  |               |               |               |
|----------------------------------------|--------------------------|------------------|---------------|---------------|---------------|
|                                        | Carrying<br>amount<br>Rm | Fair value<br>Rm | Level 1<br>Rm | Level 2<br>Rm | Level 3<br>Rm |
| <b>Loans and advances to customers</b> |                          |                  |               |               |               |
| <b>As previously reported</b>          |                          |                  |               |               |               |
| Transactions and deposits              | -                        | -                | -             | -             | -             |
| Relationship Banking                   | 154 930                  | 157 402          | -             | -             | 157,402       |
| Business Banking                       | -                        | -                | -             | -             | -             |
| Corporate and Investment Banking SA    | 327 662                  | 327 789          | -             | 4 030         | 323 759       |
| <b>Adjustment</b>                      |                          |                  |               |               |               |
| Transactions and deposits              | 10 494                   | 10 599           | -             | -             | 10 599        |
| Relationship Banking                   | (154 930)                | (157 402)        | -             | -             | (157,402)     |
| Business Banking                       | 140 187                  | 142 413          | -             | -             | 142 413       |
| Corporate and Investment Banking SA    | 8 213                    | 8 353            | -             | -             | 8 353         |
| <b>Restated</b>                        |                          |                  |               |               |               |
| Transactions and deposits              | 10 494                   | 10 599           | -             | -             | 10 599        |
| Relationship Banking                   | -                        | -                | -             | -             | -             |
| Business Banking                       | 140 187                  | 142 413          | -             | -             | 142 413       |
| Corporate and Investment Banking SA    | 335 875                  | 336 142          | -             | 4 030         | 332 112       |

Transactions and deposits was previously not reported as the carrying amount approximated the fair value.

## 1.22 New standards and interpretations not yet adopted

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

### Amendments resulting from annual improvements for the following standards

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

### 1.22.1 Settlement of financial liabilities by electronic payments – IFRS 9

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

### 1.22.2 Classification of financial assets with a contingent feature – IFRS 9 and IFRS 7

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

## Summary of material accounting policies

for the reporting period ended 31 December 2025

### 1.22.3 Equity instruments designated at fair value through other comprehensive income – IFRS 7

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

### 1.22.4 Non-recourse assets and contractually linked instruments – IFRS 9

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

### 1.22.5 Contracts Referencing Nature-dependent Electricity – IFRS 9 and IFRS 7

To allow companies to better reflect the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs), amendments have been made to IFRS 9 and IFRS 7. These amendments provide guidance on the 'own-use' exemption for purchasers of electricity under PPAs, hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs and new disclosure requirements to enable investors to better understand the effects of PPAs. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

### 1.22.6 Presentation and disclosure in financial statements – IFRS 18

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

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

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

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

## Notes to the consolidated financial statements

For the year ended 31 December

### 2. Cash, cash balances and balances with central banks

|                                                           | Group<br>2025<br>Rm | 2024<br>Rm |
|-----------------------------------------------------------|---------------------|------------|
| Balances with other central banks                         | 35 217              | 30 179     |
| Balances with the SARB                                    | 89 982              | 78 431     |
| Coins and bank notes                                      | 12 050              | 12 425     |
| Money market assets                                       | 4 188               | 3 528      |
| Gross cash, cash balances and balances with central banks | 141 437             | 124 563    |
| Expected credit losses                                    | (22)                | (6)        |
|                                                           | 141 415             | 124 557    |

Included above are money market assets of **R473m** (2024: R272m) which are linked to investment contracts (refer to note 19.1).

The minimum reserve balance held in cash with the SARB and other central banks across the different jurisdictions is determined in accordance with the regulatory terms applicable to the respective countries. The portion of the balance that can be utilised by the Group is included in cash and cash equivalents (note 50.3) and is calculated by applying the percentage that is accessible to the bank in accordance with the respective regulatory terms for each jurisdiction. The portion included in cash and cash equivalents for the current period is **R106 892m** (2024: R89 282m).

Money market balances of **R2 017m** (2024: R151m) are excluded from note 50.3 as these do not meet the definition of cash and cash equivalents as set out in the accounting policies.

#### 2.1 Reconciliation of ECL allowance

The following table set out the breakdown of ECL opening and closing IFRS 9 ECL allowances for Cash, cash balances and balances with central banks

|                                                                              | Group<br>2025 |                                         |         |       |
|------------------------------------------------------------------------------|---------------|-----------------------------------------|---------|-------|
|                                                                              | Stage 1       | Lifetime expected credit losses ('LEL') |         | Total |
|                                                                              | Rm            | Stage 2                                 | Stage 3 | Rm    |
|                                                                              |               | Rm                                      | Rm      |       |
| <b>Cash, cash balances and balances with central banks at amortised cost</b> |               |                                         |         |       |
| Balance at the beginning of the reporting period                             | 6             | -                                       | -       | 6     |
| Credit impairment charges                                                    | 3             | 11                                      | -       | 14    |
| Foreign exchange movements                                                   | 2             | -                                       | -       | 2     |
| Balance at the end of the reporting period                                   | 11            | 11                                      | -       | 22    |

|                                                                              | Group<br>2024 |                                         |         |       |
|------------------------------------------------------------------------------|---------------|-----------------------------------------|---------|-------|
|                                                                              | Stage 1       | Lifetime expected credit losses ('LEL') |         | Total |
|                                                                              | Rm            | Stage 2                                 | Stage 3 | Rm    |
|                                                                              |               | Rm                                      | Rm      |       |
| <b>Cash, cash balances and balances with central banks at amortised cost</b> |               |                                         |         |       |
| Balance at the beginning of the reporting period                             | (3)           | 43                                      | -       | 40    |
| Credit impairment charges                                                    | 11            | (37)                                    | -       | (26)  |
| Foreign exchange and hyperinflation movements                                | (2)           | (6)                                     | -       | (8)   |
| Balance at the end of the reporting period                                   | 6             | -                                       | -       | 6     |

## Notes to the consolidated financial statements

For the year ended 31 December

### 3. Investment securities

|                                        | Group<br>2025<br>Rm | 2024<br>Rm |
|----------------------------------------|---------------------|------------|
| Government bonds                       | 179 646             | 177 425    |
| Listed equity instruments              | 3 571               | 3 277      |
| Other debt securities                  | 24 243              | 22 694     |
| Treasury bills                         | 58 884              | 64 947     |
| Unlisted equity and hybrid instruments | 2 401               | 2 225      |
| Gross investment securities            | 268 745             | 270 568    |
| Expected credit losses                 | (215)               | (124)      |
|                                        | 268 530             | 270 444    |

A majority of the Other debt securities balance includes Corporate bonds of **R3 809m** (2024: R4 569m) and Floating rate notes of **R20 434m** (2024: R15 856m).

Included in investment securities is short term treasury bills of **R7 256m** (2024: R4 599m) which meet the definition of cash and cash equivalents (note 50.3).

#### 3.1 Reconciliation of ECL allowance

The following tables show reconciliations from the opening to closing balance of the loss allowances by classes of investment securities at amortised cost and FVOCI.

|                                                          | Group<br>2025 |                                                                       |            |             |
|----------------------------------------------------------|---------------|-----------------------------------------------------------------------|------------|-------------|
|                                                          | Stage 1<br>Rm | Lifetime expected credit losses ('LEL')<br>Stage 2 Rm      Stage 3 Rm |            | Total<br>Rm |
| <b>Investment securities at amortised cost and FVOCI</b> |               |                                                                       |            |             |
| Balance at the beginning of the reporting period         | 302           | 146                                                                   | (17)       | 431         |
| Asset moved / allowance transferred to stage 2           | -             | 20                                                                    | (20)       | -           |
| Credit impairment charges                                | 110           | (157)                                                                 | 503        | 456         |
| Net change in interest                                   | -             | -                                                                     | 2          | 2           |
| Foreign exchange movements                               | 4             | (2)                                                                   | 10         | 12          |
| <b>Balance at the end of the reporting period</b>        | <b>416</b>    | <b>7</b>                                                              | <b>478</b> | <b>901</b>  |

|                                                          | Group<br>2024 |                                                                       |             |             |
|----------------------------------------------------------|---------------|-----------------------------------------------------------------------|-------------|-------------|
|                                                          | Stage 1<br>Rm | Lifetime expected credit losses ('LEL')<br>Stage 2 Rm      Stage 3 Rm |             | Total<br>Rm |
| <b>Investment securities at amortised cost and FVOCI</b> |               |                                                                       |             |             |
| Balance at the beginning of the reporting period         | 246           | 65                                                                    | 45          | 356         |
| Asset moved / allowance transferred to stage 1           | 11            | (11)                                                                  | -           | -           |
| Credit impairment charges                                | 57            | 89                                                                    | (65)        | 81          |
| Net change in interest                                   | -             | -                                                                     | 7           | 7           |
| Foreign exchange and hyperinflation movements            | (12)          | 3                                                                     | (4)         | (13)        |
| <b>Balance at the end of the reporting period</b>        | <b>302</b>    | <b>146</b>                                                            | <b>(17)</b> | <b>431</b>  |

Expected credit losses of **R686m** (2024: R307m) have been recognised on investment securities measured at fair value through other comprehensive income and the remaining **R215m** (2024: R124m) relates to those measured at amortised cost.

In the current year (2024: Rnil), no purchased or originated credit impaired instruments were derecognised and no new credit impaired instruments were recognised as the Group did not engage in an exchange of these instruments during the current year (2024: Rnil). There were no additional expected credit losses for purchased or originated credit-impaired financial assets recognised during the year (2024: Rnil) since the fair value on initial recognition for these instruments reflects an embedded provision for credit losses and there has not been further significant

## Notes to the consolidated financial statements

For the year ended 31 December

deterioration in the significant inputs and assumptions used to determine this provision on initial recognition. The instruments are also not able to cure during their lifetime.

### 4. Trading and hedging portfolio assets

|                                                 | Group   |         |
|-------------------------------------------------|---------|---------|
|                                                 | 2025    | 2024    |
|                                                 | Rm      | Rm      |
| Commodities                                     | 4 454   | 1 717   |
| Debt instruments                                | 103 207 | 88 708  |
| Derivative assets (refer to note 53.3 and 53.4) | 74 479  | 57 560  |
| Commodity derivatives                           | 1 463   | 1 049   |
| Credit derivatives                              | 275     | 427     |
| Equity derivatives                              | 5 140   | 6 320   |
| Foreign exchange derivatives                    | 22 389  | 18 970  |
| Interest rate derivatives                       | 45 212  | 30 794  |
| Equity instruments                              | 61 153  | 45 023  |
| Money market assets                             | 43 843  | 33 174  |
| Total trading portfolio assets                  | 287 136 | 226 182 |
| Hedging portfolio assets (refer to note 53.3)   | 709     | 4 055   |
|                                                 | 287 845 | 230 237 |

Trading portfolio assets with carrying values of **R65 433m** (2024: R51 338m) and **R11 437m** (2024: R5 930m) were pledged as security for repurchase and scrip lending agreements respectively. These assets are pledged for the duration of the respective agreements. The terms of the pledges are usual and customary to such agreements.

Included within debt instruments are financial assets traded in the debt capital market with an original maturity of more than one year such as government and corporate bonds.

Included within money market assets are highly liquid financial assets with an original maturity of one year or less, such as floating rate notes, negotiable certificates of deposit and treasury bills.

### 5. Other assets

|                                                    | Group  |        |
|----------------------------------------------------|--------|--------|
|                                                    | 2025   | 2024   |
|                                                    | Rm     | Rm     |
| Accounts receivable                                | 17 154 | 15 125 |
| Prepayments                                        | 3 598  | 3 307  |
| Other deferred costs                               | 259    | 295    |
| Inventories - cost                                 | 173    | 72     |
| Retirement benefit fund surplus (refer to note 40) | 636    | 485    |
| Settlement accounts                                | 7 984  | 3 914  |
| Gross other assets                                 | 29 804 | 23 198 |
| Expected credit losses                             | (26)   | (3)    |
|                                                    | 29 778 | 23 195 |

Included in other assets is mobile money balances of **R3 566m** (2024: R2 207m) which meet the definition of cash and cash equivalents (note 50.3).

#### 5.1 Reconciliation of ECL allowance

The expected credit losses allowance recognised on other assets measured at amortised cost for the current financial year is immaterial due to low probability of default and short-term nature of these items. As a result, the reconciliation of ECL allowance has not been presented.

## Notes to the consolidated financial statements

For the year ended 31 December

### 6. Non-current assets and non-current liabilities held for sale

|                                                                   | Group<br>2025<br>Rm | 2024<br>Rm |
|-------------------------------------------------------------------|---------------------|------------|
| <b>Non-current assets held for sale</b>                           |                     |            |
| <b>Balance at the beginning of the reporting period</b>           | <b>2 111</b>        | 197        |
| Disposals                                                         | <b>(1 899)</b>      | (89)       |
| Impairment of NCAHFS (refer to note 34)                           | <b>(9)</b>          | (10)       |
| Transfer from cash, cash balances and balances with central banks | <b>354</b>          | 478        |
| Transfer from loans and advances                                  | <b>143</b>          | 286        |
| Transfer from other assets                                        | <b>89</b>           | 295        |
| Transfer from reinsurance assets                                  | <b>378</b>          | 244        |
| Transfer from investment securities                               | <b>2 384</b>        | 376        |
| Transfer from investment properties (refer to note 11)            | <b>128</b>          | 183        |
| Transfer to investment properties (refer to note 11)              | <b>(126)</b>        | -          |
| Transfer from property and equipment (refer to note 12)           | <b>155</b>          | 61         |
| Transfer from goodwill and intangibles assets (refer to note 13)  | <b>7</b>            | 61         |
| Transfer from deferred tax assets                                 | <b>55</b>           | 29         |
| Movement in foreign exchange rates                                | <b>(17)</b>         | -          |
| <b>Balance at the end of the reporting period</b>                 | <b>3 753</b>        | 2 111      |
| <b>Non-current liabilities held for sale</b>                      |                     |            |
| <b>Balance at the beginning of the reporting period</b>           | <b>1 064</b>        | -          |
| Disposals                                                         | <b>(1 064)</b>      | -          |
| Transfer from deferred tax liabilities                            | <b>-</b>            | 1          |
| Transfer from other liabilities                                   | <b>342</b>          | 289        |
| Transfer from insurance contract liabilities                      | <b>3 014</b>        | 742        |
| Transfer from provisions (refer to note 16)                       | <b>14</b>           | 32         |
| <b>Balance at the end of the reporting period</b>                 | <b>3 370</b>        | 1 064      |

The following movements in non-current assets and non-current liabilities held for sale occurred during the current reporting period:

- Head Office, Treasury and other operations transferred property and equipment with a carrying amount of **R90m** to non-current assets held for sale and disposed of property and equipment with a carrying amount of **R45m**. An impairment of **R3m** was recognised on remaining assets previously classified as held for sale.
- Personal and Private Banking disposed of property with a carrying amount of **R7m**. An impairment of **R6m** was recognised on remaining assets previously classified as held for sale.
- Africa Regions - Personal and Private Banking & Business Banking segment transferred property, plant and equipment with a carrying amount of **R7m** to non-current assets held for sale and transferred **R126m** from non-current assets held for sale to investment properties, as the IFRS 5 requirements were no longer met.
- In line with the Group's strategic intent, the Group continues to hold certain AR Insurance businesses sitting in the Africa Regions - Personal and Private Banking & Business Banking segment for sale. The transaction is expected to be concluded in March 2026. The total carrying amount of the assets transferred and the associated liabilities is **R3 723m** and **R3 370m**, respectively

The following movements in non-current assets and non-current liabilities held for sale occurred during the previous reporting period:

- Head Office, Treasury and other operations disposed of property with a carrying amount of **R82m**.
- Personal and Private Banking disposed of property with a carrying amount of **R7m**.
- Head Office, Treasury and other operations transferred property and equipment with a carrying amount of **R23m** to non-current assets held for sale and a **R10m** impairment was recognised on remaining assets previously classified as held for sale.
- Africa Regions - Personal and Private Banking & Business Banking segment transferred investment property with a carrying amount of **R143m** to non-current assets held for sale.
- In line with the Group's strategic intent, the expected disposal of certain AR Insurance businesses sitting in the Africa Regions - Personal and Private Banking & Business Banking segment, are at an advanced stage and consequently have been reclassified into non-current assets held for sale and non-current liabilities held for sale. The transaction is expected to be concluded in March 2025. The

## Notes to the consolidated financial statements

For the year ended 31 December

total carrying amount for the assets transferred is **R1 847m** and the total carrying amount for the liabilities transferred is **R1 064m**. The non-current asset held for sale was not impaired at 31 December 2024.

### 7. Loans and advances

|                                                            | Group            |                  |
|------------------------------------------------------------|------------------|------------------|
|                                                            | 2025<br>Rm       | 2024<br>Rm       |
| Corporate overdrafts and specialised finance loans         | 16 963           | 17 329           |
| Credit cards                                               | 61 764           | 60 869           |
| Credit linked notes                                        | 4 458            | 3 807            |
| Foreign currency loans                                     | 76 177           | 70 033           |
| Instalment credit agreements                               | 152 000          | 144 650          |
| Finance lease receivables (refer to note 7.1)              | 3 691            | 3 240            |
| Loans to associates and joint ventures                     | 31 584           | 28 668           |
| Micro loans                                                | 3 318            | 4 409            |
| Mortgages                                                  | 454 318          | 438 178          |
| Other advances                                             | 25 556           | 24 129           |
| Overdrafts                                                 | 76 988           | 69 700           |
| Overnight finance                                          | 30 146           | 23 533           |
| Personal and term loans                                    | 343 021          | 334 001          |
| Preference shares                                          | 38 969           | 34 955           |
| Reverse repurchase agreements (Carries)                    | 84 855           | 72 560           |
| Gross loans and advances to customers                      | 1 403 808        | 1 330 061        |
| Gross loans and advances to banks                          | 84 877           | 72 507           |
| <b>Gross loans and advances</b>                            | <b>1 488 685</b> | <b>1 402 568</b> |
| Expected credit losses                                     | (50 126)         | (52 980)         |
| Expected credit losses for loans and advances to customers | (50 080)         | (52 946)         |
| Expected credit losses for loans and advances to banks     | (46)             | (34)             |
| <b>Net loans and advances</b>                              | <b>1 438 559</b> | <b>1 349 588</b> |

In 2024, the Group disclosed Credit linked notes and Foreign currency loans amounting to R73 840m within a single line item. To improve transparency, the Group now discloses these items separately as reflected in the table above.

In 2024, the Group incorrectly disclosed Term Loans as Wholesale Overdrafts, this resulted in Wholesale Overdrafts of R124 849m being reclassified to Personal and Term Loans resulting in restated balances of R334 001m.

The Group has securitised certain loans and advances to customers, the total value of these securitised assets is **R8 285m** (2024: R9 068m). The amount pledged is the required threshold of cash collateral based on specific arrangements with different counterparties. Exposures are reviewed on a periodic basis, whereby these thresholds are adjusted accordingly. These financial assets are pledged under terms that are usual and customary to such arrangements.

Included in the above are collateralised loans of **R3 722m** (2024: R1 574m) relating to securities borrowed.

Other advances include working capital solutions, collateralised loans and specialised products.

Included in both gross loans and advances to customers, and in the total allowance for expected credit losses, is accrued interest in suspense of **R7 090m** (2024: R7 666m).

Included above in gross loans and advances to banks are reverse repurchase agreements of **R20 110m** (2024: R12 837m) and other collateralised loans of **Rnil** (2024: R152m) relating to securities borrowed.

A portion of gross loans and advances to banks, amounting to **R32 075m** (2024: R25 907m), meets the definition of cash and cash equivalents and is included in note 50.3.

Included in the Other advances balance are Corporation for Deposit Insurance (CODI) loans.

Included in the gross loans and advances to banks are credit-linked notes of **R1 863m** (2024: R3 476m).

## Notes to the consolidated financial statements

For the year ended 31 December

### 7.1 Finance lease receivables

|                              | Group          |                          |              |                |                          |              |
|------------------------------|----------------|--------------------------|--------------|----------------|--------------------------|--------------|
|                              | 2025           |                          |              | 2024           |                          |              |
|                              | Gross advances | Unearned finance charges | Net advances | Gross advances | Unearned finance charges | Net advances |
| <b>Maturity analysis</b>     |                |                          |              |                |                          |              |
| Less than one year           | 1 611          | (37)                     | 1 574        | 1 350          | (49)                     | 1 301        |
| Between one and two years    | 640            | (70)                     | 570          | 551            | (60)                     | 491          |
| Between two and three years  | 758            | (110)                    | 648          | 777            | (134)                    | 643          |
| Between three and four years | 939            | (176)                    | 763          | 662            | (133)                    | 529          |
| Between four and five years  | 149            | (32)                     | 117          | 366            | (91)                     | 275          |
| More than five years         | 27             | (8)                      | 19           | 1              | (0)                      | 1            |
| Gross carrying amount        | 4 124          | (433)                    | 3 691        | 3 707          | (467)                    | 3 240        |

The Group enters into finance lease contracts in respect of motor vehicles, equipment and medical equipment.

The majority of these agreements are denominated in South African Rand and the average term entered into is three years.

Under the terms of the agreements, no contingent rentals are payable though lease payments for use in excess of specified limits are included. Furthermore, the agreements require the assets to be appropriately maintained by the lessee throughout the term of the lease.

Unguaranteed residual values of finance leases are **R2 603m** (2024: R1 833m).



## Notes to the consolidated financial statements

For the year ended 31 December

### 7.2 Reconciliation of ECL allowance

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

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

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

## Notes to the consolidated financial statements

For the year ended 31 December

| Group            |                                                                  |                                     |                                     |                                            |                              |
|------------------|------------------------------------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------------|------------------------------|
| 2025             |                                                                  |                                     |                                     |                                            |                              |
| Business Banking | Africa Regions – Personal and Private Banking & Business Banking | Corporate and Investment Banking SA | Corporate and Investment Banking AR | Head Office, Treasury and other operations | Total expected credit losses |
| Rm               | Rm                                                               | Rm                                  | Rm                                  | Rm                                         | Rm                           |
| 3 986            | 7 174                                                            | 4 298                               | 3 552                               | 2                                          | 53 285                       |
| 618              | 1 125                                                            | 619                                 | 591                                 | 2                                          | 7 004                        |
| 473              | 894                                                              | 283                                 | 349                                 | -                                          | 5 639                        |
| 2 895            | 5 155                                                            | 3 396                               | 2 612                               | -                                          | 40 642                       |
| -                | -                                                                | -                                   | -                                   | -                                          | -                            |
| 194              | 128                                                              | 32                                  | (16)                                | (2)                                        | 1 015                        |
| 268              | 171                                                              | 44                                  | (10)                                | (1)                                        | 2 360                        |
| (49)             | (16)                                                             | (11)                                | (6)                                 | (1)                                        | (886)                        |
| (25)             | (27)                                                             | (1)                                 | -                                   | -                                          | (459)                        |
| (226)            | (332)                                                            | (48)                                | 7                                   | 3                                          | (1 420)                      |
| (243)            | (148)                                                            | (44)                                | 10                                  | 2                                          | (1 713)                      |
| 89               | 22                                                               | 19                                  | 6                                   | -                                          | 2 592                        |
| (72)             | (206)                                                            | (23)                                | (9)                                 | 1                                          | (2 299)                      |
| 32               | 204                                                              | 16                                  | 9                                   | (1)                                        | 405                          |
| (25)             | (24)                                                             | -                                   | -                                   | -                                          | (647)                        |
| (40)             | (5)                                                              | (8)                                 | -                                   | -                                          | (1 706)                      |
| 97               | 233                                                              | 24                                  | 9                                   | (1)                                        | 2 758                        |
| 1 027            | 1 732                                                            | 1 025                               | 307                                 | 4                                          | 13 582                       |
| (230)            | 56                                                               | 284                                 | (64)                                | 7                                          | (586)                        |
| 188              | 175                                                              | 11                                  | (131)                               | 22                                         | 617                          |
| 1 069            | 1 501                                                            | 730                                 | 502                                 | (25)                                       | 13 551                       |
| (1 623)          | (2 292)                                                          | (1 955)                             | (604)                               | (3)                                        | (20 145)                     |
| 395              | 469                                                              | 306                                 | 177                                 | (6)                                        | 4 471                        |
| -                | (517)                                                            | -                                   | (236)                               | 5                                          | (748)                        |
| -                | (96)                                                             | -                                   | (38)                                | 25                                         | (109)                        |
| -                | (54)                                                             | -                                   | (17)                                | -                                          | (71)                         |
| -                | (367)                                                            | -                                   | (181)                               | (20)                                       | (568)                        |
| 3 785            | 6 566                                                            | 3 674                               | 3 196                               | 2                                          | 50 445                       |
| 582              | 1 213                                                            | 935                                 | 511                                 | (6)                                        | 7 324                        |
| 435              | 683                                                              | 246                                 | 225                                 | 8                                          | 4 765                        |
| 2 768            | 4 670                                                            | 2 493                               | 2 460                               | -                                          | 38 356                       |

## Notes to the consolidated financial statements

For the year ended 31 December

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

The segment split numbers have been restated. Refer to the reporting changes overview in note 1.21.1.

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

## Notes to the consolidated financial statements

For the year ended 31 December

| Group<br>2024    |                                                                           |                                           |                                           |                                                  |                                 |
|------------------|---------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|--------------------------------------------------|---------------------------------|
| Business Banking | Africa Regions -<br>Personal and<br>Private Banking &<br>Business Banking | Corporate and<br>Investment<br>Banking SA | Corporate and<br>Investment<br>Banking AR | Head Office,<br>Treasury and other<br>operations | Total expected<br>credit losses |
| Rm               | Rm                                                                        | Rm                                        | Rm                                        | Rm                                               | Rm                              |
| 4 465            | 6 076                                                                     | 3 540                                     | 2 792                                     | 22                                               | 49 961                          |
| 554              | 1 103                                                                     | 735                                       | 562                                       | 17                                               | 7 030                           |
| 748              | 923                                                                       | 438                                       | 173                                       | 5                                                | 6 932                           |
| 3 163            | 4 050                                                                     | 2 367                                     | 2 057                                     | -                                                | 35 999                          |
| -                | -                                                                         | 168                                       | -                                         | -                                                | 168                             |
| 317              | 152                                                                       | (1)                                       | 26                                        | -                                                | 1 464                           |
| 412              | 270                                                                       | 50                                        | 33                                        | -                                                | 3 000                           |
| (64)             | (68)                                                                      | (22)                                      | (6)                                       | -                                                | (963)                           |
| (31)             | (50)                                                                      | (29)                                      | (1)                                       | -                                                | (573)                           |
| (381)            | (540)                                                                     | (172)                                     | (28)                                      | -                                                | (2 552)                         |
| (387)            | (223)                                                                     | (50)                                      | (33)                                      | -                                                | (2 343)                         |
| 84               | 77                                                                        | 23                                        | 6                                         | -                                                | 2 962                           |
| (78)             | (394)                                                                     | (145)                                     | (1)                                       | -                                                | (3 171)                         |
| 64               | 388                                                                       | 341                                       | 2                                         | -                                                | 1 256                           |
| (25)             | (47)                                                                      | -                                         | -                                         | -                                                | (657)                           |
| (21)             | (9)                                                                       | -                                         | -                                         | -                                                | (1 998)                         |
| 110              | 444                                                                       | 341                                       | 2                                         | -                                                | 3 911                           |
| 903              | 1 945                                                                     | 1 223                                     | 389                                       | (19)                                             | 14 344                          |
| (253)            | (228)                                                                     | (115)                                     | (11)                                      | (15)                                             | (1 602)                         |
| 106              | 433                                                                       | 17                                        | 196                                       | (5)                                              | 1 172                           |
| 1 050            | 1 741                                                                     | 1 321                                     | 204                                       | 1                                                | 14 774                          |
| (1 753)          | (1 607)                                                                   | (1 018)                                   | (20)                                      | -                                                | (16 480)                        |
| 371              | 132                                                                       | 385                                       | 307                                       | -                                                | 4 581                           |
| -                | 628                                                                       | -                                         | 84                                        | (1)                                              | 711                             |
| -                | 98                                                                        | -                                         | 14                                        | (1)                                              | 111                             |
| -                | 78                                                                        | -                                         | 8                                         | -                                                | 87                              |
| -                | 451                                                                       | -                                         | 62                                        | -                                                | 513                             |
| 3 986            | 7 174                                                                     | 4 298                                     | 3 552                                     | 2                                                | 53 285                          |
| 618              | 1 125                                                                     | 619                                       | 591                                       | 2                                                | 7 004                           |
| 473              | 894                                                                       | 283                                       | 349                                       | -                                                | 5 639                           |
| 2 895            | 5 155                                                                     | 3 396                                     | 2 612                                     | -                                                | 40 642                          |

## Notes to the consolidated financial statements

For the year ended 31 December

### Reconciliation of impairment loss allowance by market segment for loans and advances:

#### Personal and Private Banking

- During the current reporting period, gross loans and advances increased to **R558 612m** (2024: R543 477m) particularly driven by new business in Home Loans **R327 288m** (2024: R320 567m), in Vehicle and Asset Finance **R134 224m** (2024: R125 379m), in Card **R60 773m** (2024: R59 972m), contraction in Personal Loans **R23 989m** (2024: R25 686m), growth in Transactional and Deposit **R12 286m** (2024: R11 821m) and there was no growth in Retail Other **R52m** (2024: R52m).
- There was a decrease in ECL allowance of **R1 051m** (2024: R1 207m) consisting of an increase in the ECL allowance in Home Loans of **R903m** (2024: R1 191m), an increase in Vehicle and Asset Finance of **R127m** (2024: R102m), a decrease in Card of **R643m** (2024: R772m), a decrease in Personal Loans of **R1 268m** (2024: R712m) and a decrease in Transactions and Deposits of **R170m** (2024: R58m).
- The increase in the ECL for Home loans and Vehicle and Asset Finance was driven by an increase in exposures, offset by improvement in customers' ability to meet their obligations.
- The decrease in the ECL for Card, Personal Loans and Transactions and Deposits was mainly driven by write-offs of higher-risk customers, along with an inflow of lower-risk clients resulting from stricter credit approval policies.
- The value of loans written off during the year amounted to **R13 668m** (2024: R12 082m), consisting of Home loans: **R1 453m** (2024: R989m), Vehicle and asset finance: **R2 291m** (2024: R2 839m), Personal loans: **R4 141m** (2024: R3 708m), Card **R5 030m** (2024: R3 763m) and Transactions and Deposits **R753m** (2024: R783m). This led to a corresponding decrease in the ECL allowance.
- There were no loan modifications that resulted in the derecognition of the old loan and recognition of a new loan.
- Loan modifications that did not result in derecognition of the loan amounted to **R6 898m** (2024: R8 655m): Home loans: **R2 009m** (2024: R2 874m), Vehicle and asset finance: **R1 841m** (2024: R2 587m), Personal loans: **R756m** (2024: R1 084m), Transactions and Deposits **R116m** (2024: R148m) and Card: **R2 176m** (2024: R1 962m).
- This resulted in a modification loss of **R1 287m** (2024: R1 711m) consisting of **R68m** (2024: R153m) in Home loans, **R235m** (2024: R411m) in Vehicle asset finance, **R258m** (2024: R401m) in Personal Loans, **R28m** (2024: R41m) in Transactions and Deposits and **R698m** (2024: R705m) in Card and a corresponding increase in the expected credit losses.
- Gross loans and advances sold during the current year amounted to **R2 647m** (2024: R1 706m), Personal loans: **R1 440m** (2024: R1 310m) and Card: **R1 207m** (2024: R396m). This resulted in a decrease of **R2 259m** (2024: R1 456m) to the ECL allowance.

#### Business Banking

- During the current reporting period, gross loans and advances increased to **R152 071m** (2024: R144 174m) particularly driven by new business in the Commercial Asset Finance, Agriculture, Commercial and Commercial Property Finance portfolios.
- The ECL allowance decreased by **R201m** (2024: R479m), largely driven by write-offs and partially offset by growth in the new business book.
- The value of loans written off during the year amounted to **R1 623m** (2024: R1 753m). This led to a corresponding decrease in the ECL allowance.
- Settlement amounts of **R13 406m** (2024: R10 888m) were received during the reporting period. This led to a related reduction in the ECL allowance of **R182m** (2024: R164m).
- Loan modifications that did not result in the derecognition of the loan amounted to **R1 307m** (2024: R1 738m). This led to a decrease in the ECL allowance of **Rnil** (2024: Rnil).
- No gross loans and advances were sold during the current and previous reporting periods.

#### Africa Regions – Personal and Private Banking & Business Banking

- During the current reporting period, gross loans and advances decreased to **R97 650m** (2024: R98 191m). The reduction was mainly driven by the appreciation of the Rand and the continued macroeconomic pressures in Botswana. This decline was partially offset by growth in business banking, supported by NBC Tanzania's expansion in agriculture and SME lending, while Zambia's increase was largely attributable to newly approved and drawn facilities for agricultural equipment.
- The ECL allowance decreased by **R608m** (2024: R1 098m), mainly due to improved recoveries, the strengthening of the Rand, and the implementation of effective Stage 3 risk-mitigation strategies in key markets such as Kenya and Ghana.
- The value of loans written off during the year amounted to **R2 292m** (2024: R1 607m). This led to a corresponding decrease in the ECL allowance.
- Settlement amounts of **R16 422m** (2024: R2 981m) were received during the year. Majority of increase in settlements is driven by Kenya and Absa Tanzania in BB, further increased by Unsecured Scheme Loan in Kenya, Botswana and Uganda for PPB. This led to a reduction in the ECL allowance of **R2 020m** (2024: R750m).
- There were no loan modifications that resulted in the derecognition of the old loan and recognition of a new loan.
- During the current reporting period, there were no loan modifications that did not result in the derecognition of the loan (2024: Rnil).
- There were no gross loans and advances sold during the current and previous reporting periods.

#### Corporate and Investment Banking SA

- During the current reporting period, gross loans and advances increased to **R493 366m** (2024: R443 517m) of which **R374 959m** (2024: R340 143m) relates to exposure to which the impairment requirements of IFRS 9 are applicable. The increase is particularly driven by growth in renewable energy and resource project finance lending, continued growth in CPF, increased demand for working capital facilities and an increase in customer-facing resale agreements.
- The ECL allowance decreased by **R624m** (2024: R758m), largely driven by the write-off of high coverage single names, partially offset by book growth.
- The value of loans written off during the year amounted to **R1 955m** (2024: R1 018m). This led to a corresponding decrease in the ECL allowance.
- Loan modifications that resulted in the derecognition of the old loan amounted to **R610m** with a corresponding decrease in the expected credit losses of **R323m**.

## Notes to the consolidated financial statements

For the year ended 31 December

- Loan modifications that did not result in the derecognition of the loan amounted to **R2 527** (2024: R1 411m). This resulted in a modification loss of **Rnil** (2024: R95m) and a corresponding increase in the expected credit losses.
- There were no gross loans and advances sold during the current and previous reporting periods.

### Corporate and Investment Banking AR

- During the current reporting period, gross loans and advances increased to **R97 922m** (2024: R96 660m) particularly driven by Ghana, Kenya, NBC and Zambia entities.
- The ECL allowance decreased by **R356m** (2024: R760m) driven by an increase in write-offs together with the appreciation of the Rand.
- The value of loans written off during the year amounted to **R604m** (2024: R20m). This led to a corresponding decrease in the ECL allowance.
- Settlement amounts of **R4 368m** (2024: R11 679m) were received during the year. This led to a decrease in ECL allowance of **R282m** (2024: R151m).
- There were no loan modifications that resulted in derecognition of the old loan and recognition of a new loan.
- During the current reporting period, there were no loan modifications that did not result in the derecognition of the loan (2024: Rnil).
- There were no gross loans and advances sold during the current and previous reporting periods.

### Head Office, Treasury and other operations:

- No material ECL balance in the current and previous reporting periods.

The net change in interest amount of **R4 471m** (2024: R4 581m) relates to interest that is suspended during the current reporting period on stage 3 financial assets.

## 8. Insurance and reinsurance contracts

The below table summarises the Group's insurance and reinsurance contracts per portfolio.

|                                  | Group      |                |             |            |                |             |
|----------------------------------|------------|----------------|-------------|------------|----------------|-------------|
|                                  | 2025       |                |             | 2024       |                |             |
|                                  | Life<br>Rm | Non-life<br>Rm | Total<br>Rm | Life<br>Rm | Non-life<br>Rm | Total<br>Rm |
| <b>Insurance contracts</b>       |            |                |             |            |                |             |
| Insurance contract assets        | 1 229      | -              | 1 229       | 793        | -              | 793         |
| Insurance contract liabilities   | (3 380)    | (944)          | (4 324)     | (4 978)    | (1 652)        | (6 630)     |
| <b>Reinsurance contracts</b>     |            |                |             |            |                |             |
| Reinsurance contract assets      | 375        | 150            | 525         | 547        | 456            | 1 003       |
| Reinsurance contract liabilities | (127)      | (122)          | (249)       | (54)       | (258)          | (312)       |

### 8.1 Life risk: Insurance contracts

Analysis by remaining coverage and incurred claims – contracts not measured under PAA

|                                                                              | Group                                |                         |                                             |                |                                      |                         |                                             |                |
|------------------------------------------------------------------------------|--------------------------------------|-------------------------|---------------------------------------------|----------------|--------------------------------------|-------------------------|---------------------------------------------|----------------|
|                                                                              | 2025                                 |                         |                                             |                | 2024                                 |                         |                                             |                |
|                                                                              | Remaining coverage                   |                         | Liabilities for<br>Incurred<br>claims<br>Rm | Total<br>Rm    | Remaining coverage                   |                         | Liabilities for<br>Incurred<br>claims<br>Rm | Total<br>Rm    |
|                                                                              | Excluding<br>loss<br>component<br>Rm | Loss<br>component<br>Rm |                                             |                | Excluding<br>loss<br>component<br>Rm | Loss<br>component<br>Rm |                                             |                |
| Opening balance assets                                                       | 1 251                                | (215)                   | (243)                                       | 793            | 929                                  | (182)                   | (54)                                        | 693            |
| Opening balance liabilities                                                  | (3 466)                              | (572)                   | (349)                                       | (4 387)        | (2 795)                              | (726)                   | (288)                                       | (3 809)        |
| <b>Net opening balance</b>                                                   | <b>(2 215)</b>                       | <b>(787)</b>            | <b>(592)</b>                                | <b>(3 594)</b> | <b>(1 866)</b>                       | <b>(908)</b>            | <b>(342)</b>                                | <b>(3 116)</b> |
| <b>Changes in the statement of comprehensive income</b>                      |                                      |                         |                                             |                |                                      |                         |                                             |                |
| <b>Insurance revenue</b>                                                     | <b>5 211</b>                         | -                       | -                                           | <b>5 211</b>   | 5 071                                | -                       | -                                           | 5 071          |
| Contracts under the fair value approach                                      | 894                                  | -                       | -                                           | 894            | 894                                  | -                       | -                                           | 894            |
| Other contracts                                                              | 4 317                                | -                       | -                                           | 4 317          | 4 177                                | -                       | -                                           | 4 177          |
| <b>Insurance service expenses</b>                                            | <b>(507)</b>                         | <b>(60)</b>             | <b>(3 459)</b>                              | <b>(4 026)</b> | (611)                                | 170                     | (3 547)                                     | (3 988)        |
| Incurred claims and other service expenses (excluding investment components) | -                                    | 256                     | (3 347)                                     | (3 091)        | -                                    | 273                     | (3 291)                                     | (3 018)        |

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                                   |                |              |                |                |                |              |                |
|-----------------------------------------------------------------------------------|----------------|--------------|----------------|----------------|----------------|--------------|----------------|
| Amortisation of insurance acquisition cash flows                                  | (507)          | -            | (507)          | (611)          | -              | -            | (611)          |
| Losses and reversal of losses on onerous contracts                                | -              | (316)        | -              | (316)          | -              | (103)        | (103)          |
| Adjustments to liabilities for incurred claims                                    | -              | -            | (112)          | (112)          | -              | -            | (256)          |
| <b>Investment components and premium refunds</b>                                  | <b>170</b>     | <b>-</b>     | <b>(170)</b>   | <b>-</b>       | <b>174</b>     | <b>-</b>     | <b>(174)</b>   |
| <b>Insurance service result</b>                                                   | <b>4 874</b>   | <b>(60)</b>  | <b>(3 629)</b> | <b>1 185</b>   | <b>4 634</b>   | <b>170</b>   | <b>(3 721)</b> |
| Net finance (income)/expense from insurance contracts                             | 99             | (73)         | -              | 26             | 149            | (92)         | -              |
| Effects of movements in exchange rates                                            | 183            | 37           | (54)           | 166            | (315)          | 63           | 11             |
| <b>Total changes in the statement of comprehensive income</b>                     | <b>5 156</b>   | <b>(96)</b>  | <b>(3 683)</b> | <b>1 377</b>   | <b>4 468</b>   | <b>141</b>   | <b>(3 710)</b> |
| <b>Total cash flows</b>                                                           | <b>(5 066)</b> | <b>-</b>     | <b>3 235</b>   | <b>(1 831)</b> | <b>(5 026)</b> | <b>-</b>     | <b>3 358</b>   |
| Premiums received                                                                 | (5 922)        | -            | -              | (5 922)        | (5 885)        | -            | -              |
| Claims and other insurance service expenses paid, including investment components | -              | -            | 3 235          | 3 235          | -              | -            | 3 358          |
| Insurance acquisition cash flows                                                  | 856            | -            | -              | 856            | 859            | -            | -              |
| <b>Transfer to other items in the statement of financial position</b>             | <b>1 973</b>   | <b>241</b>   | <b>98</b>      | <b>2 312</b>   | <b>209</b>     | <b>(20)</b>  | <b>102</b>     |
| Closing balance assets                                                            | 1 898          | (213)        | (456)          | 1 229          | 1 251          | (215)        | (243)          |
| Closing balance liabilities                                                       | (2 050)        | (429)        | (486)          | (2 965)        | (3 466)        | (572)        | (349)          |
| <b>Net closing balance</b>                                                        | <b>(152)</b>   | <b>(642)</b> | <b>(942)</b>   | <b>(1 736)</b> | <b>(2 215)</b> | <b>(787)</b> | <b>(592)</b>   |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to note 6.

## Notes to the consolidated financial statements

For the year ended 31 December

### 8.2 Life risk: Insurance contracts

Analysis by measurement component – contracts not measured under PAA

|                                                                                        | Group<br>2025                                                 |                                                        |                                                    |                          |                |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|--------------------------|----------------|
|                                                                                        | CSM                                                           |                                                        |                                                    |                          | Total<br>Rm    |
|                                                                                        | Estimates of<br>present value<br>of future<br>cashflows<br>Rm | Risk<br>adjustment<br>for non-<br>financial risk<br>Rm | Contracts<br>under fair<br>value<br>approach<br>Rm | Other<br>contracts<br>Rm |                |
| Opening balance assets                                                                 | 5 614                                                         | (1 070)                                                | (867)                                              | (2 884)                  | 793            |
| Opening balance liabilities                                                            | 1 477                                                         | (775)                                                  | (823)                                              | (4 266)                  | (4 387)        |
| <b>Net opening balance</b>                                                             | <b>7 091</b>                                                  | <b>(1 845)</b>                                         | <b>(1 690)</b>                                     | <b>(7 150)</b>           | <b>(3 594)</b> |
| <b>Changes in the statement of comprehensive income</b>                                |                                                               |                                                        |                                                    |                          |                |
| <b>Changes that relate to current services</b>                                         | <b>(256)</b>                                                  | <b>182</b>                                             | <b>205</b>                                         | <b>1 372</b>             | <b>1 503</b>   |
| CSM recognised for services provided                                                   | -                                                             | -                                                      | 205                                                | 1 372                    | 1 577          |
| Change in risk adjustment for non-financial risk for risk expired                      | -                                                             | 182                                                    | -                                                  | -                        | 182            |
| Experience adjustments                                                                 | (256)                                                         | -                                                      | -                                                  | -                        | (256)          |
| <b>Changes that relate to future services</b>                                          | <b>782</b>                                                    | <b>(607)</b>                                           | <b>37</b>                                          | <b>(418)</b>             | <b>(206)</b>   |
| Contracts initially recognised in the year                                             | 1 727                                                         | (411)                                                  | -                                                  | (1 532)                  | (216)          |
| Changes in estimates that adjust the CSM                                               | (979)                                                         | (172)                                                  | 37                                                 | 1 114                    | -              |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | 34                                                            | (24)                                                   | -                                                  | -                        | 10             |
| <b>Changes that relate to past services</b>                                            | <b>(112)</b>                                                  | <b>-</b>                                               | <b>-</b>                                           | <b>-</b>                 | <b>(112)</b>   |
| Adjustments to liabilities for incurred claims                                         | (112)                                                         | -                                                      | -                                                  | -                        | (112)          |
| <b>Insurance service result</b>                                                        | <b>414</b>                                                    | <b>(425)</b>                                           | <b>242</b>                                         | <b>954</b>               | <b>1 185</b>   |
| Net finance (income)/expense from insurance contracts                                  | 612                                                           | -                                                      | (318)                                              | (268)                    | 26             |
| Effects of movements in exchange rates                                                 | 138                                                           | 2                                                      | -                                                  | 26                       | 166            |
| <b>Total changes in the statement of comprehensive income</b>                          | <b>1 164</b>                                                  | <b>(423)</b>                                           | <b>(76)</b>                                        | <b>712</b>               | <b>1 377</b>   |
| <b>Total cash flows</b>                                                                | <b>(1 831)</b>                                                | <b>-</b>                                               | <b>-</b>                                           | <b>-</b>                 | <b>(1 831)</b> |
| Premiums received                                                                      | (5 922)                                                       | -                                                      | -                                                  | -                        | (5 922)        |
| Claims and other insurance service expenses paid, including                            | 3 235                                                         | -                                                      | -                                                  | -                        | 3 235          |
| Insurance acquisition cash flows                                                       | 856                                                           | -                                                      | -                                                  | -                        | 856            |
| <b>Transfers to other items in the statement of financial position</b>                 | <b>2 060</b>                                                  | <b>15</b>                                              | <b>-</b>                                           | <b>237</b>               | <b>2 312</b>   |
| Closing balance assets                                                                 | 7 214                                                         | (1 443)                                                | (900)                                              | (3 642)                  | 1 229          |
| Closing balance liabilities                                                            | 1 270                                                         | (810)                                                  | (866)                                              | (2 559)                  | (2 965)        |
| <b>Net closing balance</b>                                                             | <b>8 484</b>                                                  | <b>(2 253)</b>                                         | <b>(1 766)</b>                                     | <b>(6 201)</b>           | <b>(1 736)</b> |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to Note 6.



## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                                        | Group<br>2024<br>CSM                                          |                                                        |                                                    |                          |                |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|--------------------------|----------------|
|                                                                                        | Estimates of<br>present value<br>of future<br>cashflows<br>Rm | Risk<br>adjustment<br>for non-<br>financial risk<br>Rm | Contracts<br>under fair<br>value<br>approach<br>Rm | Other<br>contracts<br>Rm | Total<br>Rm    |
| Opening balance assets                                                                 | 5 973                                                         | (866)                                                  | (1 446)                                            | (2 968)                  | 693            |
| Opening balance liabilities                                                            | 1 871                                                         | (863)                                                  | (798)                                              | (4 019)                  | (3 809)        |
| <b>Net opening balance</b>                                                             | <b>7 844</b>                                                  | <b>(1 729)</b>                                         | <b>(2 244)</b>                                     | <b>(6 987)</b>           | <b>(3 116)</b> |
| <b>Changes in the statement of comprehensive income</b>                                |                                                               |                                                        |                                                    |                          |                |
| <b>Changes that relate to current services</b>                                         | (225)                                                         | 164                                                    | 163                                                | 1 340                    | 1 442          |
| CSM recognised for services provided                                                   | -                                                             | -                                                      | 163                                                | 1 340                    | 1 503          |
| Change in risk adjustment for non-financial risk for risk expired                      | -                                                             | 164                                                    | -                                                  | -                        | 164            |
| Experience adjustments                                                                 | (225)                                                         | -                                                      | -                                                  | -                        | (225)          |
| <b>Changes that relate to future services</b>                                          | 857                                                           | (307)                                                  | 438                                                | (1 091)                  | (103)          |
| Contracts Initially recognised in the year                                             | 1 859                                                         | (343)                                                  | -                                                  | (1 737)                  | (221)          |
| Changes in estimates that adjust the CSM                                               | (1 073)                                                       | (11)                                                   | 438                                                | 646                      | -              |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | 71                                                            | 47                                                     | -                                                  | -                        | 118            |
| <b>Changes that relate to past services</b>                                            | (256)                                                         | -                                                      | -                                                  | -                        | (256)          |
| Adjustments to liabilities for incurred claims                                         | (256)                                                         | -                                                      | -                                                  | -                        | (256)          |
| <b>Insurance service result</b>                                                        | 376                                                           | (143)                                                  | 601                                                | 249                      | 1 083          |
| Net finance (income)/expense from insurance contracts                                  | 628                                                           | -                                                      | (84)                                               | (487)                    | 57             |
| Effects of movements in exchange rates                                                 | (212)                                                         | (3)                                                    | 1                                                  | (27)                     | (241)          |
| <b>Total changes in the statement of comprehensive income</b>                          | <b>792</b>                                                    | <b>(146)</b>                                           | <b>518</b>                                         | <b>(265)</b>             | <b>899</b>     |
| <b>Total cash flows</b>                                                                | (1 668)                                                       | -                                                      | -                                                  | -                        | (1 668)        |
| Premiums received                                                                      | (5 885)                                                       | -                                                      | -                                                  | -                        | (5 885)        |
| Claims and other insurance service expenses paid, including investment components      | 3 358                                                         | -                                                      | -                                                  | -                        | 3 358          |
| Insurance acquisition cash flows                                                       | 859                                                           | -                                                      | -                                                  | -                        | 859            |
| <b>Transfers to other items in the statement of financial position</b>                 | 123                                                           | 30                                                     | 36                                                 | 102                      | 291            |
| Closing balance assets                                                                 | 5 614                                                         | (1 070)                                                | (867)                                              | (2 884)                  | 793            |
| Closing balance liabilities                                                            | 1 477                                                         | (775)                                                  | (823)                                              | (4 266)                  | (4 387)        |
| <b>Net closing balance</b>                                                             | <b>7 091</b>                                                  | <b>(1 845)</b>                                         | <b>(1 690)</b>                                     | <b>(7 150)</b>           | <b>(3 594)</b> |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to note 6.

## Notes to the consolidated financial statements

For the year ended 31 December

### 8.3 Life risk: Insurance contracts

Analysis by remaining coverage and incurred claims – contracts measured under PAA

| Group<br>2025                                                          |                                          |                                                                                    |                                              |             |
|------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------|-------------|
|                                                                        | Liabilities for remaining coverage<br>Rm | Liabilities for incurred claims<br>Estimates of present value of future cash<br>Rm | Risk adjustment for non-financial risk<br>Rm | Total<br>Rm |
| <b>Opening balance liabilities</b>                                     | (120)                                    | (460)                                                                              | (11)                                         | (591)       |
| <b>Changes in the statement of comprehensive Income</b>                |                                          |                                                                                    |                                              |             |
| Insurance revenue                                                      | 910                                      | -                                                                                  | -                                            | 910         |
| Insurance service expenses                                             | -                                        | (695)                                                                              | -                                            | (695)       |
| Incurring claims and other insurance service expenses                  | -                                        | (679)                                                                              | -                                            | (679)       |
| Adjustments to liabilities for incurred claims                         | -                                        | (16)                                                                               | -                                            | (16)        |
| <b>Insurance service result</b>                                        | 910                                      | (695)                                                                              | -                                            | 215         |
| Effects of movements in exchange rates                                 | (52)                                     | 165                                                                                | 1                                            | 114         |
| <b>Total changes in the statement of comprehensive income</b>          | 858                                      | (530)                                                                              | 1                                            | 329         |
| <b>Total cash flows</b>                                                | (894)                                    | 638                                                                                | -                                            | (256)       |
| Premiums received                                                      | (894)                                    | -                                                                                  | -                                            | (894)       |
| Claims and other insurance service expenses paid                       | -                                        | 638                                                                                | -                                            | 638         |
| <b>Transfers to other items in the statement of financial position</b> | 103                                      | -                                                                                  | -                                            | 103         |
| <b>Closing balance liabilities</b>                                     | (53)                                     | (352)                                                                              | (10)                                         | (415)       |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to note 6.

| Group<br>2024                                                          |                                          |                                                                                          |                                              |             |
|------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------|-------------|
|                                                                        | Liabilities for remaining coverage<br>Rm | Liabilities for incurred claims<br>Estimates of present value of future cash flows<br>Rm | Risk adjustment for non-financial risk<br>Rm | Total<br>Rm |
| <b>Opening balance liabilities</b>                                     | (126)                                    | (671)                                                                                    | (8)                                          | (805)       |
| <b>Changes in the statement of comprehensive Income</b>                |                                          |                                                                                          |                                              |             |
| Insurance revenue                                                      | 1 020                                    | -                                                                                        | -                                            | 1 020       |
| Insurance service expenses                                             | -                                        | (801)                                                                                    | (3)                                          | (804)       |
| Incurring claims and other insurance service expenses                  | -                                        | (769)                                                                                    | (3)                                          | (772)       |
| Adjustments to liabilities for incurred claims                         | -                                        | (32)                                                                                     | -                                            | (32)        |
| <b>Insurance service result</b>                                        | 1 020                                    | (801)                                                                                    | (3)                                          | 216         |
| Effects of movements in exchange rates                                 | (12)                                     | 100                                                                                      | (1)                                          | 87          |
| <b>Total changes in the statement of comprehensive income</b>          | 1 008                                    | (701)                                                                                    | (4)                                          | 303         |
| <b>Total cash flows</b>                                                | (1 020)                                  | 761                                                                                      | -                                            | (259)       |
| Premiums received                                                      | (1 020)                                  | -                                                                                        | -                                            | (1 020)     |
| Claims and other insurance service expenses paid                       | -                                        | 761                                                                                      | -                                            | 761         |
| <b>Transfers to other items in the statement of financial position</b> | 18                                       | 151                                                                                      | 1                                            | 170         |
| <b>Closing balance liabilities</b>                                     | (120)                                    | (460)                                                                                    | (11)                                         | (591)       |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to note 6.

## Notes to the consolidated financial statements

For the year ended 31 December

### 8.4 Non-life risk: Insurance contracts

Analysis by remaining coverage and incurred claims – contracts measured under PAA

|                                                                        | Group<br>2025                      |                |                                                 |                                        |                                             |                |
|------------------------------------------------------------------------|------------------------------------|----------------|-------------------------------------------------|----------------------------------------|---------------------------------------------|----------------|
|                                                                        | Liabilities for remaining coverage |                | Liabilities for incurred claims                 |                                        | Assets for insurance acquisition cash flows | Total          |
|                                                                        | Excluding loss component           | Loss component | Estimates of present value of future cash flows | Risk adjustment for non-financial risk |                                             |                |
|                                                                        | Rm                                 | Rm             | Rm                                              | Rm                                     | Rm                                          | Rm             |
| <b>Opening balance liabilities</b>                                     | <b>(1 085)</b>                     | <b>(3)</b>     | <b>(817)</b>                                    | <b>(56)</b>                            | <b>309</b>                                  | <b>(1 652)</b> |
| <b>Changes in the statement of comprehensive Income</b>                |                                    |                |                                                 |                                        |                                             |                |
| <b>Insurance revenue</b>                                               | <b>5 557</b>                       | <b>-</b>       | <b>-</b>                                        | <b>-</b>                               | <b>-</b>                                    | <b>5 557</b>   |
| <b>Insurance service expenses</b>                                      | <b>(656)</b>                       | <b>-</b>       | <b>(3 395)</b>                                  | <b>(31)</b>                            | <b>(156)</b>                                | <b>(4 238)</b> |
| Incurring claims and other insurance service expenses                  | -                                  | -              | (3 415)                                         | -                                      | -                                           | (3 415)        |
| Amortisation of insurance acquisition cash flows                       | (656)                              | -              | -                                               | -                                      | (54)                                        | (710)          |
| Losses and reversal of losses on onerous contracts                     | -                                  | -              | -                                               | -                                      | (102)                                       | (102)          |
| Adjustments to liabilities for incurred claims                         | -                                  | -              | 20                                              | (31)                                   | -                                           | (11)           |
| <b>Insurance service result</b>                                        | <b>4 901</b>                       | <b>-</b>       | <b>(3 395)</b>                                  | <b>(31)</b>                            | <b>(156)</b>                                | <b>1 319</b>   |
| Net finance (income)/expense from insurance                            | -                                  | -              | (3)                                             | -                                      | -                                           | (3)            |
| Effects of movements in exchange rates                                 | (110)                              | -              | (229)                                           | 6                                      | (2)                                         | (336)          |
| <b>Total changes in the statement of comprehensive</b>                 | <b>4 791</b>                       | <b>-</b>       | <b>(3 627)</b>                                  | <b>(25)</b>                            | <b>(158)</b>                                | <b>980</b>     |
| <b>Total cash flows</b>                                                | <b>(4 626)</b>                     | <b>-</b>       | <b>3 694</b>                                    | <b>-</b>                               | <b>16</b>                                   | <b>(916)</b>   |
| Premiums received                                                      | (5 448)                            | -              | -                                               | -                                      | -                                           | (5 448)        |
| Claims and other insurance service expenses paid                       | -                                  | -              | 3 694                                           | -                                      | -                                           | 3 694          |
| Insurance acquisition cash flows                                       | 822                                | -              | -                                               | -                                      | 16                                          | 838            |
| <b>Allocation for assets for insurance contracts</b>                   | <b>-</b>                           | <b>-</b>       | <b>-</b>                                        | <b>-</b>                               | <b>-</b>                                    | <b>-</b>       |
| <b>Transfers to other items in the statement of financial position</b> | <b>260</b>                         | <b>-</b>       | <b>338</b>                                      | <b>45</b>                              | <b>-</b>                                    | <b>644</b>     |
| <b>Closing balance liabilities</b>                                     | <b>(660)</b>                       | <b>(3)</b>     | <b>(412)</b>                                    | <b>(36)</b>                            | <b>167</b>                                  | <b>(944)</b>   |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to Note 6.

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                 | Group<br>2024                         |                         |                                                                |                                                       |                                                            |             |
|-----------------------------------------------------------------|---------------------------------------|-------------------------|----------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------|-------------|
|                                                                 | Liabilities for remaining<br>coverage |                         | Liabilities for incurred claims                                |                                                       | Assets for<br>insurance<br>acquisition<br>cash flows<br>Rm | Total<br>Rm |
|                                                                 | Excluding loss<br>component<br>Rm     | Loss<br>component<br>Rm | Estimates of<br>present value<br>of future cash<br>flows<br>Rm | Risk<br>adjustment for<br>non-financial<br>risk<br>Rm |                                                            |             |
|                                                                 |                                       |                         |                                                                |                                                       |                                                            |             |
| Opening balance liabilities                                     | (1 068)                               | (3)                     | (974)                                                          | (47)                                                  | 278                                                        | (1 814)     |
| Changes in the statement of comprehensive Income                |                                       |                         |                                                                |                                                       |                                                            |             |
| Insurance revenue                                               | 5 761                                 | -                       | -                                                              | -                                                     | -                                                          | 5 761       |
| Insurance service expenses                                      | (771)                                 | (1)                     | (3 679)                                                        | (1)                                                   | -                                                          | (4 452)     |
| Incurred claims and other insurance service expenses            | -                                     | -                       | (3 695)                                                        | -                                                     | -                                                          | (3 695)     |
| Amortisation of insurance acquisition cash flows                | (771)                                 | -                       | -                                                              | -                                                     | -                                                          | (771)       |
| Losses and reversal of losses on onerous contracts              | -                                     | (1)                     | -                                                              | -                                                     | -                                                          | (1)         |
| Adjustments to liabilities for incurred claims                  | -                                     | -                       | 16                                                             | (1)                                                   | -                                                          | 15          |
| Insurance service result                                        | 4 990                                 | (1)                     | (3 679)                                                        | (1)                                                   | -                                                          | 1 309       |
| Net finance (income)/expense from insurance                     | -                                     | -                       | 6                                                              | -                                                     | -                                                          | 6           |
| Effects of movements in exchange rates                          | (53)                                  | 1                       | (75)                                                           | (8)                                                   | -                                                          | (135)       |
| Total changes in the statement of comprehensive                 | 4 937                                 | -                       | (3 748)                                                        | (9)                                                   | -                                                          | 1 180       |
| Total cash flows                                                | (5 653)                               | -                       | 3 681                                                          | -                                                     | 582                                                        | (1 390)     |
| Premiums received                                               | (5 844)                               | -                       | -                                                              | -                                                     | -                                                          | (5 844)     |
| Claims and other insurance service expenses paid                | -                                     | -                       | 3 681                                                          | -                                                     | -                                                          | 3 681       |
| Insurance acquisition cash flows                                | 191                                   | -                       | -                                                              | -                                                     | 582                                                        | 773         |
| Allocation for assets for insurance contracts                   | 551                                   | -                       | -                                                              | -                                                     | (551)                                                      | -           |
| Transfers to other items in the statement of financial position | 148                                   | -                       | 224                                                            | -                                                     | -                                                          | 372         |
| Closing balance liabilities                                     | (1 085)                               | (3)                     | (817)                                                          | (56)                                                  | 309                                                        | (1 652)     |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to note 6.

## Notes to the consolidated financial statements

For the year ended 31 December

### 8.5 Life risk: Reinsurance contracts

Analysis by remaining coverage and incurred claims – contracts measured under PAA

|                                                                        | Group<br>2025                           |                                                       |                                              |              |
|------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|----------------------------------------------|--------------|
|                                                                        | Assets for remaining coverage           | Assets for incurred claims                            |                                              | Total<br>Rm  |
|                                                                        | Excluding loss recovery component<br>Rm | Estimates of present value of future cash flows<br>Rm | Risk adjustment for non-financial risk<br>Rm |              |
| Opening balance assets                                                 | 99                                      | 177                                                   | 2                                            | 278          |
| Opening balance liabilities                                            | (18)                                    | -                                                     | -                                            | (18)         |
| <b>Net opening balance</b>                                             | <b>81</b>                               | <b>177</b>                                            | <b>2</b>                                     | <b>260</b>   |
| <b>Changes in the statement of comprehensive Income</b>                |                                         |                                                       |                                              |              |
| Allocation of reinsurance premiums                                     | (343)                                   | -                                                     | -                                            | (343)        |
| <b>Amounts recoverable from reinsurers</b>                             | <b>-</b>                                | <b>225</b>                                            | <b>1</b>                                     | <b>226</b>   |
| Recoveries of incurred claims and other insurance services expenses    | -                                       | 225                                                   | 1                                            | 226          |
| Changes to amounts recoverable for incurred claims                     | -                                       | -                                                     | -                                            | -            |
| <b>Net expenses from reinsurance contracts</b>                         | <b>(343)</b>                            | <b>225</b>                                            | <b>1</b>                                     | <b>(117)</b> |
| Effect of movements in exchange rates                                  | (1)                                     | (37)                                                  | (1)                                          | (39)         |
| <b>Total changes in the statement of comprehensive income</b>          | <b>(344)</b>                            | <b>188</b>                                            | <b>-</b>                                     | <b>(156)</b> |
| <b>Total cash flows</b>                                                | <b>270</b>                              | <b>(186)</b>                                          | <b>-</b>                                     | <b>84</b>    |
| Premiums paid                                                          | 270                                     | -                                                     | -                                            | 270          |
| Amounts received                                                       | -                                       | (186)                                                 | -                                            | (186)        |
| <b>Transfers to other items in the statement of financial position</b> | <b>(40)</b>                             | <b>(48)</b>                                           | <b>-</b>                                     | <b>(88)</b>  |
| Closing balance assets                                                 | -                                       | 131                                                   | 2                                            | 133          |
| Closing balance liabilities                                            | (33)                                    | -                                                     | -                                            | (33)         |
| <b>Net closing balance</b>                                             | <b>(33)</b>                             | <b>131</b>                                            | <b>2</b>                                     | <b>100</b>   |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to Note 6.

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                        | Group<br>2024                           |                                                       |                                              |       |
|------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|----------------------------------------------|-------|
|                                                                        | Assets for<br>remaining<br>coverage     | Assets for incurred claims                            |                                              |       |
|                                                                        | Excluding loss<br>recovery<br>component | Estimates of<br>present value of<br>future cash flows | Risk adjustment<br>for non-financial<br>risk | Total |
|                                                                        | Rm                                      | Rm                                                    | Rm                                           | Rm    |
| Opening balance assets                                                 | 21                                      | 222                                                   | 1                                            | 244   |
| Opening balance liabilities                                            | (76)                                    | -                                                     | -                                            | (76)  |
| <b>Net opening balance</b>                                             | (55)                                    | 222                                                   | 1                                            | 168   |
| <b>Changes in the statement of comprehensive Income</b>                |                                         |                                                       |                                              |       |
| <b>Allocation of reinsurance premiums</b>                              | (339)                                   | -                                                     | -                                            | (339) |
| <b>Amounts recoverable from reinsurers</b>                             | -                                       | 300                                                   | -                                            | 300   |
| Recoveries of incurred claims and other insurance services expenses    | -                                       | 279                                                   | -                                            | 279   |
| Changes to amounts recoverable for incurred claims                     | -                                       | 21                                                    | -                                            | 21    |
| <b>Net finance expenses from reinsurance contracts</b>                 | (339)                                   | 300                                                   | -                                            | (39)  |
| Effect of movements in exchange rates                                  | 10                                      | 12                                                    | 1                                            | 23    |
| <b>Total changes in the statement of comprehensive income</b>          | (329)                                   | 312                                                   | 1                                            | (16)  |
| <b>Total cash flows</b>                                                | 443                                     | (210)                                                 | -                                            | 233   |
| Premiums paid                                                          | 443                                     | -                                                     | -                                            | 443   |
| Amounts received                                                       | -                                       | (210)                                                 | -                                            | (210) |
| <b>Transfers to other items in the statement of financial position</b> | 22                                      | (147)                                                 | -                                            | (125) |
| Closing balance assets                                                 | 99                                      | 177                                                   | 2                                            | 278   |
| Closing balance liabilities                                            | (18)                                    | -                                                     | -                                            | (18)  |
| <b>Net closing balance</b>                                             | 81                                      | 177                                                   | 2                                            | 260   |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to note 6.

## Notes to the consolidated financial statements

For the year ended 31 December

### 8.6 Non-life risk: Reinsurance contracts

Analysis by remaining coverage and incurred claims – contracts measured under PAA

|                                                                                  | Group<br>2025                                 |                                                             |              |
|----------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|--------------|
|                                                                                  | Assets for<br>remaining<br>coverage           | Assets for<br>incurred claims                               | Total<br>Rm  |
|                                                                                  | Excluding loss<br>recovery<br>component<br>Rm | Estimates of<br>present value of<br>future cash flows<br>Rm |              |
| Opening balance assets                                                           | 294                                           | 162                                                         | 456          |
| Opening balance liabilities                                                      | (258)                                         | -                                                           | (258)        |
| <b>Net opening balance</b>                                                       | <b>36</b>                                     | <b>162</b>                                                  | <b>198</b>   |
| <b>Changes in the statement of comprehensive Income</b>                          |                                               |                                                             | -            |
| <b>Allocation of reinsurance premiums</b>                                        | (955)                                         | -                                                           | (955)        |
| <b>Amounts recoverable from reinsurers</b>                                       | -                                             | 520                                                         | 520          |
| Recoveries of incurred claims and other insurance services expenses              | -                                             | 530                                                         | 530          |
| Changes to amounts recoverable for incurred claims                               | -                                             | (10)                                                        | (10)         |
| Recoveries and reversals of recoveries of losses on onerous underlying contracts | -                                             | -                                                           | -            |
| <b>Net expenses from reinsurance contracts</b>                                   | <b>(955)</b>                                  | <b>520</b>                                                  | <b>(435)</b> |
| Effect of movements in exchange rates                                            | 29                                            | (10)                                                        | 19           |
| <b>Total changes in the statement of comprehensive income</b>                    | <b>(926)</b>                                  | <b>510</b>                                                  | <b>(416)</b> |
| <b>Total cash flows</b>                                                          | <b>961</b>                                    | <b>(540)</b>                                                | <b>421</b>   |
| Premiums paid                                                                    | 961                                           | -                                                           | 961          |
| Amounts received                                                                 | -                                             | (540)                                                       | (540)        |
| <b>Transfers to other items in the statement of financial position</b>           | <b>(39)</b>                                   | <b>(126)</b>                                                | <b>(165)</b> |
| Closing balance assets                                                           | 145                                           | 6                                                           | 151          |
| Closing balance liabilities                                                      | (113)                                         | -                                                           | (113)        |
| <b>Net closing balance</b>                                                       | <b>32</b>                                     | <b>6</b>                                                    | <b>38</b>    |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to note 6.

|                                                                                  | Group<br>2024                                 |                                                             |              |
|----------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|--------------|
|                                                                                  | Assets for<br>remaining<br>coverage           | Assets for<br>incurred claims                               | Total<br>Rm  |
|                                                                                  | Excluding loss<br>recovery<br>component<br>Rm | Estimates of<br>present value of<br>future cash flows<br>Rm |              |
| Opening balance assets                                                           | 265                                           | 197                                                         | 462          |
| Opening balance liabilities                                                      | (122)                                         | -                                                           | (122)        |
| <b>Net opening balance</b>                                                       | <b>143</b>                                    | <b>197</b>                                                  | <b>340</b>   |
| <b>Changes in the statement of comprehensive Income</b>                          |                                               |                                                             |              |
| <b>Allocation of reinsurance premiums</b>                                        | (1 115)                                       | -                                                           | (1 115)      |
| <b>Amounts recoverable from reinsurers</b>                                       | -                                             | 569                                                         | 569          |
| Recoveries of incurred claims and other insurance services expenses              | -                                             | 600                                                         | 600          |
| Changes to amounts recoverable for incurred claims                               | -                                             | (29)                                                        | (29)         |
| Recoveries and reversals of recoveries of losses on onerous underlying contracts | -                                             | (2)                                                         | (2)          |
| <b>Net expenses from reinsurance contracts</b>                                   | <b>(1 115)</b>                                | <b>569</b>                                                  | <b>(546)</b> |
| Effect of movements in exchange rates                                            | 11                                            | 34                                                          | 45           |
| <b>Total changes in the statement of comprehensive income</b>                    | <b>(1 104)</b>                                | <b>603</b>                                                  | <b>(501)</b> |
| <b>Total cash flows</b>                                                          | <b>1 034</b>                                  | <b>(631)</b>                                                | <b>403</b>   |
| Premiums paid                                                                    | 1 034                                         | -                                                           | 1 034        |
| Amounts received                                                                 | -                                             | (631)                                                       | (631)        |
| <b>Transfers to other items in the statement of financial position</b>           | <b>(37)</b>                                   | <b>(7)</b>                                                  | <b>(44)</b>  |
| Closing balance assets                                                           | 294                                           | 162                                                         | 456          |
| Closing balance liabilities                                                      | (258)                                         | -                                                           | (258)        |
| <b>Net closing balance</b>                                                       | <b>36</b>                                     | <b>162</b>                                                  | <b>198</b>   |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to note 6.

## Notes to the consolidated financial statements

For the year ended 31 December

### 8.7 Life risk: Reinsurance contracts

Analysis by remaining coverage and incurred claims – reinsurance contracts not measured under PAA

|                                                                                  | Group<br>2025                                 |                                  |                                  |              |
|----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------|----------------------------------|--------------|
|                                                                                  | Remaining coverage                            |                                  | Assets for<br>Incurred<br>claims | Total        |
|                                                                                  | Excluding loss<br>recovery<br>component<br>Rm | Loss recovery<br>component<br>Rm |                                  |              |
| Opening balance assets                                                           | 146                                           | 40                               | 83                               | 269          |
| Opening balance liabilities                                                      | (105)                                         | 27                               | 42                               | (36)         |
| <b>Net opening balance</b>                                                       | <b>41</b>                                     | <b>67</b>                        | <b>125</b>                       | <b>233</b>   |
| <b>Changes in the statement of comprehensive Income</b>                          |                                               |                                  |                                  |              |
| Allocation of reinsurance premiums                                               | (476)                                         | -                                | -                                | (476)        |
| <b>Amounts recoverable from reinsurers</b>                                       | <b>21</b>                                     | <b>14</b>                        | <b>405</b>                       | <b>440</b>   |
| Recoveries of incurred claims and other service expenses                         | 21                                            | (46)                             | 389                              | 364          |
| Changes to amounts recoverable for incurred claims                               | -                                             | -                                | 16                               | 16           |
| Recoveries and reversals of recoveries of losses on onerous underlying contracts | -                                             | 60                               | -                                | 60           |
| <b>Net income from reinsurance contracts</b>                                     | <b>(455)</b>                                  | <b>14</b>                        | <b>405</b>                       | <b>(36)</b>  |
| Net finance (income)/expense from reinsurance contracts                          | (94)                                          | 6                                | -                                | (88)         |
| Effect of movements in exchange rates                                            | (13)                                          | 4                                | -                                | (9)          |
| <b>Total changes in the statement of comprehensive income</b>                    | <b>(562)</b>                                  | <b>24</b>                        | <b>405</b>                       | <b>(133)</b> |
| <b>Total cash flows</b>                                                          | <b>473</b>                                    | <b>-</b>                         | <b>(389)</b>                     | <b>84</b>    |
| Premiums paid                                                                    | 473                                           | -                                | -                                | 473          |
| Amounts received                                                                 | -                                             | -                                | (389)                            | (389)        |
| <b>Transfers to other items in the statement of financial position</b>           | <b>(35)</b>                                   | <b>(10)</b>                      | <b>-</b>                         | <b>(45)</b>  |
| Closing balance assets                                                           | 81                                            | 49                               | 111                              | 241          |
| Closing balance liabilities                                                      | (164)                                         | 32                               | 30                               | (102)        |
| <b>Net closing balance</b>                                                       | <b>(83)</b>                                   | <b>81</b>                        | <b>141</b>                       | <b>139</b>   |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to Note 6.

|                                                                                  | Group<br>2024                                 |                                  |                               |             |
|----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------|-------------------------------|-------------|
|                                                                                  | Remaining coverage                            |                                  | Assets for<br>Incurred claims | Total       |
|                                                                                  | Excluding loss<br>recovery<br>component<br>Rm | Loss recovery<br>component<br>Rm |                               |             |
| Opening balance assets                                                           | 152                                           | 53                               | 62                            | 267         |
| Opening balance liabilities                                                      | (54)                                          | -                                | -                             | (54)        |
| <b>Net opening balance</b>                                                       | <b>98</b>                                     | <b>53</b>                        | <b>62</b>                     | <b>213</b>  |
| <b>Changes in the statement of comprehensive Income</b>                          |                                               |                                  |                               |             |
| Allocation of reinsurance premiums                                               | (268)                                         | -                                | -                             | (268)       |
| <b>Amounts recoverable from reinsurers</b>                                       | <b>-</b>                                      | <b>11</b>                        | <b>364</b>                    | <b>375</b>  |
| Recoveries of incurred claims and other service expenses                         | -                                             | (14)                             | 289                           | 275         |
| Changes to amounts recoverable for incurred claims                               | -                                             | -                                | 75                            | 75          |
| Recoveries and reversals of recoveries of losses on onerous underlying contracts | -                                             | 25                               | -                             | 25          |
| <b>Net income from reinsurance contracts</b>                                     | <b>(268)</b>                                  | <b>11</b>                        | <b>364</b>                    | <b>107</b>  |
| Net finance (income)/expense from reinsurance contracts                          | (49)                                          | 2                                | -                             | (47)        |
| Effect of movements in exchange rates                                            | 10                                            | 1                                | (13)                          | (2)         |
| <b>Total changes in the statement of comprehensive income</b>                    | <b>(307)</b>                                  | <b>14</b>                        | <b>351</b>                    | <b>58</b>   |
| <b>Total cash flows</b>                                                          | <b>255</b>                                    | <b>-</b>                         | <b>(288)</b>                  | <b>(33)</b> |
| Premiums paid                                                                    | 254                                           | -                                | -                             | 254         |
| Amounts received                                                                 | 1                                             | -                                | (288)                         | (287)       |
| <b>Transfers to other items in the statement of financial position</b>           | <b>(5)</b>                                    | <b>-</b>                         | <b>-</b>                      | <b>(5)</b>  |
| Closing balance assets                                                           | 146                                           | 40                               | 83                            | 269         |
| Closing balance liabilities                                                      | (105)                                         | 27                               | 42                            | (36)        |
| <b>Net closing balance</b>                                                       | <b>41</b>                                     | <b>67</b>                        | <b>125</b>                    | <b>233</b>  |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to note 6.



## Notes to the consolidated financial statements

For the year ended 31 December

### 8.8 Life risk: Reinsurance contracts

Analysis by measurement component – reinsurance contracts not measured under PAA

|                                                                                                                             | Group<br>2025                                                 |                                                        |                                                    |                          |              |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|--------------------------|--------------|
|                                                                                                                             | CSM                                                           |                                                        |                                                    |                          | Total<br>Rm  |
|                                                                                                                             | Estimates of<br>present value<br>of future<br>cashflows<br>Rm | Risk<br>adjustment<br>for non-<br>financial risk<br>Rm | Contracts<br>under fair<br>value<br>approach<br>Rm | Other<br>contracts<br>Rm |              |
| Opening balance assets                                                                                                      | (285)                                                         | 176                                                    | (13)                                               | 391                      | 269          |
| Opening balance liabilities                                                                                                 | (326)                                                         | 161                                                    | (29)                                               | 158                      | (36)         |
| <b>Net opening balance</b>                                                                                                  | <b>(611)</b>                                                  | <b>337</b>                                             | <b>(42)</b>                                        | <b>549</b>               | <b>233</b>   |
| <b>Changes in the statement of comprehensive income</b>                                                                     |                                                               |                                                        |                                                    |                          |              |
| <b>Changes that relate to current services</b>                                                                              | <b>78</b>                                                     | <b>(17)</b>                                            | <b>-</b>                                           | <b>(192)</b>             | <b>(131)</b> |
| CSM recognised for services provided                                                                                        | -                                                             | -                                                      | -                                                  | (192)                    | (192)        |
| Change in risk adjustment for non-financial risk for risk expired                                                           | -                                                             | (17)                                                   | -                                                  | -                        | (17)         |
| Experience adjustments                                                                                                      | 78                                                            | -                                                      | -                                                  | -                        | 78           |
| <b>Changes that relate to future services</b>                                                                               | <b>152</b>                                                    | <b>171</b>                                             | <b>(51)</b>                                        | <b>(214)</b>             | <b>58</b>    |
| Contracts Initially recognised in the year                                                                                  | (294)                                                         | 77                                                     | -                                                  | 235                      | 18           |
| Changes in estimates that adjust the CSM                                                                                    | 446                                                           | 94                                                     | (58)                                               | (482)                    | -            |
| Changes in the contractual service margin due to recognition of a loss-recovery component from onerous underlying contracts | -                                                             | -                                                      | 7                                                  | 33                       | 40           |
| <b>Changes that relate to past services</b>                                                                                 | <b>37</b>                                                     | <b>-</b>                                               | <b>-</b>                                           | <b>-</b>                 | <b>37</b>    |
| Experience adjustments - arising from cede premiums paid in the period that relate to past service                          | 21                                                            | -                                                      | -                                                  | -                        | 21           |
| Changes to incurred claims component                                                                                        | 16                                                            | -                                                      | -                                                  | -                        | 16           |
| <b>Net income from reinsurance contracts</b>                                                                                | <b>267</b>                                                    | <b>154</b>                                             | <b>(51)</b>                                        | <b>(406)</b>             | <b>(36)</b>  |
| Net finance (income)/expense from reinsurance contracts                                                                     | (108)                                                         | -                                                      | (3)                                                | 23                       | (88)         |
| Effects of movements in exchange rates                                                                                      | (7)                                                           | 1                                                      | -                                                  | (3)                      | (9)          |
| <b>Total changes in the statement of comprehensive income</b>                                                               | <b>152</b>                                                    | <b>155</b>                                             | <b>(54)</b>                                        | <b>(386)</b>             | <b>(133)</b> |
| <b>Total cash flows</b>                                                                                                     | <b>84</b>                                                     | <b>-</b>                                               | <b>-</b>                                           | <b>-</b>                 | <b>84</b>    |
| Premiums paid net of ceding commission                                                                                      | 473                                                           | -                                                      | -                                                  | -                        | 473          |
| Amounts received                                                                                                            | (389)                                                         | -                                                      | -                                                  | -                        | (389)        |
| <b>Transfers to other items in the statement of financial position</b>                                                      | <b>(24)</b>                                                   | <b>(1)</b>                                             | <b>-</b>                                           | <b>(20)</b>              | <b>(45)</b>  |
| Closing balance assets                                                                                                      | (383)                                                         | 417                                                    | (100)                                              | 307                      | 241          |
| Closing balance liabilities                                                                                                 | (16)                                                          | 74                                                     | 4                                                  | (164)                    | (102)        |
| <b>Net closing balance</b>                                                                                                  | <b>(399)</b>                                                  | <b>491</b>                                             | <b>(96)</b>                                        | <b>143</b>               | <b>139</b>   |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to note 6.

## Notes to the consolidated financial statements

For the year ended 31 December

### 8.8 Life risk: Reinsurance contracts

Analysis by measurement component – reinsurance contracts not measured under PAA

|                                                                                                                             | Group<br>2024                                                 |                                                       |                                                    |                          |             |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------|--------------------------|-------------|
|                                                                                                                             | CSM                                                           |                                                       |                                                    |                          |             |
|                                                                                                                             | Estimates of<br>present value<br>of future<br>cashflows<br>Rm | Risk<br>adjustment for<br>non-financial<br>risk<br>Rm | Contracts<br>under fair<br>value<br>approach<br>Rm | Other<br>contracts<br>Rm | Total<br>Rm |
| Opening balance assets                                                                                                      | (767)                                                         | 285                                                   | 106                                                | 642                      | 266         |
| Opening balance liabilities                                                                                                 | (95)                                                          | 8                                                     | (1)                                                | 34                       | (54)        |
| <b>Net opening balance</b>                                                                                                  | <b>(862)</b>                                                  | <b>293</b>                                            | <b>105</b>                                         | <b>676</b>               | <b>212</b>  |
| <b>Changes in the statement of comprehensive income</b>                                                                     |                                                               |                                                       |                                                    |                          |             |
| <b>Changes that relate to current services</b>                                                                              | 138                                                           | (10)                                                  | (5)                                                | (117)                    | 6           |
| CSM recognised for services provided                                                                                        | -                                                             | -                                                     | (5)                                                | (117)                    | (122)       |
| Change in risk adjustment for non-financial risk for risk expired                                                           | -                                                             | (10)                                                  | -                                                  | -                        | (10)        |
| Experience adjustments                                                                                                      | 138                                                           | -                                                     | -                                                  | -                        | 138         |
| <b>Changes that relate to future services</b>                                                                               | 154                                                           | 56                                                    | (141)                                              | (43)                     | 26          |
| Contracts Initially recognised in the year                                                                                  | (189)                                                         | 42                                                    | -                                                  | 163                      | 16          |
| Changes in estimates that adjust the CSM                                                                                    | 343                                                           | 14                                                    | (148)                                              | (208)                    | 1           |
| Changes in the contractual service margin due to recognition of a loss-recovery component from onerous underlying contracts | -                                                             | -                                                     | 7                                                  | 2                        | 9           |
| <b>Changes that relate to past services</b>                                                                                 | 75                                                            | -                                                     | -                                                  | -                        | 75          |
| Experience adjustments - arising from cede premiums paid in the period that relate to past service                          | 75                                                            | -                                                     | -                                                  | -                        | 75          |
| <b>Net income from reinsurance contracts</b>                                                                                | <b>367</b>                                                    | <b>46</b>                                             | <b>(146)</b>                                       | <b>(160)</b>             | <b>107</b>  |
| Net finance (income)/expense from reinsurance contracts                                                                     | (85)                                                          | -                                                     | (1)                                                | 39                       | (47)        |
| Effects of movements in exchange rates                                                                                      | (3)                                                           | -                                                     | -                                                  | 2                        | (1)         |
| <b>Total changes in the statement of comprehensive income</b>                                                               | <b>279</b>                                                    | <b>46</b>                                             | <b>(147)</b>                                       | <b>(119)</b>             | <b>59</b>   |
| <b>Total cash flows</b>                                                                                                     | <b>(33)</b>                                                   | <b>-</b>                                              | <b>-</b>                                           | <b>-</b>                 | <b>(33)</b> |
| Premiums paid net of ceding commission                                                                                      | 254                                                           | -                                                     | -                                                  | -                        | 254         |
| Amounts received                                                                                                            | (287)                                                         | -                                                     | -                                                  | -                        | (287)       |
| <b>Transfers to other items in the statement of financial position</b>                                                      | <b>5</b>                                                      | <b>(2)</b>                                            | <b>-</b>                                           | <b>(8)</b>               | <b>(5)</b>  |
| Closing balance assets                                                                                                      | (285)                                                         | 176                                                   | (13)                                               | 391                      | 269         |
| Closing balance liabilities                                                                                                 | (326)                                                         | 161                                                   | (29)                                               | 158                      | (36)        |
| <b>Net closing balance</b>                                                                                                  | <b>(611)</b>                                                  | <b>337</b>                                            | <b>(42)</b>                                        | <b>549</b>               | <b>233</b>  |

Included in the transfers to other items in the statement of financial position are the reclassification of certain items as non-current assets held for sale. Refer to note 6.

## Notes to the consolidated financial statements

For the year ended 31 December

### 8.9 Effects of contracts initially recognised in the year

The following tables summarise the effect on the measurement components of insurance and reinsurance contracts arising from the initial recognition of contracts in the current year that are not measured under the PAA.

|                                                     | Group<br>2025<br>Life                |                                   |             |
|-----------------------------------------------------|--------------------------------------|-----------------------------------|-------------|
|                                                     | Profitable contracts<br>issued<br>Rm | Onerous contracts<br>issued<br>Rm | Total<br>Rm |
| <b>Insurance contracts</b>                          |                                      |                                   |             |
| Insurance acquisition cash flows                    | 518                                  | 240                               | 758         |
| Claims and other insurance service expenses payable | 3 846                                | 1 490                             | 5 336       |
| Estimates of present value of cash outflows         | 4 364                                | 1 730                             | 6 094       |
| Estimates of present value of cash Inflows          | (6 282)                              | (1541)                            | (7 823)     |
| Risk adjustment for non-financial risk              | 381                                  | 29                                | 410         |
| CSM                                                 | 1 537                                | (2)                               | 1 535       |
| <b>Losses recognised on initial recognition</b>     | -                                    | 216                               | 216         |

|                                                     | Group<br>2024<br>Life                |                                   |             |
|-----------------------------------------------------|--------------------------------------|-----------------------------------|-------------|
|                                                     | Profitable contracts<br>issued<br>Rm | Onerous contracts<br>issued<br>Rm | Total<br>Rm |
| <b>Insurance contracts</b>                          |                                      |                                   |             |
| Insurance acquisition cash flows                    | 469                                  | 237                               | 706         |
| Claims and other insurance service expenses payable | 3 283                                | 1 316                             | 4 599       |
| Estimates of present value of cash outflows         | 3 752                                | 1 553                             | 5 305       |
| Estimates of present value of cash Inflows          | (5 788)                              | (1 383)                           | (7 171)     |
| Risk adjustment for non-financial risk              | 304                                  | 40                                | 344         |
| CSM                                                 | 1 732                                | 11                                | 1 743       |
| <b>Losses recognised on initial recognition</b>     | -                                    | 221                               | 221         |

|                                                 | Group<br>Life                                                        |                                                                   |                                                                       |                                                                    |
|-------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------|
|                                                 | 2025                                                                 |                                                                   | 2024                                                                  |                                                                    |
|                                                 | Contracts<br>Initiated without<br>a loss-recovery<br>component<br>Rm | Contracts<br>Initiated with a<br>loss-recovery<br>component<br>Rm | Contracts Initiated<br>without a loss-<br>recovery<br>component<br>Rm | Contracts Initiated<br>with a loss-<br>recovery<br>component<br>Rm |
| <b>Reinsurance contracts</b>                    |                                                                      |                                                                   |                                                                       |                                                                    |
| Estimates of present value of cash outflows     | 937                                                                  | (459)                                                             | 184                                                                   | (561)                                                              |
| Estimates of present value of cash Inflows      | (1,133)                                                              | 362                                                               | (66)                                                                  | 254                                                                |
| Risk adjustment for non-financial risk          | (27)                                                                 | 103                                                               | (10)                                                                  | 53                                                                 |
| CSM                                             | 223                                                                  | 11                                                                | (108)                                                                 | 272                                                                |
| <b>Income recognised on initial recognition</b> | -                                                                    | 19                                                                | -                                                                     | 18                                                                 |

## Notes to the consolidated financial statements

For the year ended 31 December

### 8.10 Contractual service margin

The following table illustrates when the Group expects to recognise the remaining CSM as revenue for contracts not measured under the PAA.

|                            | Group<br>2025      |                     |                          |             |
|----------------------------|--------------------|---------------------|--------------------------|-------------|
|                            | Next 3 years<br>Rm | 4 to 10 years<br>Rm | More than 10 years<br>Rm | Total<br>Rm |
| Life Insurance Contracts   | (2 197)            | (2 822)             | (2 948)                  | (7 967)     |
| Life Reinsurance Contracts | 74                 | (13)                | (14)                     | 47          |
|                            | (2 123)            | (2 835)             | (2 962)                  | (7 920)     |

|                            | 2024               |                     |                          |             |
|----------------------------|--------------------|---------------------|--------------------------|-------------|
|                            | Next 3 years<br>Rm | 4 to 10 years<br>Rm | More than 10 years<br>Rm | Total<br>Rm |
| Life Insurance Contracts   | (2 421)            | (3 165)             | (3 254)                  | (8 840)     |
| Life Reinsurance Contracts | 121                | 140                 | 246                      | 507         |
|                            | (2 300)            | (3 025)             | (3 008)                  | (8 333)     |

## 9. Investments linked to investment contracts

|                           | Group<br>2025<br>Rm | 2024<br>Rm |
|---------------------------|---------------------|------------|
| Debt instruments          | 4 975               | 3 319      |
| Listed equity instruments | 22 238              | 20 043     |
| Money market instruments  | 5                   | 8          |
|                           | 27 218              | 23 370     |

## 10. Investment in associates and joint ventures

|                      | Group<br>2025<br>Rm | 2024<br>Rm |
|----------------------|---------------------|------------|
| Unlisted investments | 2 929               | 2 990      |

## Notes to the consolidated financial statements

For the year ended 31 December

### 10.1 Movement in the carrying value of associates and joint ventures accounted for under the equity method

|                                                           | Group        |              |
|-----------------------------------------------------------|--------------|--------------|
|                                                           | 2025<br>Rm   | 2024<br>Rm   |
| <b>Balance at the beginning of the reporting period</b>   | <b>2 990</b> | <b>2 644</b> |
| Share of current reporting period post-tax results        | <b>318</b>   | 282          |
| Share of current reporting period results before taxation | <b>442</b>   | 395          |
| Taxation on reporting period results                      | <b>(124)</b> | (113)        |
| Additional investment                                     | <b>114</b>   | 130          |
| Dividends received                                        | <b>(493)</b> | (66)         |
| <b>Balance at the end of the reporting period</b>         | <b>2 929</b> | <b>2 990</b> |

Included in share of current reporting period post-tax results is a dilution loss of **R13m**, arising from the reduction of the Group's equity stake in PayInc (previously South African Bankers Service Company Proprietary Limited) from 23.81% to 9.58%. Refer to note 45 for additional information.

### 10.2 Associates and joint ventures

The following information is presented in respect of associates and joint ventures accounted for under the equity method:

|                                            | Associates |            | Group      |            | Joint ventures |            |
|--------------------------------------------|------------|------------|------------|------------|----------------|------------|
|                                            | 2025<br>Rm | 2024<br>Rm | 2025<br>Rm | 2024<br>Rm | 2025<br>Rm     | 2024<br>Rm |
| <b>Group share</b>                         |            |            |            |            |                |            |
| Post-tax profit from continuing operations | <b>137</b> | 100        | <b>181</b> | 182        |                |            |
| <b>Total comprehensive income</b>          | <b>137</b> | 100        | <b>181</b> | 182        |                |            |

### 10.3 Analysis of the carrying value of associates and joint ventures accounted for under the equity method

|                                    | Group        |              |
|------------------------------------|--------------|--------------|
|                                    | 2025<br>Rm   | 2024<br>Rm   |
| <b>Unlisted investments</b>        |              |              |
| Shares at cost less impairments    | <b>1 048</b> | 934          |
| Share of post-acquisition reserves | <b>1 764</b> | 1 939        |
| Additional capital contribution    | <b>117</b>   | 117          |
|                                    | <b>2 929</b> | <b>2 990</b> |

### 10.4 Carrying value of associates and joint ventures

|                                                 | Group            |                      |              | Group            |                      |             |
|-------------------------------------------------|------------------|----------------------|--------------|------------------|----------------------|-------------|
|                                                 | 2025             |                      |              | 2024             |                      |             |
|                                                 | Associates<br>Rm | Joint ventures<br>Rm | Total<br>Rm  | Associates<br>Rm | Joint ventures<br>Rm | Total<br>Rm |
| Equity accounted                                | <b>1 618</b>     | <b>1 311</b>         | <b>2 929</b> | 1 460            | 1 530                | 2 990       |
| Designated at fair value through profit or loss | -                | <b>146</b>           | <b>146</b>   | -                | 227                  | 227         |
|                                                 | <b>1 618</b>     | <b>1 457</b>         | <b>3 075</b> | 1 460            | 1 757                | 3 217       |

Certain investments in Joint Ventures have been designated at fair value through profit or loss as the equity method exemption has been applied. These are presented within unlisted equity instruments in 'Investment securities' (refer to note 3).

Refer to note 45 for additional disclosure of the Group's investments in associates and joint ventures.

## Notes to the consolidated financial statements

For the year ended 31 December

### 11. Investment properties

|                                                         | Group      |            |
|---------------------------------------------------------|------------|------------|
|                                                         | 2025<br>Rm | 2024<br>Rm |
| <b>Balance at the beginning of the reporting period</b> | <b>225</b> | <b>378</b> |
| Additions                                               | 90         | 1          |
| Change in fair value (refer to note 31)                 | 3          | -          |
| Transfers to non-current assets held for sale           | (128)      | (183)      |
| Transfers from non-current assets held for sale         | 126        | -          |
| Disposals                                               | (1)        | -          |
| Foreign exchange and hyperinflation movements           | (1)        | 29         |
| <b>Balance at the end of the reporting period</b>       | <b>314</b> | <b>225</b> |

Investment properties comprise a number of properties leased to third parties for either commercial or residential use. Each of the leases contain an initial rental period ranging from six months to ten years, depending on the use of the building being leased. Subsequent renewals are negotiated with the lessee. No contingent rentals are charged.

### 12. Property and Equipment

|                               | Group         |                                                   |                       | Group         |                                                |                       |
|-------------------------------|---------------|---------------------------------------------------|-----------------------|---------------|------------------------------------------------|-----------------------|
|                               | 2025          |                                                   |                       | 2024          |                                                |                       |
|                               | Cost<br>Rm    | Accumulated depreciation and/or impairments<br>Rm | Carrying amount<br>Rm | Cost<br>Rm    | Accumulated depreciation and impairments<br>Rm | Carrying amount<br>Rm |
| Computer equipment            | 6 322         | (4 169)                                           | 2 153                 | 6 641         | (4 152)                                        | 2 489                 |
| Freehold property             | 7 600         | (1 752)                                           | 5 848                 | 7 376         | (1 286)                                        | 6 090                 |
| Furniture and other equipment | 11 681        | (7 330)                                           | 4 351                 | 11 846        | (7 666)                                        | 4 180                 |
| Leasehold property            | 5             | (1)                                               | 4                     | 5             | (1)                                            | 4                     |
| Motor vehicles                | 1 063         | (119)                                             | 944                   | 176           | (98)                                           | 78                    |
| Right-of-use assets           | 7 475         | (4 720)                                           | 2 755                 | 7 122         | (4 241)                                        | 2 881                 |
| Aircraft                      | -             | -                                                 | -                     | 565           | (37)                                           | 528                   |
|                               | <b>34 146</b> | <b>(18 091)</b>                                   | <b>16 055</b>         | <b>33 731</b> | <b>(17 481)</b>                                | <b>16 250</b>         |

|                                                 | Group                 |                 |                 |                 |                                                    |                                  |                    |                         |                       |
|-------------------------------------------------|-----------------------|-----------------|-----------------|-----------------|----------------------------------------------------|----------------------------------|--------------------|-------------------------|-----------------------|
|                                                 | 2025                  |                 |                 |                 |                                                    |                                  |                    |                         |                       |
|                                                 | Opening balance<br>Rm | Additions<br>Rm | Disposals<br>Rm | Transfers<br>Rm | Transfer to non-current assets held for sale<br>Rm | Foreign exchange movements<br>Rm | Depreciation<br>Rm | Impairment charge<br>Rm | Closing balance<br>Rm |
| <b>Reconciliation of property and equipment</b> |                       |                 |                 |                 |                                                    |                                  |                    |                         |                       |
| Computer equipment                              | 2 489                 | 365             | (9)             | -               | (1)                                                | 101                              | (740)              | (52)                    | 2 153                 |
| Freehold property                               | 6 090                 | 510             | (169)           | -               | (102)                                              | 47                               | (82)               | (446)                   | 5 848                 |
| Furniture and other equipment                   | 4 180                 | 1 529           | (53)            | -               | (24)                                               | (56)                             | (1 137)            | (88)                    | 4 351                 |
| Leasehold property                              | 4                     | -               | -               | -               | -                                                  | -                                | -                  | -                       | 4                     |
| Motor vehicles                                  | 78                    | 914             | -               | -               | (9)                                                | (4)                              | (32)               | (3)                     | 944                   |
| Right-of-use assets                             | 2 881                 | 1 460           | (291)           | -               | (19)                                               | (59)                             | (1 177)            | (40)                    | 2 755                 |
| Aircraft                                        | 528                   | -               | (436)           | -               | -                                                  | (60)                             | (32)               | -                       | -                     |
|                                                 | <b>16 250</b>         | <b>4 778</b>    | <b>(958)</b>    | <b>-</b>        | <b>(155)</b>                                       | <b>(31)</b>                      | <b>(3 200)</b>     | <b>(629)</b>            | <b>16 055</b>         |
|                                                 |                       |                 |                 |                 | <b>6</b>                                           |                                  | <b>33</b>          | <b>34</b>               |                       |
|                                                 |                       |                 |                 |                 | Group                                              |                                  |                    |                         |                       |
|                                                 |                       |                 |                 |                 | 2024                                               |                                  |                    |                         |                       |

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                 | Opening<br>balance<br>Rm | Additions<br>Rm | Disposals<br>Rm | Transfers<br>Rm | Transfer<br>to non-<br>current<br>assets<br>held for<br>sale<br>Rm | Foreign<br>exchange<br>and<br>hyperinflatio<br>n movements<br>Rm | Depre-<br>ciation<br>Rm | Impair-<br>ment<br>charge<br>Rm | Closing<br>balance<br>Rm |
|-------------------------------------------------|--------------------------|-----------------|-----------------|-----------------|--------------------------------------------------------------------|------------------------------------------------------------------|-------------------------|---------------------------------|--------------------------|
| <b>Reconciliation of property and equipment</b> |                          |                 |                 |                 |                                                                    |                                                                  |                         |                                 |                          |
| Computer equipment                              | 2 258                    | 967             | (42)            | -               | (5)                                                                | 70                                                               | (743)                   | (16)                            | 2 489                    |
| Freehold property                               | 6 030                    | 1 287           | (877)           | (24)            | (47)                                                               | 6                                                                | (70)                    | (215)                           | 6 090                    |
| Furniture and other equipment                   | 4 234                    | 1 784           | (441)           | 5               | (5)                                                                | 11                                                               | (1 095)                 | (313)                           | 4 180                    |
| Leasehold property                              | 4                        | -               | -               | -               | -                                                                  | -                                                                | -                       | -                               | 4                        |
| Motor vehicles                                  | 81                       | 26              | (1)             | 2               | (4)                                                                | 1                                                                | (27)                    | -                               | 78                       |
| Right-of-use assets                             | 3 092                    | 1 034           | (8)             | 17              | -                                                                  | (3)                                                              | (1 162)                 | (89)                            | 2 881                    |
| Aircraft                                        | 317                      | 231             | -               | -               | -                                                                  | 7                                                                | (27)                    | -                               | 528                      |
|                                                 | 16 016                   | 5 329           | (1 369)         | -               | (61)                                                               | 92                                                               | (3 124)                 | (633)                           | 16 250                   |
|                                                 |                          |                 |                 |                 | 6                                                                  |                                                                  | 33                      | 34                              |                          |

## Notes to the consolidated financial statements

For the year ended 31 December

Included in the above additions is **R1 178m**(2024: R1 674m) that relates to expenditure capitalised to the cost of property and equipment during the course of its construction.

Assets under construction brought into use during the reporting period amounted to **R1 117m** (2024: R1 168m).

Certain property and equipment held for sale totaling **R155m** (2024: R61m) for Group were transferred to non-current assets held for sale.

Included in the foreign exchange column is **Rnil** (2024: R128m), which relates to hyperinflation.

During the current year, the Group acted as lessor and commenced the leasing of motor vehicles under operating lease contracts. These leases do not include off market buy-back agreements; at the end of the lease term, management assesses the most profitable option for the underlying asset, which may involve re-leasing the vehicle to a new counterparty or disposing of it at a profit. Lease rentals are linked to the interest rate implicit in the lease, which is predominantly based on the prime rate. Credit default risk on the operating lease receivables is managed in accordance with the Group's credit risk management framework.

Included in the motor vehicle balance **R876m** (2024: Rnil) pertains to vehicles that are leased out under operating lease agreements.

The table below presents the undiscounted operating lease payments receivable by the Group as a lessor:

|                                                     | Group<br>2025<br>Rm | 2024<br>Rm |
|-----------------------------------------------------|---------------------|------------|
| Less than one year                                  | 98                  | -          |
| Between one and five years                          | 186                 | -          |
| <b>Total undiscounted lease payments receivable</b> | <b>284</b>          | <b>-</b>   |

## 13. Goodwill and Intangibles

|                                     | Group<br>2025 |                                                            |                          | 2024          |                                                            |                          |
|-------------------------------------|---------------|------------------------------------------------------------|--------------------------|---------------|------------------------------------------------------------|--------------------------|
|                                     | Cost<br>Rm    | Accumulated<br>amortisation<br>and/or<br>impairments<br>Rm | Carrying<br>amount<br>Rm | Cost<br>Rm    | Accumulated<br>amortisation<br>and/or<br>impairments<br>Rm | Carrying<br>amount<br>Rm |
| Computer software development costs | 25 443        | (11 705)                                                   | 13 738                   | 23 458        | (8 224)                                                    | 15 234                   |
| Customer lists and relationships    | 224           | (191)                                                      | 33                       | 229           | (187)                                                      | 42                       |
| Goodwill                            | 1 060         | (395)                                                      | 665                      | 1 081         | (359)                                                      | 722                      |
| Other                               | 141           | (122)                                                      | 19                       | 124           | (112)                                                      | 12                       |
|                                     | <b>26 868</b> | <b>(12 413)</b>                                            | <b>14 455</b>            | <b>24 892</b> | <b>(8 882)</b>                                             | <b>16 010</b>            |

|                                                         | Group<br>2025      |           |                                                 |           |                     |                   |                      |                                                       |                    |
|---------------------------------------------------------|--------------------|-----------|-------------------------------------------------|-----------|---------------------|-------------------|----------------------|-------------------------------------------------------|--------------------|
|                                                         | Opening<br>balance | Additions | Addition<br>through<br>business<br>combinations | Disposals | Foreign<br>exchange | Amor-<br>tisation | Impairment<br>charge | Transfer to<br>non-current<br>assets held<br>for sale | Closing<br>balance |
|                                                         | Rm                 | Rm        | Rm                                              | Rm        | Rm                  | Rm                | Rm                   | Rm                                                    | Rm                 |
| <b>Reconciliation of goodwill and intangible assets</b> |                    |           |                                                 |           |                     |                   |                      |                                                       |                    |



## Notes to the consolidated financial statements

For the year ended 31 December

|                                     |        |       |   |       |      |         |         |     |        |
|-------------------------------------|--------|-------|---|-------|------|---------|---------|-----|--------|
| Computer software development costs | 15 234 | 3 899 | - | (181) | 8    | (2 824) | (2 391) | (7) | 13 738 |
| Customer lists and relationships    | 42     | -     | - | -     | (7)  | (2)     | -       | -   | 33     |
| Goodwill                            | 722    | -     | - | -     | (21) | -       | (36)    | -   | 665    |
| Other                               | 12     | 17    | - | -     | 3    | (13)    | -       | -   | 19     |
|                                     | 16 010 | 3 916 | - | (181) | (17) | (2 839) | (2 427) | (7) | 14 455 |

|      |  |  |      |  |  |    |    |   |  |
|------|--|--|------|--|--|----|----|---|--|
| Note |  |  | 51.1 |  |  | 33 | 34 | 6 |  |
|------|--|--|------|--|--|----|----|---|--|

Group  
2024

| Reconciliation of goodwill and intangible assets | Opening balance<br>Rm | Additions<br>Rm | Addition through business combinations | Disposals<br>Rm | Foreign exchange and hyper-inflation movements<br>Rm | Amortisation<br>Rm | Impairment charge<br>Rm | Transfer to non-current assets held for sale<br>Rm | Closing balance<br>Rm |
|--------------------------------------------------|-----------------------|-----------------|----------------------------------------|-----------------|------------------------------------------------------|--------------------|-------------------------|----------------------------------------------------|-----------------------|
| Computer software development costs              | 13 626                | 4 830           | -                                      | (337)           | 30                                                   | (2 713)            | (179)                   | (23)                                               | 15 234                |
| Customer lists and relationships                 | 16                    | -               | 44                                     | (1)             | -                                                    | (3)                | -                       | (14)                                               | 42                    |
| Goodwill                                         | 769                   | -               | -                                      | -               | 45                                                   | -                  | (68)                    | (24)                                               | 722                   |
| Other                                            | 31                    | 2               | -                                      | -               | -                                                    | (13)               | (8)                     | -                                                  | 12                    |
|                                                  | 14 442                | 4 832           | 44                                     | (338)           | 75                                                   | (2 729)            | (255)                   | (61)                                               | 16 010                |
| Note                                             |                       |                 | 51.1                                   |                 |                                                      | 33                 | 34                      | 6                                                  |                       |

The majority of computer software development costs were internally generated. Included in computer software development costs is **R4 463m** (2024: R4 978m) relating to assets under construction which is not yet amortised, this includes the opening balance and any movements to date.

Borrowing costs of **R150m** (2024: R288m) were capitalized to computer software development costs.

Assets under construction relating to computer software of **R2 695m** (2024: R3 042m) were brought into use during the reporting period.

Included in 'Other' intangible assets are brands and licenses.

|                                                           | Group<br>2025<br>Rm | 2024<br>Rm |
|-----------------------------------------------------------|---------------------|------------|
| <b>Composition of goodwill</b>                            |                     |            |
| Absa Bank Ghana Limited                                   | 63                  | 100        |
| Absa Bank Mauritius Limited                               | 49                  | 55         |
| Absa Bank Uganda Limited                                  | 121                 | 135        |
| Absa Instant Life Proprietary Limited                     | 20                  | 20         |
| Absa Vehicle and Management Solutions Proprietary Limited | 112                 | 112        |
| Woolworths Financial Services Proprietary Limited         | 300                 | 300        |
|                                                           | 665                 | 722        |

## 14. Deferred tax

### 14.1 Reconciliation of net deferred tax (asset)/liability

|                                                                                   | Group<br>2025<br>Rm | 2024<br>Rm |
|-----------------------------------------------------------------------------------|---------------------|------------|
| <b>Balance at the beginning of the reporting period</b>                           | (6 855)             | (7 668)    |
| Deferred tax on amounts charged directly to other comprehensive income and equity | 1 182               | 1 302      |
| Credit to profit or loss (refer to note 36)                                       | (960)               | (2)        |
| Tax effect of translation and other differences                                   | 565                 | (487)      |
| <b>Balance at the end of the reporting period</b>                                 | (6 068)             | (6 855)    |

## Notes to the consolidated financial statements

For the year ended 31 December

### 14.2 Deferred tax (asset)/liability

|                                                                                       | Group          |                |
|---------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                       | 2025           | 2024           |
|                                                                                       | Rm             | Rm             |
| Tax effects of temporary differences between tax and book value for:                  |                |                |
| <b>Deferred tax liability</b>                                                         | <b>229</b>     | <b>378</b>     |
| Prepayments, accruals and other provisions                                            | 229            | 378            |
| <b>Deferred tax asset</b>                                                             | <b>(6 297)</b> | <b>(7 233)</b> |
| Assessed losses                                                                       | (3)            | (68)           |
| Fair value adjustments on financial instruments                                       | 785            | 346            |
| Cash flow hedge and financial assets at fair value through other comprehensive income | 1 074          | 191            |
| Impairment of loans and advances                                                      | (5 047)        | (4 766)        |
| Lease and rental debtor allowances                                                    | (449)          | (539)          |
| Prepayments, accruals and other provisions                                            | (1 655)        | (1 890)        |
| Payments received in advance                                                          | (813)          | (868)          |
| Own credit risk                                                                       | (390)          | (337)          |
| Capital allowances                                                                    | 852            | 1 169          |
| Retirement benefit assets                                                             | 40             | (10)           |
| Share-based payments                                                                  | (691)          | (461)          |
| <b>Net deferred tax asset</b>                                                         | <b>(6 068)</b> | <b>(6 855)</b> |

### 14.3 Future tax relief

The Group has estimated tax losses of **R952m** (2024: R1 037m) which are available for set-off against future taxable income. Deferred tax assets of **R7m** (2024: R73m) relating to tax losses carried forward were recognised because management considered it probable that future taxable profits would be available against which such losses can be used.

Of the total losses of **R708m** (2024: R813m) relating to Mozambique, **R0** (2024: R206m) was recognised for the purposes of deferred tax. The unrecognized amount was **R708m** (2024: R607m), due to management not considering it probable that future taxable profits would be available against which such losses can be used within the allowed 5 years, following the first tax year in which it arose.

## 15. Trading and hedging portfolio liabilities

|                                                    | Group         |               |
|----------------------------------------------------|---------------|---------------|
|                                                    | 2025          | 2024          |
|                                                    | Rm            | Rm            |
| Derivative liabilities                             | <b>66 876</b> | <b>52 753</b> |
| Commodity derivatives                              | 1 869         | 1 136         |
| Credit derivatives                                 | 3 771         | 107           |
| Equity derivatives                                 | 5 527         | 2 600         |
| Foreign exchange derivatives                       | 22 462        | 18 917        |
| Interest rate derivatives                          | 33 247        | 29 993        |
| Short positions                                    | 17 657        | 13 267        |
| Total trading portfolio liabilities                | <b>84 533</b> | <b>66 020</b> |
| Hedging portfolio liabilities (refer to note 53.3) | <b>3 196</b>  | <b>1 258</b>  |
|                                                    | <b>87 729</b> | <b>67 278</b> |

## Notes to the consolidated financial statements

For the year ended 31 December

### 16. Provisions

|                                                                                                                        | Group<br>2025                                    |                            |                                                                               |              |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------|-------------------------------------------------------------------------------|--------------|
|                                                                                                                        | Staff bonus<br>and incentive<br>provisions<br>Rm | Sundry<br>provisions<br>Rm | Undrawn<br>contractually<br>committed<br>and<br>guarantees<br>provision<br>Rm | Total<br>Rm  |
| <b>Balance at the beginning of the reporting period</b>                                                                | <b>3 418</b>                                     | <b>1 567</b>               | <b>822</b>                                                                    | <b>5 807</b> |
| Additions                                                                                                              | 3 761                                            | 1 516                      | -                                                                             | 5 277        |
| Amounts used                                                                                                           | (2 860)                                          | (742)                      | -                                                                             | (3 602)      |
| Reversals                                                                                                              | (317)                                            | (212)                      | -                                                                             | (529)        |
| Transfer to non-current liabilities held for sale                                                                      | (14)                                             | -                          | -                                                                             | (14)         |
| Movement in provisions for financial guarantees, undrawn committed facilities and letters of credit (Refer to note 48) | -                                                | -                          | (19)                                                                          | (19)         |
| Foreign exchange movements                                                                                             | (62)                                             | (40)                       | -                                                                             | (102)        |
| <b>Balance at the end of the reporting period</b>                                                                      | <b>3 926</b>                                     | <b>2 089</b>               | <b>803</b>                                                                    | <b>6 818</b> |

Provisions have been raised on financial guarantees, letters of credit and undrawn committed facilities, which is in line with the requirements of IFRS 9.

87% of the provisions balance is expected to be recovered or settled within 12 months after the reporting date.

Sundry provisions include amounts with respect to fraud, litigation, claims, provisions for dilapidation costs and indirect tax provisions.

#### 16.1 Reconciliation of ECL allowance

The following tables set out a reconciliation of the opening and closing IFRS 9 ECL allowances for off-statement of financial position guarantees and letters of credit.

|                                                         | Group<br>2025 |                                            |               |             |
|---------------------------------------------------------|---------------|--------------------------------------------|---------------|-------------|
|                                                         | Stage 1<br>Rm | Lifetime expected credit<br>losses ('LEL') |               | Total<br>Rm |
|                                                         |               | Stage 2<br>Rm                              | Stage 3<br>Rm |             |
| <b>Guarantees and letters of credit</b>                 |               |                                            |               |             |
| <b>Balance at the beginning of the reporting period</b> | <b>139</b>    | <b>84</b>                                  | <b>294</b>    | <b>517</b>  |
| Asset moved / allowance transferred to stage 1          | -             | -                                          | -             | -           |
| Asset moved / allowance transferred to stage 2          | (1)           | 2                                          | (1)           | -           |
| Credit impairment charges                               | -             | (25)                                       | (3)           | (28)        |
| Foreign exchange movements                              | 11            | (12)                                       | (4)           | (5)         |
| <b>Balance at the end of the reporting period</b>       | <b>149</b>    | <b>49</b>                                  | <b>286</b>    | <b>484</b>  |

|                                                         | Group<br>2024 |                                          |               |             |
|---------------------------------------------------------|---------------|------------------------------------------|---------------|-------------|
|                                                         | Stage 1<br>Rm | Lifetime expected credit losses<br>(LEL) |               | Total<br>Rm |
|                                                         |               | Stage 2<br>Rm                            | Stage 3<br>Rm |             |
| <b>Guarantees and letters of credit</b>                 |               |                                          |               |             |
| <b>Balance at the beginning of the reporting period</b> | <b>114</b>    | <b>176</b>                               | <b>484</b>    | <b>774</b>  |
| Asset moved / allowance transferred to stage 1          | 2             | (2)                                      | -             | -           |
| Asset moved / allowance transferred to stage 3          | -             | -                                        | (168)         | (168)       |
| Credit impairment charges                               | 37            | (97)                                     | (38)          | (98)        |
| Foreign exchange and hyperinflation movements           | (14)          | 7                                        | 16            | 9           |
| <b>Balance at the end of the reporting period</b>       | <b>139</b>    | <b>84</b>                                | <b>294</b>    | <b>517</b>  |

Notes to the consolidated financial statements

For the year ended 31 December

The ECL reconciliation tables above exclude undrawn facilities, the undrawn facilities allowance is included as part of the loans and advances note (refer note 7.2).

## Notes to the consolidated financial statements

For the year ended 31 December

### 17. Other liabilities

|                                                                                          | Group<br>2025<br>Rm | 2024<br>Rm    |
|------------------------------------------------------------------------------------------|---------------------|---------------|
| Accruals                                                                                 | 3 051               | 3 402         |
| Audit fee accrual                                                                        | 346                 | 324           |
| Cash-settled share-based payment liability (refer to note 49)                            | 552                 | 275           |
| Creditors                                                                                | 19 439              | 17 711        |
| Deferred income                                                                          | 313                 | 522           |
| Lease liabilities (refer to note 39)                                                     | 3 256               | 3 638         |
| Retirement benefit funds and post-retirement medical plan obligations (refer to note 40) | 666                 | 638           |
| Settlement balances                                                                      | 11 128              | 13 781        |
|                                                                                          | <b>38 751</b>       | <b>40 291</b> |

### 18. Deposits and debt funding

|                                        | Group<br>2025<br>Rm | 2024<br>Rm       |
|----------------------------------------|---------------------|------------------|
| Call deposits                          | 160 214             | 146 850          |
| Cheque account deposits                | 378 292             | 347 062          |
| Credit card deposits                   | 2 163               | 2 079            |
| Fixed deposits                         | 357 729             | 343 516          |
| Foreign currency deposits              | 107 643             | 114 772          |
| Notice deposits                        | 100 880             | 98 457           |
| Other deposits                         | 15 819              | 12 496           |
| Repurchase agreements                  | 136 724             | 103 392          |
| Savings and transmission deposits      | 365 467             | 340 684          |
| Commercial paper                       | 5 873               | 5 244            |
| Credit linked notes                    | 40 354              | 33 409           |
| Floating rate notes                    | 74 960              | 50 632           |
| Negotiable certificates of deposit     | 57 499              | 69 361           |
| Other                                  | 2 691               | 1 700            |
| Promissory notes                       | -                   | 837              |
| Senior notes                           | 48 037              | 47 726           |
| Structured notes and bonds             | 3                   | 1                |
| <b>Total deposits and debt funding</b> | <b>1 854 348</b>    | <b>1 718 218</b> |

Deposits amounting to **R1 624 930m** (2024: R1 509 308m), comprise amounts due to customers of **R1 441 246m** (2024: R1 359 816m) and due to banks of **R 183 684m** (2024: R149 492m).

During the current year, the Group elected to combine the disclosures for deposits and debt securities into a single note. This change has been adopted to be comparable to peers and aligns better with the purpose for which the instruments were issued. The change relates to presentation only and does not affect the recognition or measurement of deposits or debt funding. Comparative information has been re-presented, where applicable, to ensure consistency with the current year's disclosure. Refer to note 1.21.2.2 for further details on this reclassification.

'Other deposits' include on structured deals, unclaimed deposits, and 'Vostro' balances.

Included in call deposits are collateralised deposits from banks of **R7 528m** (2024: R1m) relating to securities lent.

## Notes to the consolidated financial statements

For the year ended 31 December

### 19. Liabilities under investment contracts

|                                                             | Group         |         |
|-------------------------------------------------------------|---------------|---------|
|                                                             | 2025          | 2024    |
|                                                             | Rm            | Rm      |
| <b>Net balance at the beginning of the reporting period</b> | <b>23 547</b> | 21 247  |
| Change in investment contracts                              | 2 058         | 1 083   |
| Cash inflows on investment contracts                        | 4 338         | 3 513   |
| Policyholder benefits paid on investment contracts          | (2 199)       | (2 296) |
| <b>Net balance at the end of the reporting period</b>       | <b>27 744</b> | 23 547  |

#### 19.1. Assets and liabilities backing the investment contracts

|                                                              | Group                                                                           |                                                                             |
|--------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
|                                                              | 2025                                                                            | 2024                                                                        |
|                                                              | Net assets/<br>(liabilities)<br>attributable<br>to<br>external<br>policyholders | Net<br>assets/(liabilities)<br>attributable to<br>external<br>policyholders |
|                                                              |                                                                                 | Rm                                                                          |
| Current tax liabilities                                      | (30)                                                                            | (25)                                                                        |
| Money market assets (refer to note 2)                        | 473                                                                             | 272                                                                         |
| Investments linked to investment contracts (refer to note 9) | 27 218                                                                          | 23 370                                                                      |
| Other assets                                                 | 16                                                                              | 17                                                                          |
| Other liabilities                                            | (76)                                                                            | (87)                                                                        |
|                                                              | <b>27 601</b>                                                                   | 23 547                                                                      |

# Notes to the consolidated financial statements

For the year ended 31 December

## 20. Subordinated Debt

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

|                                                 |  |  | Group         |               |
|-------------------------------------------------|--|--|---------------|---------------|
|                                                 |  |  | 2025          | 2024          |
|                                                 |  |  | Rm            | Rm            |
| <b>Reconciliation of Subordinated debt</b>      |  |  |               |               |
| <b>Opening balance</b>                          |  |  | 21 188        | 18 502        |
| <b>Changes arising from cash movements:</b>     |  |  | 629           | 141           |
| Subordinated debt issuances                     |  |  | 5 045         | 5 304         |
| Subordinated debt redemptions                   |  |  | (2 761)       | (3 120)       |
| Interest paid                                   |  |  | (1 655)       | (2 043)       |
| <b>Changes arising from non-cash movements:</b> |  |  | 745           | 2 545         |
| Interest accrued                                |  |  | 1 632         | 2 042         |
| Fair value adjustments                          |  |  | 336           | 253           |
| Foreign exchange movements                      |  |  | (1 223)       | 250           |
| <b>Closing balance</b>                          |  |  | <b>22 562</b> | <b>21 188</b> |

'Borrowed funds' has been renamed 'Subordinated debt'. Refer to note 1.21.2.1 for additional information.

At 31 December 2025, non-derivative financial liabilities of **R11 850m** (2024: R12 051m) have yet to transition to an alternate benchmark rate. Refer to note 53.8 of the Group financial statements for more information relating to the interest rate reform.

- The three-month JIBAR plus 2.10% floating rate notes with a nominal amount of ZAR 1.9bn may be redeemed in full at the option of Group on 16 September 2032, with the first optional redemption date being 16 September 2027. The interest is paid quarterly in arrears on 16 March, 16 June, 16 September and 16 December each year until the maturity date, with the first interest determination date being 12 September 2022. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- The three-month JIBAR plus 2.13% floating rate notes were redeemed in full on 17 May 2025.

## Notes to the consolidated financial statements

For the year ended 31 December

- iii. The three-month JIBAR plus 1.72% floating rate notes may be redeemed in full at the option of Group on 26 August 2033. Interest is paid quarterly in arrears on 26 February, 26 May, 26 August and 26 November each year until the maturity date. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- iv. The three-month JIBAR plus 1.72% floating rate notes may be redeemed in full at the option of Group on 06 August 2034. Interest is paid quarterly in arrears on 06 February, 06 May, 06 August and 06 November. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- v. The three-month JIBAR plus 1.75% floating rate notes may be redeemed in full at the option of Group on 21 September 2034. Interest is paid quarterly in arrears on 21 March, 21 June, 21 September and 21 December. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- vi. The three-month JIBAR plus 1.70% floating rate notes may be redeemed in full at the option of Group on 16 October 2034. Interest is paid quarterly in arrears on 16 January, 16 April, 16 July and 16 October. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- vii. The three-month JIBAR plus 1.62% floating rate notes may be redeemed in full at the option of Group on 12 October 2034. Interest is paid quarterly in arrears on 12 January, 12 April, 12 July and 12 October. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- viii. The three-month JIBAR plus 1.58% floating rate notes may be redeemed in full at the option of Group on 10 September 2035. Interest is paid quarterly in arrears on 10 March, 10 June, 10 September and 10 December. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- ix. The 6.375% fixed rate reset unsecured and perpetual notes with a nominal amount of USD 500m have no fixed redemption date. The notes qualify as additional Tier 1 capital for the Group. The Group is obliged to pay interest on each Interest Payment Date unless: (a) it elects not to pay the relevant interest amount on such Interest Payment Date in whole or in part and for any reason; (b) it is in breach of either (i) the Capital Regulations or (ii) the Solvency Condition on the business day prior to such Interest Payment Date or would be in breach of the Capital Regulations or the Solvency Condition if the relevant interest amount were paid on such Interest Payment Date; or (c) at any time the Prudential Authority imposes a mandatory prohibition on the payment by the Issuer of such interest amount. The interest is payable semi-annually in arrears on 27 May and 27 November each year, commencing on 27 November 2021. The reset dates are every 5 years. The interest rate is 6.375% from the issue date to (but excluding) the first reset date, 27 November 2026. Thereafter, the interest rate will be reset to an interest applicable to the relevant reset period. The terms of the Additional Tier 1 capital notes include a regulatory requirement which provides for the write off, in whole or in part, in the case of a disqualifying event. In addition, interest payments are mandatorily payable if, for any reason, the instrument no longer meets the criteria of AT1 Capital in terms of Regulation 38(11).
- x. The 6.625% fixed rate reset callable subordinated Tier 2 notes, with a nominal amount of USD 150m, may be redeemed in full at the option of Group on 8 June 2036. Group also has an issuer call option that may be exercised on 8 June 2031. From 8 December 2025 to 8 June 2031, the notes will bear interest at a fixed rate of 6.625% per annum. From 8 June 2031, the interest rate applicable to the notes will reset to the Reset Interest Rate, which will be determined by the calculation agent on the reset determination date and will include a reset margin of 2.92% per annum. The interest rate following the reset date may be lower than the initial rate of interest. Interest is payable semi-annually in arrears on 8 June and 8 December, commencing on 8 June 2026.
- xi. The 7.5% fixed rate notes issued by National Bank of Commerce, with a nominal amount of TZS 13 000m (ZAR 85m) were redeemed in full on 30 June 2025.

Notes i to viii are listed on the Johannesburg Stock Exchange Debt Market.

Note ix to x are listed on the London Stock Exchange.

In accordance with the memorandums of incorporation, the borrowing powers of the Group are unlimited.



## Notes to the consolidated financial statements

For the year ended 31 December

### 21. Share capital, premium and other equity

#### 21.1 Ordinary share capital

|                                                                             | Group<br>2025<br>Rm | 2024<br>Rm |
|-----------------------------------------------------------------------------|---------------------|------------|
| <b>Authorised</b>                                                           |                     |            |
| <b>950 000 000</b> (2024: 950 000 000) ordinary shares of R2.00 each        | <b>1 900</b>        | 1 900      |
| <b>Issued</b>                                                               |                     |            |
| <b>894 376 907</b> (2024: 894 376 907) ordinary shares of R2.00             | <b>1 789</b>        | 1 789      |
| <b>65 597 829</b> (2024: 64 918 470) treasury shares held by Group entities | <b>(132)</b>        | (131)      |
|                                                                             | <b>1 657</b>        | 1 658      |
| <b>Total Issued capital</b>                                                 |                     |            |
| Share capital                                                               | <b>1 657</b>        | 1 658      |
| Share premium                                                               | <b>10 437</b>       | 10 562     |
|                                                                             | <b>12 094</b>       | 12 220     |

#### Authorised shares

During the current reporting period, the authorised share capital remained unchanged with par value of R2 each.

#### Unissued shares

The unissued shares are under the control of the directors, subject to a limit of 5% of issued ordinary share capital as at the reporting date, in terms of a general authority to allot and issue them on such terms and conditions and at such times as they deem fit. This authority expires at the forthcoming annual general meeting of the Group.

#### Ordinary issued

Ordinary shares when issued entitles the holders to distribution of profit and the right to vote on any matter to be decided by a vote of holders of the ordinary shares of the Group.

#### Shares issued

There were no shares issued during the current and prior year reporting period.

#### 21.2 Treasury shares

The Absa Group Limited Share Incentive Trust holds treasury shares which are utilised by the Group as a vehicle from which share incentive awards are granted. Absa Life Limited and Absa Capital Securities Proprietary Limited hold **2 991 446** (2024: 2 312 087) treasury shares, which are utilised by the Group in the normal course of business and held in the entities' share portfolios.

Newshelf 1405 (RF) Proprietary Limited (which is currently consolidated into the Group) holds **7%**(2024: 7%) ,i.e.,**62 606 383** (2024: 62 606 383) Absa Group Limited shares as part of the Group's B-BBEE transaction, 3% is designated for the SA Staff Trust, in which employees will become shareholders after five years (from 1 September 2023). An additional 4% is designated for a perpetual Corporate Social Investment (CSI) Trust.

The afore-mentioned entities are consolidated by the Group (refer to note 45.4) and the shares held by these entities are therefore accounted for as treasury shares and eliminated against the Group's share capital and share premium.

## Notes to the consolidated financial statements

For the year ended 31 December

### 21.3 Directors' and Prescribed officers interests in the Group's ordinary shares

|                                                               | Direct number of shares<br>Beneficial |                | Indirect number of shares<br>Beneficial |          | Total direct and indirect<br>number of shares<br>Beneficial |                |
|---------------------------------------------------------------|---------------------------------------|----------------|-----------------------------------------|----------|-------------------------------------------------------------|----------------|
|                                                               | 2025                                  | 2024           | 2025                                    | 2024     | 2025                                                        | 2024           |
| <b>Present directors</b>                                      |                                       |                |                                         |          |                                                             |                |
| P Mageza                                                      | 20 565                                | 20 565         | -                                       | -        | 20 565                                                      | 20 565         |
| D Raju                                                        | 89 169                                | 58 713         | -                                       | -        | 89 169                                                      | 58 713         |
| <b>Prescribed officers</b>                                    |                                       |                |                                         |          |                                                             |                |
| GS Lee                                                        | 78 477                                | 47 843         | -                                       | -        | 78 477                                                      | 47 843         |
| FS Mkhize                                                     | 86 795                                | 56 827         | -                                       | -        | 86 795                                                      | 56 827         |
| Y Masithela                                                   | 27 698                                | 88 684         | -                                       | -        | 27 698                                                      | 88 684         |
| CJ Russon                                                     | 269 049                               | 190 891        | -                                       | -        | 269 049                                                     | 190 891        |
| C Wu                                                          | 60 126                                | 44 787         | -                                       | -        | 60 126                                                      | 44 787         |
| <b>Past Prescribed officers</b>                               |                                       |                |                                         |          |                                                             |                |
| C Fox (resigned 26 April 2024)                                | -                                     | 75 534         | -                                       | -        | -                                                           | 75 534         |
| M Harvey (stepped down from interim position 31 July 2024)    | 108 848                               |                |                                         |          | 108 848                                                     |                |
| <b>Past Directors</b>                                         |                                       |                |                                         |          |                                                             |                |
| CFJ Snyman (stepped down from interim position 26 April 2024) |                                       | 37 487         |                                         |          |                                                             | 37 487         |
|                                                               |                                       | -              | -                                       | -        | -                                                           | -              |
|                                                               | <b>740 727</b>                        | <b>621 331</b> | <b>-</b>                                | <b>-</b> | <b>740 727</b>                                              | <b>621 331</b> |

There was no movement in shareholding between the reporting date and the date of approval of the financial statements.

Yasmin Masithela stepped down from her role as Prescribed Officer effective 1 January 2026, she has since then assumed the role of Africa Regions Regional Executive: Southern Africa.

## 22. Other Reserves

### 22.1 General credit risk reserve

The general credit risk reserve consists of the following:

For some African subsidiaries, the IFRS 9 expected credit losses allowance is less than the regulatory provision, which results in a shortfall. An additional general credit risk reserve has been created and maintained through a transfer of distributable reserves, which eliminates the shortfall.

### 22.2 Fair value through other comprehensive income reserve

The fair value reserve comprises only the cumulative net change in the fair value of debt instruments measured at FVOCI, until such time as they are derecognised. Upon derecognition of debt instruments measured at FVOCI, the cumulative amount recognised in other comprehensive income is released to profit or loss. Since the cumulative net change in the fair value of equity instruments designated as at FVOCI is not recycled to profit or loss upon derecognition, the Group recognises the cumulative net change in fair value of these instruments in retained earnings.

### 22.3 Cash flow hedging reserve

The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

### 22.4 Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations into the presentation currency of the Group.

### 22.5 Foreign insurance subsidiary regulatory reserve

The foreign insurance subsidiary regulatory reserve is calculated on the basis of the following minimum percentages of profits recorded in each reporting period for that subsidiary:

- 20% until the value of the reserves represents half of the minimum capital required under the foreign insurance subsidiary's legislation.
- 10% from the point at which the amount specified in the preceding paragraph has been attained.

### 22.6 Share-based payment reserve

The reserve comprises the credit to equity for equity-settled share based payment arrangements in terms of IFRS 2. The standard requires that the expense be charged to the profit or loss component of the statement of comprehensive income, while a credit needs to be raised against equity over the vesting period (i.e. the period between the allocation date and the date on which employees will become entitled to their options).

## Notes to the consolidated financial statements

For the year ended 31 December

When options are exercised, the reserve related to the specific options is transferred to share capital and/or share premium. If the options lapse after vesting, the related reserve is transferred to share capital and share premium. If the options lapse before vesting, the related reserve is reversed through the profit or loss component of the statement of comprehensive income. Refer to Note 49 for further information on Share-based payment.

### 22.7 Associates' and joint ventures' reserve

The associates' and joint ventures' reserve comprised the Group's share of its associates and/or joint ventures' accumulated profits, losses and other comprehensive income.

### 22.8 Retained earnings

The retained earnings comprises the cumulative total comprehensive income recognised from inception (reduced by any amounts transferred to a separate reserve), reduced by dividends paid to date and any total comprehensive income relating to disposed subsidiaries and includes changes in OCI with respect to the following:

- movement in the fair value of equity instruments measured at FVOCI;
- movement in the fair value attributable to own credit risk on liabilities designated at FVTPL;
- movement in the actuarial valuation of retirement benefit fund assets and liabilities;
- direct shareholder contributions; and
- impact of the application of accounting for hyperinflation in subsidiaries who are considered to be operating in hyperinflationary economies.

### 22.9 Insurance finance reserve

The insurance finance reserve comprises the net insurance finance income and expenses recognised in OCI for life risk insurance and reinsurance contracts measured using the general measurement model.

### 22.10 Transfers between reserves

During the current reporting period, transfers occurred between various reserves and retained earnings. These arose as a result of the disposal of non-core insurance entities within Africa Regions – Personal and Private Banking & Business Banking, as well as the cessation of the application of hyperinflationary accounting.

## 23. Non-controlling interest and other equity

### 23.1 Preference shares

|                                                                                                            | Group<br>2025<br>Rm | 2024<br>Rm |
|------------------------------------------------------------------------------------------------------------|---------------------|------------|
| <b>Authorised</b>                                                                                          |                     |            |
| <b>30 000 000</b> (2024: 30 000 000) non-cumulative, non-redeemable listed preference shares of R0.01 each | <b>1</b>            | <b>1</b>   |
| <b>Issued</b>                                                                                              |                     |            |
| <b>0</b> (2024: 4 944 839) non-cumulative, non-redeemable listed preference shares of R0.01 each           | <b>-</b>            | <b>1</b>   |
| <b>Total issued capital</b>                                                                                |                     |            |
| Share capital                                                                                              | -                   | 1          |
| Share premium                                                                                              | -                   | 4 643      |
|                                                                                                            | -                   | 4 644      |

On 3 June 2025, at a Scheme Meeting of Absa Bank preference shareholders, a special resolution was passed to implement a scheme of arrangement in which all outstanding preference shares would be acquired by Absa Bank Limited. As a result, all non-redeemable, non-cumulative, non-participating preference shares were repurchased on 21 July 2025, returned to Absa Bank Limited's authorised but unissued share capital, and delisted from the JSE Main Board. This transaction resulted in the derecognition in July 2025 of the Group's non-controlling interest relating to preference shares, with a gain of R31m being recognised directly in equity.

## Notes to the consolidated financial statements

For the year ended 31 December

### 23.2 Other equity: Additional Tier 1 capital

|                                                                 |                      | Group         | 2024         |
|-----------------------------------------------------------------|----------------------|---------------|--------------|
|                                                                 |                      | 2025          | Rm           |
|                                                                 |                      | Rm            |              |
| <b>Subordinated callable notes issued by Absa Group Limited</b> |                      |               |              |
| <b>Interest rate</b>                                            | <b>Date of issue</b> |               |              |
| Three-month JIBAR + 4.25%                                       | 5 December 2019      | -             | 1 376        |
| Three-month JIBAR + 4.55%                                       | 26 October 2020      | -             | 1 209        |
| Three-month JIBAR + 3.58%                                       | 15 November 2022     | 1 999         | 1 999        |
| Three-month JIBAR + 2.94%                                       | 30 October 2023      | 2 000         | 2 000        |
| Three-month JIBAR + 2.90%                                       | 13 May 2024          | 1 511         | 1 511        |
| Three-month JIBAR + 2.74%                                       | 28 November 2024     | 1 579         | 1 579        |
| Three-month JIBAR + 2.57%                                       | 09 July 2025         | 3 009         | -            |
|                                                                 |                      | <b>10 098</b> | <b>9 674</b> |

The Additional Tier 1 capital notes represent perpetual, subordinated instruments redeemable in full at the option of Absa Group Limited (the issuer) on 16 November 2027, 30 October 2028, 14 May 2029, 29 November 2029 and 09 July 2031 subject to regulatory approval. These instruments include a write-off provision which is required under Basel III. This provision is triggered by the Prudential Authority and shall be instituted at the earlier of (i) a decision that a write-off, without which the Issuer would become non-viable, is necessary; or (ii) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable. In addition, the Additional Tier 1 Notes do not have a contractual obligation to pay interest. Accordingly, the instruments are classified as equity instruments. Additional Tier 1 notes that were issued on 05 December 2019 and 26 October 2020 were redeemed on 05 June 2025 and 27 October 2025 respectively.

## 24. Interest and similar income

|                                                       |         | Group          | 2024           |
|-------------------------------------------------------|---------|----------------|----------------|
|                                                       |         | 2025           | Rm             |
|                                                       |         | Rm             |                |
| <b>Interest and similar income is earned from:</b>    |         |                |                |
| Cash, cash balances and balances with central banks   | 9       | 5              |                |
| Interest on hedging instruments                       | (359)   | (1 350)        |                |
| Investment securities                                 | 21 073  | 20 294         |                |
| Loans and advances                                    | 140 132 | 148 829        |                |
| Loans and advances to customers                       | 133 297 | 141 200        |                |
| Corporate overdrafts and specialised finance loans    | 1 543   | 1 765          |                |
| Credit cards                                          | 10 096  | 10 197         |                |
| Foreign currency loans                                | 3 560   | 5 317          |                |
| Instalment credit agreements                          | 16 061  | 16 489         |                |
| Finance lease receivables                             | 263     | 282            |                |
| Loans to associates and joint ventures                | 2 321   | 2 351          |                |
| Microloans                                            | 615     | 624            |                |
| Mortgages                                             | 42 897  | 45 333         |                |
| Other advances                                        | 1 849   | 3 056          |                |
| Overdrafts                                            | 7 551   | 7 174          |                |
| Overnight finance                                     | 1 814   | 1 747          |                |
| Personal and term loans                               | 41 464  | 43 669         |                |
| Preference shares                                     | 3 224   | 3 168          |                |
| Reverse repurchase agreements                         | 39      | 28             |                |
| Loans and advances to banks                           | 6 835   | 7 629          |                |
| Other interest                                        | 231     | 78             |                |
|                                                       |         | <b>161 086</b> | <b>167 856</b> |
| <b>Classification of interest and similar income:</b> |         |                |                |
| Interest on hedging instruments                       | (359)   | (1 350)        |                |
| Cash flow hedges (refer to note 53.7)                 | (57)    | (1 657)        |                |
| Fair value hedging instruments                        | (302)   | 307            |                |
| Interest on financial assets held at amortised cost   | 142 417 | 151 674        |                |

Notes to the consolidated financial statements

For the year ended 31 December

|                                                                            |         |         |
|----------------------------------------------------------------------------|---------|---------|
| Interest on financial assets measured at FVOCI                             | 16 424  | 14 633  |
| Interest on financial assets measured at fair value through profit or loss | 2 604   | 2 899   |
| Investment securities                                                      | 59      | -       |
| Loans and advances                                                         | 2 545   | 2 899   |
|                                                                            | 161 086 | 167 856 |

Interest income on 'other advances' includes items such as interest on factored debtors' books.

In 2024, the Group incorrectly disclosed interest income relating to term loans as wholesale overdrafts. This has resulted in interest income attributable to Personal and term loans being restated from R28 641m to R43 669m and wholesale overdrafts from R15 028m to Rnil.

## Notes to the consolidated financial statements

For the year ended 31 December

### 25. Interest expense and similar charges

|                                                               | <b>Group</b>  |               |
|---------------------------------------------------------------|---------------|---------------|
|                                                               | <b>2025</b>   | 2024          |
|                                                               | <b>Rm</b>     | Rm            |
| <b>Interest expense and similar charges are paid on:</b>      |               |               |
| Subordinated debt                                             | 1 632         | 2 042         |
| Deposits and debt funding                                     | 84 874        | 93 576        |
| Debt funding                                                  | 9 154         | 13 503        |
| Deposits                                                      | 75 720        | 80 073        |
| Call deposits                                                 | 10 094        | 12 940        |
| Cheque account deposits                                       | 10 463        | 9 619         |
| Credit card deposits                                          | 7             | 7             |
| Fixed deposits                                                | 23 325        | 23 671        |
| Foreign currency deposits                                     | 2 182         | 3 912         |
| Notice deposits                                               | 6 408         | 6 562         |
| Other deposits                                                | 462           | 691           |
| Savings and transmission deposits                             | 22 779        | 22 671        |
| Interest on hedging instruments                               | 226           | 392           |
| Interest incurred on lease liabilities (refer to note 39)     | 330           | 351           |
| Other                                                         | 83            | 390           |
|                                                               | <b>87 145</b> | <b>96 751</b> |
| <b>Classification of interest expense and similar charges</b> |               |               |
| Interest on hedging instruments                               | 226           | 392           |
| Cash flow hedges (refer to note 53.7)                         | 85            | (67)          |
| Fair value hedges                                             | 141           | 459           |
| Interest on financial liabilities measured at amortised cost  | 86 919        | 96 359        |
|                                                               | <b>87 145</b> | <b>96 751</b> |

Deposits and debt securities have been reclassified and presented as a single line item, restated from R80 073m and R13 503m respectively to R93 576m. Refer to Note 1.21.2.2 for further details on this reclassification.

Borrowed funds' has been renamed as 'Subordinated debt' to improve clarity. This represents a change in naming convention only.

## Notes to the consolidated financial statements

For the year ended 31 December

### 26. Net fee and commission income

|                                                                                                      | Group          |                |
|------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                      | 2025<br>Rm     | 2024<br>Rm     |
| Consulting and administration fees                                                                   | 567            | 501            |
| Insurance commission received                                                                        | 930            | 952            |
| Investment, markets execution and investment banking fees                                            | 426            | 542            |
| Merchant income                                                                                      | 3 796          | 3 262          |
| Other fee and commission income                                                                      | 622            | 558            |
| Transactional fees and commissions                                                                   | 24 088         | 23 173         |
| Cheque accounts                                                                                      | 5 373          | 5 246          |
| Credit cards (includes card issuing fees)                                                            | 3 599          | 3 336          |
| Electronic banking                                                                                   | 6 478          | 6 926          |
| Service charges                                                                                      | 5 994          | 5 165          |
| Other (includes exchange commissions and guarantees)                                                 | 1 507          | 1 378          |
| Savings accounts                                                                                     | 1 137          | 1 122          |
| Trust and other fiduciary services fees                                                              | 801            | 671            |
| Portfolio and other management fees                                                                  | 417            | 290            |
| Trust and estate income                                                                              | 384            | 381            |
| <b>Fee and commission income</b>                                                                     | <b>31 230</b>  | <b>29 659</b>  |
| <b>Fee and commission expense</b>                                                                    | <b>(4 478)</b> | <b>(3 758)</b> |
| Brokerage fees                                                                                       | (143)          | (107)          |
| Cheque processing fees                                                                               | (1)            | (3)            |
| Clearing and settlement charges                                                                      | (2 136)        | (1 800)        |
| Notification fees                                                                                    | (268)          | (228)          |
| Other                                                                                                | (1 831)        | (1 520)        |
| Valuation fees                                                                                       | (99)           | (100)          |
|                                                                                                      | <b>26 752</b>  | <b>25 901</b>  |
| <b>Included above are net fees and commissions linked to financial instruments not at fair value</b> |                |                |
| Cheque accounts                                                                                      | 5 373          | 5 246          |
| Credit cards                                                                                         | 3 599          | 3 336          |
| Electronic banking                                                                                   | 6 478          | 6 926          |
| Service charges                                                                                      | 5 994          | 5 165          |
| Other                                                                                                | 1 507          | 1 378          |
| Savings accounts                                                                                     | 1 137          | 1 122          |
| Fee and commission income                                                                            | 24 088         | 23 173         |
| Fee and commission expense                                                                           | (4 442)        | (3 573)        |
|                                                                                                      | <b>19 646</b>  | <b>19 600</b>  |

The Group provides custody, trustee, corporate administration, investment management and advisory services to third parties, which involves the Group making allocation, purchase and sale decisions in relation to a wide range of financial instruments. Some of these services involve the Group accepting targets for benchmark levels of returns for the assets under the Group's care.

Credit cards include card issuing and acquiring fees.

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

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

Other fees and commission expense include devices costs of **R262m** (2024: R265m) and commission fees paid of **R676m** (2024: R588m).

## Notes to the consolidated financial statements

For the year ended 31 December

### 27. Insurance revenue

|                                                                   | Group<br>2025 |                |               |
|-------------------------------------------------------------------|---------------|----------------|---------------|
|                                                                   | Life<br>Rm    | Non-life<br>Rm | Total<br>Rm   |
| <b>Contracts not measured under the PAA</b>                       | <b>5 211</b>  | <b>-</b>       | <b>5 211</b>  |
| Amounts relating to changes in liabilities for remaining coverage | <b>4 706</b>  | <b>-</b>       | <b>4 706</b>  |
| CSM recognised for services provided                              | <b>1 577</b>  | <b>-</b>       | <b>1 577</b>  |
| Change in risk adjustment for non-financial risk for risk expired | <b>182</b>    | <b>-</b>       | <b>182</b>    |
| Expected incurred claims and other insurance service expenses     | <b>3 078</b>  | <b>-</b>       | <b>3 078</b>  |
| Other, including experience adjustments                           | <b>(131)</b>  | <b>-</b>       | <b>(131)</b>  |
| Recovery of insurance acquisition cash flows                      | <b>505</b>    | <b>-</b>       | <b>505</b>    |
| <b>Contracts measured under the PAA</b>                           | <b>910</b>    | <b>5 557</b>   | <b>6 467</b>  |
| <b>Total insurance revenue</b>                                    | <b>6 121</b>  | <b>5 557</b>   | <b>11 678</b> |

|                                                                   | Group<br>2024 |                |               |
|-------------------------------------------------------------------|---------------|----------------|---------------|
|                                                                   | Life<br>Rm    | Non-life<br>Rm | Total<br>Rm   |
| <b>Contracts not measured under the PAA</b>                       | <b>5 071</b>  | <b>-</b>       | <b>5 071</b>  |
| Amounts relating to changes in liabilities for remaining coverage | <b>4 482</b>  | <b>-</b>       | <b>4 482</b>  |
| CSM recognised for services provided                              | <b>1 505</b>  | <b>-</b>       | <b>1 505</b>  |
| Change in risk adjustment for non-financial risk for risk expired | <b>164</b>    | <b>-</b>       | <b>164</b>    |
| Expected incurred claims and other insurance service expenses     | <b>3 656</b>  | <b>-</b>       | <b>3 656</b>  |
| Other, including experience adjustments                           | <b>(843)</b>  | <b>-</b>       | <b>(843)</b>  |
| Recovery of insurance acquisition cash flows                      | <b>589</b>    | <b>-</b>       | <b>589</b>    |
| <b>Contracts measured under the PAA</b>                           | <b>1 020</b>  | <b>5 761</b>   | <b>6 781</b>  |
| <b>Total insurance revenue</b>                                    | <b>6 091</b>  | <b>5 761</b>   | <b>11 852</b> |



## Notes to the consolidated financial statements

For the year ended 31 December

### 28. Insurance finance income and expenses

|                                                                     | Group       |             |             | 2024        |             |             |
|---------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                                                     | 2025        |             |             | 2024        |             |             |
|                                                                     | Life Rm     | Non-life Rm | Total Rm    | Life Rm     | Non-life Rm | Total Rm    |
| <b>Net finance income/(expenses) from insurance contracts</b>       | <b>26</b>   | <b>(3)</b>  | <b>23</b>   | <b>57</b>   | <b>6</b>    | <b>63</b>   |
| Interest accreted                                                   | (245)       | (3)         | (248)       | (117)       | 2           | (115)       |
| Effect of changes in interest and other financial assumptions       | 314         | -           | 314         | 174         | -           | 174         |
| Net foreign exchange gain/ (loss)                                   | (43)        | -           | (43)        | -           | 4           | 4           |
| Amounts recognised in profit or loss                                | (344)       | (3)         | (347)       | (220)       | -           | (220)       |
| Amounts recognised in OCI                                           | 370         | -           | 370         | 283         | -           | 283         |
| <b>Total</b>                                                        | <b>26</b>   | <b>(3)</b>  | <b>23</b>   | <b>63</b>   | <b>-</b>    | <b>63</b>   |
| <b>Net finance income/(expenses) from reinsurance contracts</b>     | <b>(88)</b> | <b>-</b>    | <b>(88)</b> | <b>(47)</b> | <b>-</b>    | <b>(47)</b> |
| Interest accreted                                                   | (22)        | -           | (22)        | (24)        | -           | (24)        |
| Effect of changes in interest rates and other financial assumptions | (63)        | -           | (63)        | (21)        | -           | (21)        |
| Net foreign exchange gain/(loss)                                    | (3)         | -           | (3)         | (2)         | -           | (2)         |
| Amounts recognised in profit or loss                                | (36)        | -           | (36)        | -           | -           | -           |
| Amounts recognised in OCI                                           | (52)        | -           | (52)        | (47)        | -           | (47)        |
| <b>Total</b>                                                        | <b>(88)</b> | <b>-</b>    | <b>(88)</b> | <b>(47)</b> | <b>-</b>    | <b>(47)</b> |

Net finance income/(expenses) from insurance contracts should be read in conjunction with 'Net (losses)/gains on investment activities: Insurance contracts' reported in 'Gains and losses from investment activities' in note 30.

### 29. Gains and losses from banking and trading activities

|                                                                                            | Group    |         |
|--------------------------------------------------------------------------------------------|----------|---------|
|                                                                                            | 2025 Rm  | 2024 Rm |
| Net gains on investments                                                                   | 324      | 527     |
| Debt instruments designated at fair value through profit or loss                           | 126      | 160     |
| Equity instruments at fair value through profit or loss                                    | 210      | 365     |
| Unwind from reserves for debt instruments at fair value through other comprehensive income | (12)     | 2       |
| Net trading result                                                                         | 10 531   | 8 211   |
| Net trading income excluding the impact of hedge accounting                                | 10 481   | 8 055   |
| Ineffective portion of hedges                                                              | 50       | 156     |
| Cash flow hedges                                                                           | 88       | 64      |
| Fair value hedges                                                                          | (38)     | 92      |
| Other losses                                                                               | (2)      | (19)    |
|                                                                                            | 10 853   | 8 719   |
| <b>Net trading result and other gains on financial instruments</b>                         |          |         |
| Net trading income excluding the impact of hedge accounting                                | 10 481   | 8 055   |
| Losses on financial instruments designated at FVTPL                                        | (12 323) | (6 979) |
| Gains on financial instruments mandatorily measured at FVTPL                               | 22 804   | 15 034  |
| Other (losses)/gains                                                                       | (2)      | (19)    |
| Gains on financial instruments designated at FVTPL                                         | 414      | 193     |
| Losses on financial instruments mandatorily measured at FVTPL                              | (416)    | (212)   |

### 30. Gains and losses from investment activities

|                                    | Group   |         |
|------------------------------------|---------|---------|
|                                    | 2025 Rm | 2024 Rm |
| Net gains on investment activities | 3 605   | 2 491   |
| Insurance contracts                | 818     | 693     |
| Investment contracts               | 2 228   | 1 219   |
| Shareholder funds                  | 559     | 579     |
| Other gains                        | 30      | 36      |

Notes to the consolidated financial statements

For the year ended 31 December

|                                                                                 |       |       |
|---------------------------------------------------------------------------------|-------|-------|
|                                                                                 | 3 635 | 2 527 |
| Classification of gains from investment activities                              |       |       |
| Gains on financial instruments designated at fair value through profit and loss | 3 605 | 2 491 |
|                                                                                 | 3 605 | 2 491 |

The insurance contracts amount includes gains and losses on the underlying assets that relate to Life: **R695m** (2024: R513m) and Non-life: **R123m** (2024: R180m) insurance contracts issued and should be read in conjunction with ‘net finance income/(expenses) from insurance contracts’ reported in note 28: ‘insurance finance income and expenses’.

## Notes to the consolidated financial statements

For the year ended 31 December

### 31. Other operating income

|                                                                                          | Group |      |
|------------------------------------------------------------------------------------------|-------|------|
|                                                                                          | 2025  | 2024 |
|                                                                                          | Rm    | Rm   |
| Foreign exchange differences, including amounts recycled from other comprehensive income | (24)  | (23) |
| Income from investment properties                                                        | 3     | 2    |
| Change in fair value (refer to note 11)                                                  | 3     | -    |
| Rentals                                                                                  | -     | 2    |
| Revenue arising from contracts with customers                                            | 5     | 5    |
| Income from maintenance contracts                                                        | 4     | -    |
| Profit on disposal of developed properties                                               | -     | 5    |
| Gross sales                                                                              | -     | 7    |
| Cost of sales                                                                            | -     | (2)  |
| Profit on sale of repossessed properties                                                 | 1     | -    |
| Gross sales                                                                              | 21    | -    |
| Cost of sales                                                                            | (20)  | -    |
| Derecognition gain on financial instruments measured at amortised cost                   | 239   | -    |
| Loss on disposal of intangible assets                                                    | (7)   | (2)  |
| Profit on sale of property and equipment                                                 | 6     | 150  |
| Rental income                                                                            | 42    | 34   |
| Sundry income                                                                            | 622   | 703  |
|                                                                                          | 886   | 869  |

Sundry income includes profit on disposal of non-core assets and non-interest income.

Sundry income includes income from unallocated funds of **R221m** (2024: R480m) and **R133m** (2024: R170m) from rental income on vehicles.

## Notes to the consolidated financial statements

For the year ended 31 December

### 32. Credit impairment charges

|                                                                                     | Group         |               |
|-------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                     | 2025          | 2024          |
|                                                                                     | Rm            | Rm            |
| <b>Charge to the statement of comprehensive income</b>                              |               |               |
| Credit impairment charges raised during the reporting period                        | 14 023        | 14 306        |
| Stage 1 expected losses                                                             | (461)         | (1 501)       |
| Stage 2 expected losses                                                             | 409           | 1 165         |
| Stage 3 expected losses                                                             | 14 075        | 14 642        |
| Losses on modifications                                                             | 320           | 879           |
| Recoveries of loans and advances previously written off                             | (933)         | (881)         |
| <b>Total charge to the statement of comprehensive income</b>                        | <b>13 410</b> | <b>14 304</b> |
| <b>Credit impairment charges raised during the reporting period by product type</b> |               |               |
| Loans and advances to customers and undrawn facilities                              | 13 561        | 14 364        |
| Loans and advances to banks                                                         | 21            | (20)          |
| Other financial instruments subject to credit impairment                            | 469           | 60            |
| Guarantees and letters of credit                                                    | (28)          | (98)          |
| <b>Credit impairment charges raised</b>                                             | <b>14 023</b> | <b>14 306</b> |

### 33. Operating expenses

|                                                                        | Group         |               |
|------------------------------------------------------------------------|---------------|---------------|
|                                                                        | 2025          | 2024          |
|                                                                        | Rm            | Rm            |
| Administration fees                                                    | 316           | 173           |
| Amortisation of intangible assets (refer to note 13)                   | 2 839         | 2 729         |
| Auditors' remuneration                                                 | 614           | 596           |
| Audit fees – current reporting period                                  | 545           | 533           |
| Audit fees – underprovision                                            | 1             | 11            |
| Audit-related fees                                                     | 68            | 52            |
| Cash transportation                                                    | 966           | 1 242         |
| Depreciation (refer to note 12)                                        | 3 200         | 3 124         |
| Equipment costs                                                        | 622           | 510           |
| Maintenance                                                            | 326           | 333           |
| Rentals                                                                | 296           | 177           |
| Information technology                                                 | 7 078         | 6 848         |
| Marketing costs                                                        | 2 298         | 2 125         |
| Other operating costs                                                  | 822           | 678           |
| Printing and stationery                                                | 394           | 359           |
| Professional fees                                                      | 3 329         | 3 127         |
| Property costs                                                         | 1 982         | 1 969         |
| Staff costs                                                            | 36 373        | 33 654        |
| Bonuses                                                                | 4 054         | 3 528         |
| Deferred cash and share-based payments (refer to note 49)              | 1 914         | 1 643         |
| Other Staff Costs                                                      | 1 244         | 1 115         |
| Salaries and current service costs on post-retirement benefit funds    | 28 579        | 26 844        |
| Training costs                                                         | 582           | 524           |
| Straight line lease expenses on short term leases and low value assets | 235           | 189           |
| Telephone and postage                                                  | 1 167         | 1 185         |
|                                                                        | <b>62 235</b> | <b>58 508</b> |

Audit-related fees include fees paid for assurance reports performed on behalf of various regulatory bodies. Statutory audit fees paid to PricewaterhouseCoopers Inc. and KPMG Inc. amount to **R285m** and **R261m** (2024: R270m and R263m) respectively, audit-related fees paid amount to **R34m** and **R34m** (2024: R24m and R28m) respectively and fees paid for non-audit services amount to **Rnil** and **Rnil** (2024: Rnil and Rnil)

## Notes to the consolidated financial statements

For the year ended 31 December

respectively. The detailed disclosure of the audit fee is an International Code of Ethics for Professional Accountants (IESBA) requirement and not that of IFRS Accounting Standards.

Professional fees include research and development costs totaling **R83m** (2024: R128m). Other staff costs include recruitment costs, membership fees to professional bodies, staff parking, restructuring costs, study assistance, staff relocation and refreshment costs.

### 34. Other impairments

|                                                    | Group<br>2025<br>Rm | 2024<br>Rm |
|----------------------------------------------------|---------------------|------------|
| Goodwill (refer to note 13)                        | 36                  | 68         |
| Intangible assets (refer to note 13)               | 2 391               | 187        |
| Non-current assets held for sale (refer to note 6) | 9                   | 10         |
| Property and equipment (refer to note 12)          | 629                 | 633        |
| Other non-financial assets                         | 92                  | 16         |
|                                                    | <b>3 157</b>        | <b>914</b> |

During the current reporting period, the Group's overall strategy was revised, resulting in changes in the prioritisation of strategic investment. Furthermore, the pace of technological change continues to escalate, resulting in faster software obsolescence than previously experienced. As a result of these factors, the Group has impaired certain software assets totaling **R2 391m** (2024: R179m) mainly from the Head office, Treasury and other operations **R1 113m** (2024: R67m), Business Banking **R43m** (2024: R0), Africa Regions - Personal and Private Banking & Business Banking **R63m** (2024: R17m), Personal and Private Banking **R611m** (2024: R63m) and the CIB segments **R559m** (2024: R41m). The recoverable amount of these assets, based on value in use for the Group, is determined to be zero.

In addition, an impairment of **R629m** (2024: R633m) was recognised for property and equipment from Head Office, Treasury and other operations, Personal and Private Banking and Business Banking segments. Included in this balance is the impairment of furniture and other equipment of **R71m** (2024: R275m) of which were impaired to an insignificant value in use/fair value less cost to sell and an impairment of freehold property of **R446m** (2024: R300m) based on a recoverable amount of **R48m** (2024: R435m) which was determined to be fair value less cost to sell. The impairments are in line with the Group's property consolidation plan.

As at 31 December 2024, the recoverable amount for one of the Non-life Insurance businesses in the Africa Regions - Personal and Private Banking & Business Banking segment was below the net asset value of the business, indicating an impairment of goodwill and other assets relating to the business. Goodwill of R68m and other intangible assets of R8m relating to this business was impaired in full. These entities have subsequently been sold as at 30 June 2025 without any further impairment.

### 35. Indirect taxation

|                                      | Group<br>2025<br>Rm | 2024<br>Rm   |
|--------------------------------------|---------------------|--------------|
| Training levy                        | 270                 | 253          |
| Value-added tax net of input credits | 2 259               | 2 339        |
|                                      | <b>2 529</b>        | <b>2 592</b> |

## Notes to the consolidated financial statements

For the year ended 31 December

### 36. Taxation expense

|                                                                                           | Group<br>2025<br>Rm | 2024<br>Rm    |
|-------------------------------------------------------------------------------------------|---------------------|---------------|
| <b>Current</b>                                                                            |                     |               |
| Foreign and other taxation                                                                | 898                 | 799           |
| Current tax                                                                               | 9 214               | 7 684         |
| Current tax - previous reporting period                                                   | (70)                | (161)         |
|                                                                                           | <b>10 042</b>       | <b>8 322</b>  |
| <b>Deferred</b>                                                                           |                     |               |
| Deferred tax (refer to note 14)                                                           | (960)               | (2)           |
| Capital allowances                                                                        | (317)               | (121)         |
| Impairment losses                                                                         | (285)               | (237)         |
| Movements in prepayments, accruals and other provisions                                   | (334)               | 349           |
| Fair value and similar adjustments in relation to prior year                              | (56)                | (26)          |
| Share-based payments                                                                      | (89)                | 33            |
| Assessed Losses                                                                           | 66                  | -             |
| Payments received in advance                                                              | 55                  | -             |
|                                                                                           | <b>9 082</b>        | <b>8 320</b>  |
| <b>Reconciliation between operating profit before income tax and the taxation expense</b> |                     |               |
| Operating profit before income tax                                                        | 34 684              | 33 223        |
| Share of post-tax results of associates and joint ventures                                | (318)               | (282)         |
|                                                                                           | <b>34 366</b>       | <b>32 941</b> |
| Tax calculated at a tax rate of 27%                                                       | 9 279               | 8 894         |
| Effect of different rates in other countries                                              | 1 218               | 704           |
| Expenses not deductible for tax purposes                                                  | 1 144               | 769           |
| Assessed losses                                                                           | 14                  | 104           |
| Dividend income                                                                           | (1 559)             | (1 539)       |
| Non-taxable interest                                                                      | (822)               | (613)         |
| Deductible expenditure not recognised in profit and loss                                  | (284)               | (297)         |
| Other income not subject to tax                                                           | (20)                | (10)          |
| Other                                                                                     | (29)                | 13            |
| Items of a capital nature                                                                 | 141                 | 295           |
|                                                                                           | <b>9 082</b>        | <b>8 320</b>  |

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

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

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

Deductible expenditure not recognized in profit and loss includes Additional Tier 1 capital interest.

The Group is within the scope of OECD Pillar Two Model Rules. The Global Minimum Tax Act (GMTA), encompassing an Income Inclusion Rule (IIR) and a domestic minimum top-up tax (DMTT), was enacted in South Africa on 24 December 2024 with an effective date of 1 January 2024. The GMTA mandates a minimum level of taxation on Absa Group Limited, ensuring that income generated anywhere in the Group is subject to a minimum effective tax rate of 15% per jurisdiction. Should the effective tax rate in any jurisdiction fall below this global minimum threshold, the IIR imposes a top-up on the Group. The DMTT levies top-up tax on SA entities that do not have ultimate holding companies in SA.

Similar to SA, Isle of man has enacted legislation to implement the IIR and DMTT effective 1 January 2025. In Africa, the Revenue Authority in Kenya and Mauritius have enacted legislation to implement the DMTT, effective 1 January 2025 and 1 July 2025, respectively. Furthermore, United Kingdom, Ireland and the Czech Republic enacted legislation to implement the IIR and DMTT for financial years beginning on or after 31 December 2023.

The Group has applied the temporary mandatory relief from deferred tax accounting for the impact of top-up tax and accounts for it as a current tax when it is incurred. The effect of the new legislation on the Group is considered immaterial for the financial periods ended 31 December 2025 and 31 December 2024.

## Notes to the consolidated financial statements

For the year ended 31 December

### 37. Earnings per share

|                                                                                                                                                                                                                       | Group          |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|
|                                                                                                                                                                                                                       | 2025<br>Rm     | 2024<br>Rm    |
| <b>37.1 Basic earnings per share</b>                                                                                                                                                                                  |                |               |
| Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders, by the weighted average number of ordinary shares in issue during the reporting period.                |                |               |
| <b>Basic earnings attributable to ordinary equity holders</b>                                                                                                                                                         | <b>22 214</b>  | <b>21 537</b> |
| Weighted average number of ordinary shares in issue (million)                                                                                                                                                         | <b>829.0</b>   | 828.6         |
| Issued shares at the beginning of the reporting period (million)                                                                                                                                                      | <b>894.4</b>   | 894.4         |
| Treasury shares held by Group entities (million)                                                                                                                                                                      | <b>(65.4)</b>  | (65.8)        |
| <b>Basic earnings per share (cents)</b>                                                                                                                                                                               | <b>2 679.6</b> | 2 599.2       |
| <b>37.2 Diluted earnings per share</b>                                                                                                                                                                                |                |               |
| Diluted earnings are determined by adjusting profit or loss attributable to the ordinary equity holders and the weighted average number of ordinary shares in issue for the effects of all dilutive potential shares. |                |               |
| <b>Diluted earnings attributable to ordinary equity holders</b>                                                                                                                                                       | <b>22 214</b>  | <b>21 537</b> |
| Diluted weighted average number of ordinary shares in issue (million)                                                                                                                                                 | <b>837.8</b>   | 830.0         |
| Weighted average number of ordinary shares in issue (million)                                                                                                                                                         | <b>829.0</b>   | 828.6         |
| Adjustments for share options issued at no value (million)                                                                                                                                                            | <b>8.8</b>     | 1.4           |
| <b>Diluted earnings per share (cents)</b>                                                                                                                                                                             | <b>2 651.5</b> | 2 594.8       |

The dilution represents the effective discount between the average option price and the average market price at which option holders can convert the options into ordinary shares. This includes options issued in respect of Absa Group Limited's Share Incentive Scheme as well as the eKhaya colleague share scheme.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares. The Group has one category of potential dilutive ordinary shares, namely share options. The number of shares that could have been acquired at fair value (determined as the average annual quoted market share price of the Company's shares) for the share options outstanding are calculated based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as per the above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference between the number of shares that could have been acquired at fair value and the number of shares that would have been issued assuming the exercise of the share options, are shares that would be obtained at no value.

Shares that are issued contingent on the happening of an event, are only included as potential dilutive ordinary shares when all of the conditions of the contingent event are deemed to have been met, based on the information available at the reporting date.

In calculating the diluted earnings per share in respect of share options to employees and other share-based payment arrangements, the Group adjusts the exercise price, which impacts the weighted average shares issued at no value, of potential ordinary shares to include the fair value of services that will be recognised as an expense in a future period.

## Notes to the consolidated financial statements

For the year ended 31 December

### 38. Headline earnings

|                                                                 | Note | Group       |                | 2024    |       | Net<br>Chang<br>% |
|-----------------------------------------------------------------|------|-------------|----------------|---------|-------|-------------------|
|                                                                 |      | 2025        |                | Gross   | Net   |                   |
|                                                                 |      | Gross<br>Rm | Net<br>Rm      | Rm      | Rm    |                   |
| <b>Headline earnings is determined as follows:</b>              |      |             |                |         |       |                   |
| Profit attributable to ordinary equity holders of the Group     |      |             | 22 214         | 21 537  | 3     |                   |
| Total headline earnings adjustment:                             |      |             | 2 548          | 522     | >100  |                   |
| IFRS 3 – Gain on bargain purchase                               |      | -           | -              | (69)    | (69)  | -                 |
| IFRS 5 - Profit on disposal of non-current assets held for sale |      | (30)        | (29)           | (46)    | (35)  | (17)              |
| IFRS 5 - Loss on disposal of non-current assets held for sale   |      | 61          | 61             | -       | -     | 100               |
| IFRS 5 – Re-measurement of non-current assets held for sale     |      | 9           | 9              | 10      | 10    | (10)              |
| IFRS 10 – Profit on disposal of Subsidiary                      |      | -           | -              | (25)    | (25)  | (100)             |
| IAS 16 – Profit on disposal of property and equipment           | 29.5 | (12)        | (12)           | (150)   | (102) | (88)              |
| IAS 16 – Loss on disposal of property and equipment             | 29.5 | 5           | 4              | -       | -     | 100               |
| IAS 28 – Dilution loss on change in shareholding of associate   |      | 13          | 13             | -       | -     | 100               |
| IAS 36 – Impairment of property and equipment                   |      | 626         | 442            | 631     | 511   | (14)              |
| IAS 36 – Impairment of other non-financial assets               |      | 94          | 94             | 10      | 10    | -                 |
| IAS 36 – Impairment of intangible assets                        |      | 2 395       | 1 884          | 185     | 153   | >100              |
| IAS 36 – Impairment of goodwill                                 |      | 36          | 36             | 68      | 68    |                   |
| IAS 38 – Loss on disposal of intangible assets                  | 29.5 | 7           | 5              | 2       | 1     | >100              |
| IAS 21- Recycle of FCTR Reserve to P&L                          |      | 41          | 41             | -       | -     | 100               |
|                                                                 |      |             |                |         |       | -                 |
| <b>Headline earnings/diluted headline earnings</b>              |      |             | <b>24 762</b>  | 22 059  |       | 12                |
| <b>Headline earnings per ordinary share (cents)</b>             |      |             | <b>2 987.0</b> | 2 662.2 |       | 12                |
| <b>Diluted headline earnings per ordinary share (cents)</b>     |      |             | <b>2 955.5</b> | 2 657.7 |       | 11                |

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

The net amount is reflected after taxation and non-controlling interest.



## Notes to the consolidated financial statements

For the year ended 31 December

### 39. Leases

|                                                                                                                                                    | Group        |              |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                                    | 2025         | 2024         |
|                                                                                                                                                    | Rm           | Rm           |
| <b>The following amounts have been recognised in the statement of comprehensive income in respect of leases for which the Group is the lessee:</b> |              |              |
| Depreciation charge for right-of-use assets (refer to note 12)                                                                                     | 1 177        | 1 162        |
| Property                                                                                                                                           | 1 142        | 1 139        |
| Furniture                                                                                                                                          | 25           | 16           |
| Motor vehicles                                                                                                                                     | 10           | 7            |
| Interest expense on lease liabilities (refer to note 25)                                                                                           | 330          | 351          |
| Expense related to short-term leases                                                                                                               | 308          | 252          |
| Expense related to low-value assets                                                                                                                | 186          | 74           |
| Variable lease payments                                                                                                                            | 31           | 33           |
| <b>Right-of-use assets recognised in the statement of financial position relate to the following classes of assets:</b>                            |              |              |
| Right-of-use assets (refer to note 12)                                                                                                             | 2 755        | 2 881        |
| Property                                                                                                                                           | 2 568        | 2 776        |
| Furniture                                                                                                                                          | 146          | 95           |
| Motor vehicles                                                                                                                                     | 41           | 10           |
| <b>Total additions to right-of-use assets recognised during the year (refer to note 12)</b>                                                        | <b>1 460</b> | <b>1 034</b> |
| <b>Total cash outflow included in the statement of cash flows related to leases</b>                                                                | <b>1 757</b> | <b>1 562</b> |
| <b>Maturity analysis of lease liabilities – contractual undiscounted cash flows:</b>                                                               |              |              |
| Less than one year                                                                                                                                 | 1 430        | 1 335        |
| Between one and five years                                                                                                                         | 2 098        | 2 434        |
| More than five years                                                                                                                               | 476          | 266          |
| <b>Total undiscounted lease liabilities</b>                                                                                                        | <b>4 004</b> | <b>4 035</b> |
| <b>Lease liabilities included in the statement of financial position (refer to note 17)</b>                                                        | <b>3 256</b> | <b>3 638</b> |

The Group's leases consist mostly of property leases including branches, head offices, ATM sites and other administrative buildings. None of these leases are considered individually significant to the Group. Leases are negotiated for an average term of three to five years, although this differs depending on the jurisdiction and type of property. Some leases will include renewal options but these are generally renewals at market rates to be negotiated at the time of renewing the contract. These rates will only be included in the lease liability once it is reasonably certain that the Group will exercise the extension option. Most leases in the Group have fixed escalations with a limited number of inflation linked leases in jurisdictions outside of South Africa.

## Notes to the consolidated financial statements

For the year ended 31 December

### 40. Retirement benefit obligations

|                                                                                          | Group        |             |
|------------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                          | 2025         | 2024        |
|                                                                                          | Rm           | Rm          |
| <b>Retirement benefit obligations</b>                                                    |              |             |
| <b>Surplus disclosed in 'Other assets'</b>                                               |              |             |
| Absa Pension Fund defined benefit plan (refer to notes 5 and 40.1.1)                     | 614          | 466         |
| Other defined benefit plans of subsidiaries (refer to notes 5 and 40.2.1)                | 22           | 19          |
|                                                                                          | <b>636</b>   | <b>485</b>  |
| <b>Obligations disclosed in 'Other liabilities'</b>                                      |              |             |
| Subsidiaries' post-retirement medical aid plans (refer to notes 17 and 40.3)             | 582          | 458         |
| Other defined benefit plans of subsidiaries (refer to notes 17 and 40.2.1)               | 84           | 180         |
|                                                                                          | <b>666</b>   | <b>638</b>  |
| <b>Statement of comprehensive income charge included in staff costs</b>                  |              |             |
| Absa Pension Fund defined benefit plan in a surplus position (refer to note 40.1.6)      | (33)         | (36)        |
| Other defined benefit plans of subsidiaries in a deficit position (refer to note 40.2.6) | 9            | 3           |
| Other defined benefit plans of subsidiaries in a surplus position (refer to note 40.2.6) | 15           | 27          |
| Subsidiaries' post-retirement medical aid plans                                          | 132          | 80          |
|                                                                                          | <b>123</b>   | <b>74</b>   |
| <b>Recognised in other comprehensive income</b>                                          |              |             |
| Absa Pension Fund defined benefit plan in a surplus position (refer to note 40.1.6)      | (115)        | 36          |
| Other defined benefit plans of subsidiaries in a deficit position (refer to note 40.2.6) | (64)         | (94)        |
| Other defined benefit plans of subsidiaries in a surplus position (refer to note 40.2.6) | -            | 6           |
| Subsidiaries' post-retirement medical aid plans                                          | (31)         | 38          |
|                                                                                          | <b>(210)</b> | <b>(14)</b> |

The Group operates a number of pension fund schemes (defined benefit schemes and defined contribution schemes) and post-retirement medical aid plans. The most significant schemes operated by the Group are the Absa Pension Fund, Absa Bank Kenya Pension Fund and Mauritius Staff Pension Fund. Apart from these, the Group operates a number of smaller pension and post-retirement medical aid plans. The benefits provided under these schemes, the approach to funding, and the legal basis of the plans reflect their local environments.

# Notes to the consolidated financial statements

For the year ended 31 December

## 40. Retirement benefit fund obligations

### 40.1 Absa Pension Fund

The Absa Pension Fund (the Fund) is governed by the Pension Funds Act of 1956, which requires that an actuarial valuation of the Fund be carried out at least once every three years. The most recent statutory valuation of the Fund was effected on 31 March 2025 and confirmed that the Fund was in a sound financial position. This valuation was in accordance with the Pension Funds Second Amendment Act of 2001 (the PF Act).

The valuation has been performed using the projected unit credit method in respect of the defined benefit portion. The asset ceiling of the Fund is limited to the Employer Surplus Account (ESA). According to the Fund rules and the PF Act, the ESA can be used for a number of purposes including funding a deficit in the Fund, enhancing benefits of the Fund or enabling a contribution holiday.

Effective from the statutory actuarial valuation dated 31 March 2025, the Employer Trustees, acting on behalf of the Group, resolved to discontinue the practice of capping the Employer Surplus Account (ESA) at R466m and transferring any excess to the Solvency Reserve Account. As a result, the ESA increased from R466m to R614m.

Contributions are generally determined by the Employer in consultation with the actuary following the funding valuation to ensure the sustainability and financial soundness of the funds. The staff costs expense for the defined contribution plans is **R1 446m** (2024: R1 382m). Surpluses and deficits are dealt with in a manner which is consistent with the funds' rules and applicable legislation. Minimum funding requirements are limited to the deficits of the funds.

In terms of Section 7 of the PF Act, notwithstanding the rules of a fund, every fund must have a board of trustees consisting of at least four Board members, at least 50% of whom the members of the Fund have the right to elect. The objective of the board is to direct, control and oversee the operations of a fund in accordance with the applicable laws and the rules of the Fund. In carrying out this objective, the Board must take all reasonable steps to ensure that the interests of members in terms of the rules of the Fund and the provisions of this Act are protected at all times and that they act with due care, diligence and good faith; and avoid conflicts of interest. The Board must act independently and with impartiality in respect of all members and beneficiaries. The members of the board have a fiduciary duty to members and beneficiaries in respect of accrued benefits or any amount accrued to provide a benefit, as well as a fiduciary duty to the Fund, to ensure that The Fund is financially sound and is responsibly managed and governed in accordance with the rules and the PF Act.

The rules of the Fund were amended in July 2015 to allow a retiring member who had joined the Fund before 1 July 2015 the choice to receive either a conventional annuity or a living annuity from the Fund (as was previously the case) or to purchase a pension from a registered insurer (new option). Members joining the Fund on or after 1 July 2015 had the choice to receive a living annuity from the Fund or to purchase a pension from a registered insurer.

Should a retiree elect a conventional annuity, the Bank is thereafter exposed to longevity and other actuarial risk. The conventional annuity is calculated based on the defined contribution plan assets at the retirement date. The Bank is therefore not exposed to any asset return risk prior to the election of this option i.e., the retirement date. The classification rules within IAS 19 Employee Benefits (IAS 19) require that, where the employer is exposed to any actuarial risk, the entire fund be classified as a defined benefit plan. The valuation of the option is included in the defined benefit obligation. The assets and liabilities of the defined contribution active members are separately presented. Pensioners who have elected to receive a living annuity as well as members who joined the fund on/after 1 July 2015 have been excluded from the IAS 19 disclosures as at 31 December 2025 the employer is not exposed to any longevity or other actuarial risk in respect of these members at this date. Net defined benefit amounts relating to these pensioners that have elected to receive a living annuity, amount to **R5 086m** (2024: R4 716m).

|                                                                | Group    |          |
|----------------------------------------------------------------|----------|----------|
|                                                                | 2025     | 2024     |
| <b>Categories of the Fund</b>                                  |          |          |
| Defined benefit active members                                 | 8        | 8        |
| Defined benefit deferred pensioners                            | 1        | 1        |
| Defined benefit pensioners                                     | 7 046    | 7 175    |
| Defined contribution active members                            | 28 072   | 28 343   |
| Defined contribution pensioners                                | 2 951    | 2 939    |
| Duration of the scheme – defined benefit (years)               | 8.3      | 8.1      |
| Duration of the scheme – defined contribution (years)          | 20.4     | 20.9     |
| Expected contributions to the Fund for the next 12 months (Rm) | 2 223.90 | 2 132.50 |

The benefits provided by the defined benefit portion of the Fund are based on a formula, taking into account years of membership and remuneration levels. The benefits provided by the defined contribution portion of the Fund are determined by accumulated contributions and return on investments.

While the Fund as a whole has been classified as a defined benefit fund for IAS 19 purposes, the defined contribution portion provides its members with an asset-based return. The Bank has measured the liability for the defined contribution portion of the Fund at the fair value of the assets upon which the benefits are based.

The Fund is financed by employer and employee contributions and investment income. Employer contributions in respect of the defined benefit portion are based on actuarial advice. The expense or income recorded in profit or loss includes the current service cost, interest income on plan assets as well as interest expense on the defined benefit obligation and the irrecoverable surplus. It is the Group's policy to ensure that The Fund

## Notes to the consolidated financial statements

For the year ended 31 December

is adequately funded to provide for the benefits due to members, and particularly to ensure that any shortfall with regard to the defined benefit portion will be met by way of additional contributions.

The abovementioned strategy is known as a Liability Driven Investment (LDI) strategy. The portion of the assets in the Trustee Portfolio not invested in the liability matching strategy or reserve accounts are invested in growth assets to create some possible upside for funding increases above the policy increase. The assets in the liability matching strategy will mainly be invested in South African nominal and inflation-linked government bonds. This strategy aims to fully match the reasonable benefit expectations of the pensioners to receive annual pension increases in line with the inflation target chosen by a pensioner at retirement.

### 40. Retirement benefit obligations

#### 40.1 Absa Pension Fund

|                                                                      | Group           |                 |
|----------------------------------------------------------------------|-----------------|-----------------|
|                                                                      | 2025            | 2024            |
|                                                                      | Rm              | Rm              |
| <b>40.1.1 Reconciliation of the net defined benefit plan surplus</b> |                 |                 |
| <b>Reconciliation of the net surplus</b>                             |                 |                 |
| <b>Present value of funded obligations</b>                           | <b>(51 374)</b> | <b>(43 687)</b> |
| Defined benefit portion                                              | (9 401)         | (8 469)         |
| Defined contribution portion                                         | (41 973)        | (35 218)        |
| <b>Fair value of the plan assets</b>                                 | <b>54 838</b>   | <b>46 709</b>   |
| Defined benefit portion                                              | 12 865          | 11 491          |
| Defined contribution portion                                         | 41 973          | 35 218          |
| <b>Funded status</b>                                                 | <b>3 464</b>    | <b>3 022</b>    |
| Irrecoverable surplus (effect of asset ceiling)                      | (2 850)         | (2 556)         |
| <b>Net surplus arising from the defined benefit obligation</b>       | <b>614</b>      | <b>466</b>      |
| <b>40.1.2 Reconciliation of movement in the funded obligation</b>    |                 |                 |
| <b>Balance at the beginning of the reporting period</b>              | <b>(43 687)</b> | <b>(38 821)</b> |
| Defined benefit portion                                              | (8 469)         | (8 216)         |
| Defined contribution portion                                         | (35 218)        | (30 605)        |
| <b>Reconciling items – defined benefit portion</b>                   | <b>(932)</b>    | <b>(253)</b>    |
| Actuarial (losses)/gains – financial                                 | (622)           | 215             |
| Actuarial gains – experience adjustments                             | 452             | 240             |
| Benefits paid                                                        | 1 025           | 900             |
| Current service costs                                                | (16)            | (16)            |
| Interest expense                                                     | (896)           | (910)           |
| Defined contribution member transfers                                | (875)           | (682)           |
| <b>Reconciling items – defined contribution portion</b>              | <b>(6 755)</b>  | <b>(4 613)</b>  |
| Increase in obligation linked to plan assets return                  | (11 462)        | (8 044)         |
| Employer contributions                                               | (1 199)         | (1 109)         |
| Employee contributions                                               | (961)           | (889)           |
| Disbursements and member transfers                                   | 6 867           | 5 429           |
| <b>Balance at the end of the reporting period</b>                    | <b>(51 374)</b> | <b>(43 687)</b> |

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                       | Group and Company |               |
|-----------------------------------------------------------------------|-------------------|---------------|
|                                                                       | 2025<br>Rm        | 2024<br>Rm    |
| <b>40.1.3 Reconciliation of movement in the plan assets</b>           |                   |               |
| <b>Balance at the beginning of the reporting period</b>               | <b>46 709</b>     | <b>41 362</b> |
| Defined benefit portion                                               | <b>11 491</b>     | 10 757        |
| Defined contribution portion                                          | <b>35 218</b>     | 30 605        |
| <b>Reconciling items – defined benefit portion</b>                    | <b>1 374</b>      | 734           |
| Benefits paid                                                         | <b>(1 025)</b>    | (900)         |
| Interest income                                                       | <b>1 215</b>      | 1 193         |
| Return on plan assets in excess of interest                           | <b>309</b>        | (241)         |
| Defined contribution member transfers                                 | <b>875</b>        | 682           |
| <b>Reconciling items – defined contribution portion</b>               | <b>6 755</b>      | 4 613         |
| Return on plan assets                                                 | <b>11 462</b>     | 8 044         |
| Employer contributions                                                | <b>1 199</b>      | 1 109         |
| Employee contributions                                                | <b>961</b>        | 889           |
| Disbursements and member transfers                                    | <b>(6 867)</b>    | (5 429)       |
| <b>Balance at the end of the reporting period</b>                     | <b>54 838</b>     | <b>46 709</b> |
| <b>40.1.4 Reconciliation of movement in the irrecoverable surplus</b> |                   |               |
| <b>Balance at the beginning of the reporting period</b>               | <b>(2 556)</b>    | (2 075)       |
| Interest on irrecoverable surplus                                     | <b>(270)</b>      | (231)         |
| Changes in the irrecoverable surplus in excess of interest            | <b>(24)</b>       | (250)         |
| <b>Balance at the end of the reporting period</b>                     | <b>(2 850)</b>    | (2 556)       |

## Notes to the consolidated financial statements

For the year ended 31 December

### 40. Retirement benefit obligations

#### 40.1 Absa Pension fund

|                                                         | Group<br>2025             |                       |                      |               |
|---------------------------------------------------------|---------------------------|-----------------------|----------------------|---------------|
|                                                         | Fair value of plan assets |                       |                      |               |
|                                                         | Debt<br>instruments       | Equity<br>instruments | Other<br>instruments | Total         |
|                                                         | Rm                        | Rm                    | Rm                   | Rm            |
| <b>40.1.5 Nature of the pension fund assets</b>         |                           |                       |                      |               |
| <b>Plan assets relating to the defined benefit plan</b> |                           |                       |                      |               |
| <b>Defined Benefit Portion</b>                          | <b>10 077</b>             | <b>1 906</b>          | <b>889</b>           | <b>12 872</b> |
| Quoted fair value                                       | 10 419                    | 1 878                 | 30                   | 12 327        |
| Unquoted fair value                                     | (636)                     | 19                    | 851                  | 234           |
| Own transferable financial instruments                  | 294                       | 9                     | 8                    | 311           |
| <b>Defined Contribution Portion</b>                     | <b>13 995</b>             | <b>27 822</b>         | <b>149</b>           | <b>41 966</b> |
| Quoted fair value                                       | 10 817                    | 27 456                | 638                  | 38 911        |
| Unquoted fair value                                     | 3 068                     | 152                   | (523)                | 2 697         |
| Own transferable financial instruments                  | 110                       | 214                   | 34                   | 358           |
|                                                         | <b>24 072</b>             | <b>29 728</b>         | <b>1 038</b>         | <b>54 838</b> |

Define benefits unquoted fair value the negative amounts reflect the net position of Old Mutual's internal repurchase agreements. These repos are fully collateralised by Liability Driven Investment assets, ensuring complete coverage of the net exposure.

Define contribution unquoted fair value the negative amounts arise from currency hedging activities and outstanding payables. These represent unsettled cash flows when managers purchase equities or bonds but only take delivery of the actual securities in the following month.

|                                                | Group<br>2024             |                       |                      |               |
|------------------------------------------------|---------------------------|-----------------------|----------------------|---------------|
|                                                | Fair value of plan assets |                       |                      |               |
|                                                | Debt<br>instruments       | Equity<br>instruments | Other<br>instruments | Total         |
|                                                | Rm                        | Rm                    | Rm                   | Rm            |
| <b>Defined Benefit Portion</b>                 | <b>9 284</b>              | <b>1 728</b>          | <b>484</b>           | <b>11 496</b> |
| Quoted fair value                              | 9 261                     | 1 709                 | 76                   | 11 046        |
| Unquoted fair value                            | (203)                     | 19                    | 338                  | 154           |
| Own transferable financial instruments         | 226                       | -                     | -                    | 226           |
| Investments in listed property entities/ funds | -                         | -                     | 70                   | 70            |
| <b>Defined Contribution Portion</b>            | <b>10 782</b>             | <b>23 372</b>         | <b>1 059</b>         | <b>35 213</b> |
| Quoted fair value                              | 7 551                     | 23 278                | 128                  | 30 957        |
| Unquoted fair value                            | 2 678                     | 71                    | 67                   | 2 816         |
| Own transferable financial instruments         | 553                       | 23                    | -                    | 576           |
| Investments in listed property entities/ funds | -                         | -                     | 864                  | 864           |
|                                                | <b>20 066</b>             | <b>25 100</b>         | <b>1 543</b>         | <b>46 709</b> |

## Notes to the consolidated financial statements

For the year ended 31 December

### 40. Retirement benefit obligations

#### 40.1 Absa pension Fund

|                                                                                                        | Group                        |                              |
|--------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                        | 2025<br>Rm                   | 2024<br>Rm                   |
| <b>40.1.6 Movements in the defined benefit plan presented in the statement of comprehensive income</b> |                              |                              |
| <b>Recognised in profit or loss:</b>                                                                   |                              |                              |
| Net interest income                                                                                    | (49)                         | (52)                         |
| Current service cost                                                                                   | 16                           | 16                           |
|                                                                                                        | (33)                         | (36)                         |
| <b>Recognised in other comprehensive income:</b>                                                       |                              |                              |
| Actuarial gains/(losses) – financial                                                                   | 622                          | (215)                        |
| Actuarial adjustments gains - experience                                                               | (452)                        | (240)                        |
| Return on plan assets in excess of interest                                                            | (309)                        | 241                          |
| Changes in the irrecoverable surplus in excess of interest                                             | 24                           | 250                          |
|                                                                                                        | (115)                        | 36                           |
| <b>40.1.7 Actuarial assumptions used:</b>                                                              |                              |                              |
| Discount rate (%) p.a.                                                                                 | 8.3                          | 10.6                         |
| Inflation rate (%) p.a.                                                                                | 3.4                          | 4.9                          |
| Expected rate on the plan assets (%) p.a.                                                              | 8.3                          | 8.9                          |
| Future salary increases (%) p.a.                                                                       | 4.4                          | 5.9                          |
| Mortality improvements (%) p.a.                                                                        | 1.0                          | 1.0                          |
| Average life expectancy in years of pensioner retiring at 60 – Male                                    | 22.3                         | 22.2                         |
| Average life expectancy in years of pensioner retiring at 60 – Female                                  | 27.2                         | 27.1                         |
| <b>40.1.8 Demographic assumptions used:</b>                                                            |                              |                              |
| Pre-Retirement Mortality Assumption - Male                                                             | SA56-62<br>Ultimate          | SA56-62<br>Ultimate          |
| Pre-Retirement Mortality Assumption - Female                                                           | SA56-62<br>Ultimate          | SA56-62<br>Ultimate          |
| Post Retirement Mortality Assumption -Male                                                             | PA90 - 1 + 1%<br>improvement | PA90 - 1 + 1%<br>improvement |
| Post Retirement Mortality Assumption -Female                                                           | PA90-1+1%<br>improvement     | PA90-1+1%<br>improvement     |

In prior years, the Group disclosed the expected undiscounted maturity analysis of the defined benefit obligation. The Group has assessed this disclosure in terms of the requirements of IAS 19 Employee Benefits and IAS 1 Presentation of Financial Statements. Based on this assessment the Group concluded that the maturity analysis is not necessary to understand the nature, timing and uncertainty of the defined benefit obligation. The weighted average duration of the scheme has been provided together with the expected contribution to the scheme for the next 12 months which provide an indication of the effect of the defined benefit plan on the entity's future cash flows.

Notes to the consolidated financial statements

For the year ended 31 December

|                                                                             | Group                      |                                                    |
|-----------------------------------------------------------------------------|----------------------------|----------------------------------------------------|
|                                                                             | 2025                       |                                                    |
|                                                                             | Reasonable possible change | Increase/ (decrease) on defined benefit obligation |
|                                                                             | Rm                         | Rm                                                 |
| <b>40.1.9 Sensitivity analysis of the significant actuarial assumptions</b> |                            |                                                    |
| Increase in discount rate (%)                                               | 0.5                        | (338)                                              |
| Increase in inflation (%)                                                   | 0.5                        | 334                                                |
| Increase in life expectancy (years)                                         | 1                          | 249                                                |
|                                                                             |                            |                                                    |
|                                                                             | Group                      |                                                    |
|                                                                             | 2024                       |                                                    |
|                                                                             | Reasonable possible change | Increase/ (decrease) on defined benefit obligation |
|                                                                             | Rm                         | Rm                                                 |
| Increase in discount rate (%)                                               | 0.5                        | (310)                                              |
| Increase in inflation (%)                                                   | 0.5                        | 308                                                |
| Increase in life expectancy (years)                                         | 1                          | 236                                                |

40.1.10 Sensitivity analysis of the significant assumptions

Sensitivity analysis

The aforementioned sensitivity analysis indicates how changes in significant actuarial assumptions would affect the defined benefit portion of **R9 401m** (2024: R8 469m).

The sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another. For the purpose of the sensitivity analysis, it is assumed that any change in inflation impacts other inflation-dependent assumptions, i.e., certain pension increases and salary growth. In presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period. The defined contribution obligation of **R41 973m** (2024: R35 218m) does not give rise to any actuarial risks as the measurement is derived from the defined contribution plan assets.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.



# Notes to the consolidated financial statements

For the year ended 31 December

## 40. Retirement benefit obligations

### 40.2 Other subsidiaries plans

#### Defined benefit structure

The benefits provided by the defined benefit structures are based on a formula, taking into account years of membership and remuneration levels. For funds where a minimum pension increase of the lower of CPI or a fixed percentage (which varies by fund) is guaranteed, additional discretionary pension increases may be granted at the discretion of the Group. For funds where a minimum increase is not guaranteed, the trustees may decide on increases in pensions subject to affordability.

The majority of the defined benefit liability relates to deferred pensioners and pensioners. There is not a significant number of active members accruing additional defined benefit liabilities.

Liabilities in respect of the defined benefit structures are calculated based on assumptions in respect of expected death, withdrawals, early retirement, family statistics, rate of increase in pensionable remuneration and medical allowances and administration costs based on past experience.

#### Defined contribution structure

The benefits provided by the defined contribution structures are determined by accumulated retirement funding contributions and the return on investments.

The defined contribution information has not been included in the defined benefit disclosures; this presentation is different to that of the Absa Pension Fund due to the different plan rules of the Absa Pension Fund.

The nature of the plan rules governing the Africa Regions pension funds is such that any optionality is not considered significant and is therefore not included in the valuation or disclosure of the defined benefit obligations.

The funds are governed by legislation applicable in the various countries in which the funds are based. The funds are operated on a pre-funded basis. That is, assets are accumulated on a monthly basis with the aim that sufficient funding exists to meet the benefits payable under all modes of exit. Actuarial funding valuations are performed every three years regardless of whether or not these are required by legislation. The most recent actuarial valuations of the funds were carried out as at 31 March 2025.

Contributions are generally determined by the Employer in consultation with the actuary following the funding valuation to ensure the sustainability and financial soundness of the funds. The staff costs expense for the defined contribution plans is **R246m** (2024: R218m). Surpluses and deficits are dealt with in a manner which is consistent with the funds' rules and applicable legislation. Minimum funding requirements are limited to the deficits of the funds.

The Pension Fund plans across Africa Regions are administered by separate funds that are legally separated from the individual companies. The boards of trustees of the funds are responsible for the overall management of the funds.

Statutory valuations are carried out on the defined benefit funds every three years. Based on the results of the valuation, a contribution rate is recommended by the actuary. The power of deciding what the final applicable contribution rate should be rests with the employer on advice from the actuary, in some cases with the agreement of the Trustees. Where pension increases are granted in excess of that which can be afforded by the Fund, the employer must agree to such an increase and will make an additional contribution to fund this. In addition, should the valuation disclose a deficit and regulations require special additional contributions to be made to the funds, the employer will need to make such contributions in line with a funding plan approved by the relevant country's Regulator.

Within the Africa Regions funds, the asset allocation is determined taking into account legislative constraints, the available opportunity set of securities in the country across the different asset classes, fund manager offerings in the country, diversification across different asset classes and region (where applicable) and the nature and term of the liabilities. The asset investment strategy is set to target a return which is based on the actuarial assumptions used in the Fund valuation, over a 5 – 7 year term.

With effect from 1 January 2022, the Absa Bank Mauritius pension fund trustees decided to effect a shift with regard to the pension fund plans available to current employees, from a Defined Benefit Plan to a Defined Contribution plan. This shift is a prospective change in that employees' pension for service from 1 January 2022 accrues in terms of the Defined Contribution plan. The shift does not alter benefits that had accrued to employees in prior years in terms of the Defined Benefit Plan – however, future service no longer accrues under this plan.

An objective of the shift is to ensure that the employees remain in the same economic position that they would have been at retirement date, if the Defined Benefit plan remained in place, Absa Bank Mauritius will therefore make a capital injection each year, spread over a maximum of five years, into the personal member's account (PMA). The capital injections made to the PMA's for the year ended 31 December 2025 amounted to **R24m** (2024: R27m). The employees' pension at retirement date will comprise of benefits accrued in terms of the Defined Benefit Plan as well as benefits accrued in terms of the Defined Contribution plan.

## Notes to the consolidated financial statements

For the year ended 31 December

### 40. Retirement benefit obligations

#### 40.2 Other subsidiaries plans

|                                                               | Group                       |                          |                           |                               |                              |                               |
|---------------------------------------------------------------|-----------------------------|--------------------------|---------------------------|-------------------------------|------------------------------|-------------------------------|
|                                                               | 2025                        |                          |                           |                               |                              |                               |
|                                                               | Absa<br>Bank of<br>Botswana | Absa<br>Bank<br>of Kenya | Absa<br>Bank of<br>Zambia | Absa<br>Bank of<br>Seychelles | Absa<br>Bank of<br>Mauritius | Absa<br>Bank of<br>Mozambique |
| <b>Membership</b>                                             |                             |                          |                           |                               |                              |                               |
| Defined benefit active members                                | -                           | -                        | -                         | 5                             | 152                          | 574                           |
| Defined benefit deferred pensioners                           | -                           | 744                      | 10                        | 7                             | 77                           | -                             |
| Defined benefit pensioners                                    | 169                         | 1 366                    | 371                       | 1                             | 318                          | 1 092                         |
| Defined contribution active members                           | 920                         | 1 951                    | 695                       | 276                           | 149                          | 1 064                         |
| Defined contribution deferred pensioners                      | 773                         | -                        | -                         | -                             | -                            | -                             |
| Duration of the scheme (years)                                | 6                           | 5                        | 1                         | 14                            | 13                           | 7                             |
| Expected contribution to the plan for the next 12 months (Rm) | -                           | 8.3                      | 7.0                       | 4.0                           | 2.2                          | -                             |

|                                                               | Group                       |                          |                           |                               |                              |                               |
|---------------------------------------------------------------|-----------------------------|--------------------------|---------------------------|-------------------------------|------------------------------|-------------------------------|
|                                                               | 2024                        |                          |                           |                               |                              |                               |
|                                                               | Absa<br>Bank of<br>Botswana | Absa<br>Bank of<br>Kenya | Absa<br>Bank of<br>Zambia | Absa<br>Bank of<br>Seychelles | Absa<br>Bank of<br>Mauritius | Absa<br>Bank of<br>Mozambique |
| <b>Membership</b>                                             |                             |                          |                           |                               |                              |                               |
| Defined benefit active members                                | -                           | 1                        | -                         | 5                             | 170                          | 593                           |
| Defined benefit deferred pensioners                           | -                           | 764                      | 10                        | 8                             | 79                           | -                             |
| Defined benefit pensioners                                    | 169                         | 1 381                    | 372                       | 1                             | 302                          | 1 090                         |
| Defined contribution active members                           | 881                         | 1 925                    | 687                       | 290                           | 158                          | 1 175                         |
| Defined contribution deferred pensioners                      | 817                         | -                        | -                         | -                             | -                            | -                             |
| Duration of the scheme (years)                                | 7                           | 5                        | 2                         | 14                            | 16                           | 7                             |
| Expected contribution to the plan for the next 12 months (Rm) | -                           | 9.6                      | 6.1                       | 4.4                           | 33.2                         | -                             |

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                            | Group          |                |
|----------------------------------------------------------------------------|----------------|----------------|
|                                                                            | 2025           | 2024           |
|                                                                            | Rm             | Rm             |
| <b>40.2.1 Defined benefit plan reconciliations</b>                         |                |                |
| Present value of funded defined benefit obligations                        | (2 395)        | (2 629)        |
| Fair value of the defined benefit plan assets                              | 2 621          | 2 779          |
| <b>Funded defined benefit plan status</b>                                  | <b>226</b>     | <b>150</b>     |
| <b>Irrecoverable Surplus (effect of asset ceiling)</b>                     | <b>(288)</b>   | <b>(311)</b>   |
| <b>Net deficit arising from defined benefit obligation</b>                 | <b>(62)</b>    | <b>(161)</b>   |
| <b>40.2.2 Reconciliation of movement in the defined benefit obligation</b> |                |                |
| <b>Balance at the beginning of the reporting period</b>                    | <b>(2 629)</b> | <b>(2 648)</b> |
| Actuarial gains/(losses)                                                   | 32             | 135            |
| Actuarial gains - changes in financial assumptions                         | 53             | 55             |
| Actuarial gains (losses)/gains- experience adjustments                     | (21)           | 80             |
| Benefits paid                                                              | 236            | 243            |
| Current service costs                                                      | (19)           | (17)           |
| Interest expense                                                           | (268)          | (280)          |
| Past service costs including curtailments                                  | 2              | (2)            |
| Foreign exchange differences                                               | 251            | (60)           |
| <b>Balance at the end of the reporting period</b>                          | <b>(2 395)</b> | <b>(2 629)</b> |
| <b>40.2.3 Reconciliation of movement in the plan assets</b>                |                |                |
| <b>Balance at the beginning of the reporting period</b>                    | <b>2 779</b>   | <b>2 486</b>   |
| Benefits paid                                                              | (236)          | (243)          |
| Employer contributions                                                     | 49             | 66             |
| Interest income on the plan assets                                         | 312            | 292            |
| Remeasurement - return on plan assets in excess of interest                | (17)           | 81             |
| Foreign exchange differences                                               | (266)          | 97             |
| <b>Balance at the end of the reporting period</b>                          | <b>2 621</b>   | <b>2 779</b>   |
| <b>40.2.4 Reconciliation of movement in the irrecoverable surplus</b>      |                |                |
| <b>Balance at the beginning of the reporting period</b>                    | <b>(311)</b>   | <b>(129)</b>   |
| Interest on irrecoverable surplus                                          | (51)           | (23)           |
| Changes in the irrecoverable surplus in excess of interest                 | 49             | (128)          |
| Foreign exchange differences                                               | 25             | (31)           |
| <b>Balance at the end of the reporting period</b>                          | <b>(288)</b>   | <b>(311)</b>   |

## Notes to the consolidated financial statements

For the year ended 31 December

### 40. Retirement benefit obligations

#### 40.2 Other subsidiaries plans

|                                                        | Group                     |                             |                            |              |
|--------------------------------------------------------|---------------------------|-----------------------------|----------------------------|--------------|
|                                                        | 2025                      |                             |                            |              |
|                                                        | Fair value of plan assets |                             |                            | Total        |
|                                                        | Debt<br>instruments<br>Rm | Equity<br>instruments<br>Rm | Other<br>instruments<br>Rm |              |
| <b>40.2.5 Nature of the defined benefit plan asset</b> |                           |                             |                            |              |
| Quoted fair value                                      | 305                       | 779                         | 330                        | 1 414        |
| Unquoted fair value                                    | 670                       | 82                          | 306                        | 1 058        |
| Own transferable financial instruments                 | -                         | 1                           | 90                         | 91           |
| Investments in listed property entities/ funds         | -                         | -                           | 58                         | 58           |
|                                                        | <b>975</b>                | <b>862</b>                  | <b>784</b>                 | <b>2 621</b> |
|                                                        |                           |                             |                            |              |
|                                                        | Group                     |                             |                            |              |
|                                                        | 2024                      |                             |                            |              |
|                                                        | Fair value of plan assets |                             |                            | Total        |
|                                                        | Debt<br>instruments<br>Rm | Equity<br>instruments<br>Rm | Other<br>instruments<br>Rm |              |
| Quoted fair value                                      | 484                       | 797                         | 100                        | 1 381        |
| Unquoted fair value                                    | 795                       | 61                          | 439                        | 1 295        |
| Own transferable financial instruments                 | -                         | -                           | 103                        | 103          |
|                                                        | <b>1 279</b>              | <b>858</b>                  | <b>642</b>                 | <b>2 779</b> |

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                                                        | Group |      |
|--------------------------------------------------------------------------------------------------------|-------|------|
|                                                                                                        | 2025  | 2024 |
|                                                                                                        | Rm    | Rm   |
| <b>40.2.6 Movements in the defined benefit plan presented in the statement of comprehensive income</b> |       |      |
| <b>Recognised in profit or loss:</b>                                                                   |       |      |
| Net interest expense                                                                                   | 7     | 11   |
| Current service cost                                                                                   | 19    | 17   |
| Past service cost including curtailments                                                               | (2)   | 2    |
|                                                                                                        | 24    | 30   |
| <b>Recognised in other comprehensive income:</b>                                                       |       |      |
| Actuarial (gains)/losses - changes in financial assumptions                                            | (53)  | (55) |
| Actuarial gains - experience adjustments                                                               | 21    | (80) |
| Remeasurement - return on the plan assets in excess of interest                                        | 17    | (81) |
| Changes in the irrecoverable surplus in excess of interest                                             | (49)  | 128  |
|                                                                                                        | (64)  | (88) |
| <b>40.2.7 The actuarial assumptions (weighted averages) include:</b>                                   |       |      |
| Discount rate (%)                                                                                      | 10.7  | 11.5 |
| Inflation (%)                                                                                          | 6.0   | 6.6  |
| Future pension increases (%)                                                                           | 4.5   | 5.2  |
| Future salary increases (%)                                                                            | 0.1   | 2.1  |
| Average life expectancy in years of pensioner retiring at 60 – Male                                    | 18.1  | 18.1 |
| Average life expectancy in years of pensioner retiring at 60 – Female                                  | 22.0  | 21.9 |

|                                              | Group                 |                                  |                       |                                 |                         |                                |                         |
|----------------------------------------------|-----------------------|----------------------------------|-----------------------|---------------------------------|-------------------------|--------------------------------|-------------------------|
|                                              | 2025                  |                                  |                       |                                 |                         |                                |                         |
|                                              | Absa Bank of Botswana | Absa Bank of Kenya               | Kenya First Assurance | Absa Bank of Zambia             | Absa Bank of Seychelles | Absa Bank of Mauritius         | Absa Bank of Mozambique |
| <b>40.2.8 Mortality Assumption</b>           |                       |                                  |                       |                                 |                         |                                |                         |
| Pre-Retirement Mortality Assumption- Male    | -                     | PA(90)                           | -                     | PA(90)M                         | PA(90)M                 | A1967/70(2) ultimate           | PM 60/64                |
| Pre-Retirement Mortality Assumption - Female | -                     | PA(90)<br>rated down by one year | -                     | PA(90)F<br>rated down by 1 year | PA(90)F                 | A1967/70(2) ultimate           | PM 60/64                |
| Post Retirement Mortality Assumption -Male   | PA(90)M               | PA(90)                           | -                     | PA(90)M                         | PA(90) M                | PA90M<br>rated down by 2 years | PM 60/64                |
| Post Retirement Mortality Assumption -Female | PA(90)F               | PA(90)<br>rated down by 1 year   | -                     | PA(90)F<br>rated down by 1 year | PA(90) F                | PA90F<br>rated down by 2 years | PM 60/64                |

## Notes to the consolidated financial statements

For the year ended 31 December

|                                              | Group<br>2024               |                                     |                             |                                    |                               |                                                              |                               |
|----------------------------------------------|-----------------------------|-------------------------------------|-----------------------------|------------------------------------|-------------------------------|--------------------------------------------------------------|-------------------------------|
|                                              | Absa<br>Bank of<br>Botswana | Absa<br>Bank of<br>Kenya            | Kenya<br>First<br>Assurance | Absa<br>Bank of<br>Zambia          | Absa<br>Bank of<br>Seychelles | Absa<br>Bank of<br>Mauritius                                 | Absa<br>Bank of<br>Mozambique |
| Pre-Retirement Mortality Assumption - Male   |                             | PA(90)                              | PA90                        | PA(90)M                            | PA(90)M                       | A1967/70(2)<br>ultimate                                      | PM 60/64                      |
| Pre-Retirement Mortality Assumption - Female |                             | PA(90)<br>rated down by<br>one year | PA90                        | PA(90)F<br>rated down<br>by 1 year | PA(90)F                       | A1967/70(2)<br>ultimate<br>PA90M<br>rated down by 2<br>years | PM 60/64                      |
| Post Retirement Mortality Assumption -Male   | PA(90)M                     | PA(90)                              | PA90                        | PA(90)M                            | PA(90) M                      |                                                              | PM 60/64                      |
| Post Retirement Mortality Assumption -Female | PA(90)F                     | PA(90)<br>rated down<br>by 1 year   | PA90                        | PA(90)F<br>rated down<br>by 1 year | PA(90) F                      | PA90F<br>rated down by 2<br>years                            | PM 60/64                      |

In prior years, the Group disclosed the expected undiscounted maturity analysis of the defined benefit obligation. The Group has assessed this disclosure in terms of the requirements of IAS 19 Employee Benefits and IAS 1 Presentation of Financial Statements. Based on this assessment the Group concluded that the maturity analysis is not necessary to understand the nature, timing and uncertainty of the defined benefit obligation. The weighted average duration of the scheme has been provided together with the expected contribution to the scheme for the next 12 months which provide an indication of the effect of the defined benefit plan on the entity's future cash flows.

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                                   | Group                            |                                                          |
|-----------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------|
|                                                                                   | 2025                             |                                                          |
|                                                                                   | Reasonable possible change<br>Rm | Increase/ (decrease) on defined benefit obligation<br>Rm |
| <b>40.2.9 Sensitivity analysis of significant assumptions (weighted averages)</b> |                                  |                                                          |
| <b>Significant actuarial assumption</b>                                           |                                  |                                                          |
| Increase in discount rate (%)                                                     | 0.5                              | (75)                                                     |
| Increase in inflation (%)                                                         | 0.5                              | 43                                                       |
| Increase in life expectancy (years)                                               | 1.0                              | 24                                                       |

|                                         | Group                            |                                                          |
|-----------------------------------------|----------------------------------|----------------------------------------------------------|
|                                         | 2024                             |                                                          |
|                                         | Reasonable possible change<br>Rm | Increase/ (decrease) on defined benefit obligation<br>Rm |
| <b>Significant actuarial assumption</b> |                                  |                                                          |
| Increase in discount rate (%)           | 0.5                              | (119)                                                    |
| Increase in inflation (%)               | 0.5                              | 51                                                       |
| Increase in life expectancy (years)     | 1                                | 68                                                       |

### 40.2.10 Sensitivity analysis

The sensitivity analysis presented in this note may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. For the purpose of the sensitivity analysis, it is assumed that any change in inflation impacts other inflation-dependent assumptions, i.e. certain pension increases and salary growth.

### 40.3 Post-retirement medical aid plans

Some of the Group's subsidiaries subsidise either medical aid contributions or actual incurred medical costs after retirement. The accrued and future liabilities in respect of these post-retirement medical costs are valued either annually, or every three years, on the reporting date, and projected thereafter. These liabilities were actuarially valued based on the healthcare benefits currently provided to staff using appropriate mortality and withdrawal assumptions, as well as appropriate medical inflation and discount rates. The present value of the post-retirement medical aid plan liabilities is **R582m** (2024: R457m).

# Notes to the consolidated financial statements

For the year ended 31 December

## 41. Dividends per share

|                                                                                               | Group<br>2025<br>Rm | 2024<br>Rm    |
|-----------------------------------------------------------------------------------------------|---------------------|---------------|
| <b>Dividends declared to ordinary equity holders</b>                                          |                     |               |
| Interim dividend <b>(18 August 2025: 785 Cents per share (cps))</b> (19 August 2024: 685 cps) | 7 021               | 6 126         |
| Final dividend <b>(10 March 2026: 850 cps)</b> (11 March 2025: 775 cps)                       | 7 602               | 6 931         |
|                                                                                               | <b>14 623</b>       | <b>13 057</b> |
| <b>Dividends declared to ordinary equity holders (net of treasury shares)</b>                 |                     |               |
| Interim dividend <b>(18 August 2025: 785 cps)</b> (19 August 2024: 685 cps)                   | 6 510               | 5 687         |
| Final dividend <b>(10 March 2026: 850 cps)</b> (11 March 2025: 775 cps)                       | 7 045               | 6 428         |
|                                                                                               | <b>13 555</b>       | <b>12 115</b> |
| <b>Dividends declared to non-controlling preference equity holders</b>                        |                     |               |
| Interim dividend <b>(04 July 2025: 2970.68493 cps)</b> (19 August 2024: 4146.30136 cps)       | 147                 | 205           |
| Final dividend <b>(0 cps)</b> (11 March 2025: 3939.65753 cps )                                | -                   | 195           |
|                                                                                               | <b>147</b>          | <b>400</b>    |
| <b>Distributions declared and paid to additional Tier 1 capital note holders</b>              |                     |               |
| Distribution                                                                                  |                     |               |
| <b>27 January 2025: 31 331.42 Rands per note (rpn);</b> 29 January 2024: 33 242.52 rpn        | 38                  | 40            |
| <b>31 January 2025: 27 617.64 rpn;</b> 31 January 2024: 28 766.30 rpn                         | 55                  | 58            |
| <b>14 February 2025: 27 305.09 rpn</b>                                                        | 41                  | -             |
| <b>17 February 2025: 28 703.64 rpn;</b> 16 February 2024: 30 090.30 rpn                       | 57                  | 60            |
| <b>28 February 2025: 26 546.41 rpn;</b> 28 February 2024: 32 431.89 rpn                       | 41                  | 55            |
| <b>5 March 2025: 29 692.60 rpn;</b> 5 March 2024: 31 476.03 rpn                               | 41                  | 43            |
| <b>29 April 2025: 30 770.85 rpn;</b> 29 April 2024: 32 266.36 rpn                             | 37                  | 39            |
| <b>30 April 2025: 25 597.86 rpn;</b> 30 April 2024: 27 941.92 rpn                             | 51                  | 56            |
| <b>14 May 2025: 25 500.33 rpn</b>                                                             | 39                  | -             |
| <b>16 May 2025: 26 853.26 rpn;</b> 16 May 2024: 29 458.36 rpn                                 | 54                  | 59            |
| <b>29 May 2025: 25 392.33 rpn;</b> 28 May 2024: 31 726.85 rpn                                 | 40                  | 53            |
| <b>5 June 2025: 29 762.63 rpn;</b> 5 June 2024: 31 801.75 rpn                                 | 41                  | 44            |
| <b>28 July 2025: 29 815.89 rpn;</b> 27 July 2024: 32 161.64 rpn                               | 36                  | 39            |
| <b>31 July 2025: 26 420.38 rpn;</b> 31 July 2024: 28 456.99 rpn                               | 53                  | 57            |
| <b>14 August 2025: 26 107.84 rpn;</b> 14 August 2024: 28 664.38 rpn                           | 39                  | 43            |
| <b>18 August 2025: 28 426.63 rpn;</b> 16 August 2024: 30 070.14 rpn                           | 57                  | 60            |
| <b>29 August 2025: 25 664.22 rpn;</b> 28 August 2024: 32 368.88 rpn                           | 41                  | 54            |
| <b>09 October 2025: 24 814.79 rpn;</b> 5 September 2024: 31 738.74 rpn                        | 75                  | 44            |
| <b>27 October 2025: 29 232.19 rpn;</b> 28 October 2024: 31 994.60 rpn                         | 35                  | 39            |
| <b>31 October 2025: 25 389.48 rpn;</b> 31 October 2024: 28 288.11 rpn                         | 51                  | 57            |
| <b>14 November 2025: 24 996.27 rpn;</b> 14 November 2024: 28 104.11 rpn                       | 38                  | 42            |
| <b>17 November 2025: 26 419.92 rpn;</b> 18 November 2024: 30 466.30 rpn                       | 53                  | 61            |
| <b>28 November 2025: 24 325.67 rpn;</b> 28 November 2024: 32 094.14 rpn                       | 38                  | 54            |
| 05 December 2024: 31 122.00 rpn                                                               | -                   | 43            |
|                                                                                               | <b>1 051</b>        | <b>1 100</b>  |
| <b>Dividends paid to ordinary equity holders (net of treasury shares)</b>                     |                     |               |
| Final dividend <b>(29 April 2025: 775 cps)</b> (22 April 2024: 685 cps)                       | 6 428               | 5 679         |
| Interim dividend <b>(15 September 2025: 785 cps)</b> (13 September 2024: 685 cps)             | 6 510               | 5 687         |
|                                                                                               | <b>12 938</b>       | <b>11 366</b> |
| <b>Dividends paid to non-controlling preference equity holders</b>                            |                     |               |
| Final dividend <b>(23 April 2025: 3939.65753 cps)</b> (22 April 2024: 4101.23286 cps)         | 195                 | 203           |
| Interim dividend <b>(21 July 2025: 2970.68493 cps)</b> (13 September 2024: 4146.30136 cps)    | 147                 | 205           |
|                                                                                               | <b>342</b>          | <b>408</b>    |



## Notes to the consolidated financial statements

For the year ended 31 December

### 42. Securities borrowed/lent and repurchase/reverse repurchase agreements

#### 42.1 Reverse repurchase agreements and securities borrowed

As part of the reverse repurchase agreements and securities borrowing agreements, the Group has received securities as collateral that are allowed to be sold or repledged. These securities are pledged for the duration of the respective agreements. The terms of the pledges are usual and customary to such agreements. The fair value of these securities at the reporting date amounts to **R115 571m** (2024: R90 593m) of which **R70 532m** (2024: R69 326m) have been sold or repledged. The Group has an obligation to return the collateral held except in the event of default.

#### 42.2 Repurchase agreements and securities lent

The following table shows the carrying amount of transferred assets that have not resulted in any derecognition, together with the associated liabilities.

|                    | Group                                       |                                                 |                                        |                                            |                      |
|--------------------|---------------------------------------------|-------------------------------------------------|----------------------------------------|--------------------------------------------|----------------------|
|                    | 2025                                        |                                                 |                                        |                                            |                      |
|                    | Carrying amount of transferred assets<br>Rm | Carrying amount of associated liabilities<br>Rm | Fair value of transferred assets<br>Rm | Fair value of associated liabilities<br>Rm | Net fair value<br>Rm |
| Debt instruments   | 65 433                                      | (62 258)                                        | 65 433                                 | (62 258)                                   | 3 175                |
| Equity instruments | 11 437                                      | (8 232)                                         | 11 437                                 | (8 232)                                    | 3 205                |

|                    | Group                                       |                                                 |                                        |                                            |                      |
|--------------------|---------------------------------------------|-------------------------------------------------|----------------------------------------|--------------------------------------------|----------------------|
|                    | 2024                                        |                                                 |                                        |                                            |                      |
|                    | Carrying amount of transferred assets<br>Rm | Carrying amount of associated liabilities<br>Rm | Fair value of transferred assets<br>Rm | Fair value of associated liabilities<br>Rm | Net fair value<br>Rm |
| Debt instruments   | 51 338                                      | (51 263)                                        | 51 338                                 | (51 263)                                   | 75                   |
| Equity instruments | 5 930                                       | (1 384)                                         | 5 930                                  | (1 384)                                    | 4 546                |

The transferred assets are presented in the 'Trading portfolio assets' and 'Investment securities' lines on the statement of financial position.

Equity instruments are pledged as part of securities lending arrangements. The carrying amount and fair value of transferred assets include all securities lending transactions involving the transfer of the Group's assets. The carrying amount of financial liabilities associated with these transfers only includes cash collateral received against securities lent. Transactions where securities are received as collateral instead of cash are excluded, as these do not give rise to an associated liability on the face of the statement of financial position. If these transactions were included, the asset transfers would reflect the fact that these scrip lending transactions are over-collateralised, in line with normal market practice.

## Notes to the consolidated financial statements

For the year ended 31 December

### 43. Transfer of financial assets

#### 43.1 Transfer of financial assets involving structured entities

In the ordinary course of its normal banking activities the Group transfers financial assets to SEs, either legally (where legal rights to the cash flows from the asset are transferred to the counterparty) or beneficially (where the Group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty). Depending on the nature of the transaction, this may result in derecognition of the assets in their entirety, partial derecognition of the assets or no derecognition of the assets.

#### 43.2 Transfer of financial assets that does not result in derecognition

|                                 | Group<br>2025                                        |                                                          |                                              |                                                  |                      |
|---------------------------------|------------------------------------------------------|----------------------------------------------------------|----------------------------------------------|--------------------------------------------------|----------------------|
|                                 | Carrying<br>amount of<br>transferred<br>assets<br>Rm | Carrying<br>amount of<br>associated<br>liabilities<br>Rm | Fair value of<br>transferred<br>assets<br>Rm | Fair value of<br>associated<br>liabilities<br>Rm | Net fair value<br>Rm |
| Investment securities           | 2 030                                                | (1 428)                                                  | 2 030                                        | (1 428)                                          | 602                  |
| Loans and advances to customers | 11 427                                               | (9 235)                                                  | 11 427                                       | (9 235)                                          | 2 192                |

|                                 | Group<br>2024                                        |                                                          |                                              |                                                  |                      |
|---------------------------------|------------------------------------------------------|----------------------------------------------------------|----------------------------------------------|--------------------------------------------------|----------------------|
|                                 | Carrying<br>amount of<br>transferred<br>assets<br>Rm | Carrying<br>amount of<br>associated<br>liabilities<br>Rm | Fair value of<br>transferred<br>assets<br>Rm | Fair value of<br>associated<br>liabilities<br>Rm | Net fair value<br>Rm |
| Investment securities           | 1 535                                                | (1 169)                                                  | 1 535                                        | (1 169)                                          | 366                  |
| Loans and advances to customers | 9 261                                                | (8 135)                                                  | 9 261                                        | (8 135)                                          | 1 126                |

Balances included within loans and advances to customers represent instances where substantially all the risks and rewards (credit risk and prepayment risk) of the financial asset have been retained by the Group.

The relationship between the transferred assets and the associated liabilities is that holders of the associated liabilities may only look to cash flows from the transferred assets for payments due to them, although the contractual terms may differ from those of the transferred assets.

#### 43.3 Transfer of financial assets that results in partial derecognition

The Group invests in notes of certain SEs. The interest on these notes represents a continuing exposure to the prepayment risk and credit risk of the underlying assets (the transferred assets) which comprise corporate loans. As at the year-end, the Group has not invested in SEs requiring a transfer of financial assets that result in partial derecognition (2024: None).

#### 43.4 Continuing involvement in financial assets that have been derecognised in their entirety

The instance may arise where the Group transfers a financial asset to an SE in its entirety but may have continuing involvement in it. Continuing involvement largely arises from providing financing to the SE in the form of retained notes, which do not bear first losses as they are not considered equity instruments of the SE. As at 31 December 2025, the Group had no continuing involvement where financial assets have been derecognised in their entirety (2024: None).

## Notes to the consolidated financial statements

For the year ended 31 December

### 44. Offsetting financial assets and financial liabilities

Where relevant, the Group reports derivative financial instruments, reverse repurchase and repurchase agreements and other similar secured lending and borrowing agreements on a net basis.

The following table shows the impact of netting arrangements on the statement of financial position for recognised financial assets and financial liabilities that are reported net on the statement of financial position. Also presented are derivative financial instruments and reverse repurchase and repurchase agreements and other similar lending and borrowing agreements that are subject to enforceable master netting or similar agreements which do not qualify for presentation on a net basis. The table also shows potential netting not recognised on the statement of financial position that results from arrangements that do not meet all the IAS 32 netting criteria, because there is no intention to net settle or realise simultaneously, and related financial collateral that mitigates credit risk.

The net amounts presented are not intended to represent the Group's actual credit exposure as a variety of credit mitigation strategies are employed in addition to netting and collateral arrangements.

|                                                                             | Group<br>2025                                         |                 |                                                             |                                  |                      |                 |                                                         |                                           |
|-----------------------------------------------------------------------------|-------------------------------------------------------|-----------------|-------------------------------------------------------------|----------------------------------|----------------------|-----------------|---------------------------------------------------------|-------------------------------------------|
|                                                                             | Amounts subject to enforceable netting arrangements   |                 |                                                             |                                  |                      |                 |                                                         |                                           |
|                                                                             | Effects of netting on statement of financial position |                 |                                                             | Related amounts not set off      |                      |                 |                                                         |                                           |
|                                                                             | Gross amounts                                         | Amounts set off | Net amounts reported on the statement of financial position | Offsetting financial instruments | Financial collateral | Net amount      | Amounts not subject to enforceable netting arrangements | Total per statement of financial position |
|                                                                             | Rm                                                    | Rm              | Rm                                                          | Rm                               | Rm                   | Rm              | Rm                                                      | Rm                                        |
| Derivative financial assets (note 53.3)                                     | 144 335                                               | (69 383)        | 74 952                                                      | (53 014)                         | (2 123)              | 19 815          | 236                                                     | 75 188                                    |
| Reverse repurchase agreements and other similar secured lending (note 7)    | 108 687                                               | -               | 108 687                                                     | -                                | (108 687)            | -               | -                                                       | 108 687                                   |
| <b>Total assets</b>                                                         | <b>253 022</b>                                        | <b>(69 383)</b> | <b>183 639</b>                                              | <b>(53 014)</b>                  | <b>(110 810)</b>     | <b>19 815</b>   | <b>236</b>                                              | <b>183 875</b>                            |
| Derivative financial liabilities (note 53.3)                                | (138 328)                                             | 70 371          | (67 957)                                                    | 52 961                           | -                    | (14 996)        | (2 115)                                                 | (70 072)                                  |
| Reverse repurchase agreements and other similar secured borrowing (note 18) | (144 252)                                             | -               | (144 252)                                                   | -                                | 144 252              | -               | -                                                       | (144 252)                                 |
| <b>Total liabilities</b>                                                    | <b>(282 580)</b>                                      | <b>70 371</b>   | <b>(212 209)</b>                                            | <b>52 961</b>                    | <b>144 252</b>       | <b>(14 996)</b> | <b>(2 115)</b>                                          | <b>(214 324)</b>                          |

Net amounts reported on the statement of financial position comprise exposures that have been netted on the statement of financial position in compliance with IAS 32 (net exposure).

Financial collateral excludes over collateralisation and amounts, which are measured at fair value and are in excess of the net statement of financial position exposure. The financial collateral is pledged under terms that are usual and customary to such agreements.

In certain jurisdictions a contractual right of set-off is subject to uncertainty under laws of the jurisdiction and therefore netting is not applied and the amounts are classed as not subject to legally enforceable netting arrangements.

Total per statement of financial position is the sum of 'Net amounts reported on the statement of financial position' which are subject to enforceable netting arrangements and 'Amounts not subject to enforceable netting arrangements'.

## Notes to the consolidated financial statements

For the year ended 31 December

| Group<br>2024                                                            |                  |                                                             |                                  |                      |                 |                                                                 |                                           |                  |
|--------------------------------------------------------------------------|------------------|-------------------------------------------------------------|----------------------------------|----------------------|-----------------|-----------------------------------------------------------------|-------------------------------------------|------------------|
| Amounts subject to enforceable netting arrangements                      |                  |                                                             |                                  |                      |                 |                                                                 |                                           |                  |
| Effects of netting on statement of financial position                    |                  |                                                             | Related amounts not set off      |                      |                 |                                                                 |                                           |                  |
| Gross amounts                                                            | Amounts set off  | Net amounts reported on the statement of financial position | Offsetting financial instruments | Financial collateral | Net amount      | Amounts not subject to legally enforceable netting arrangements | Total per statement of financial position |                  |
| Rm                                                                       | Rm               | Rm                                                          | Rm                               | Rm                   | Rm              | Rm                                                              | Rm                                        | Rm               |
| Derivative financial assets (note 53.3)                                  |                  |                                                             |                                  |                      |                 |                                                                 |                                           |                  |
| 120 774                                                                  | (61 625)         | 59 149                                                      | (45 800)                         | (2 247)              | 11 102          | 2 466                                                           | 61 615                                    |                  |
| Reverse repurchase agreements and other similar secured lending (note 7) |                  |                                                             |                                  |                      |                 |                                                                 |                                           |                  |
| 86 971                                                                   | -                | 86 971                                                      | -                                | (86 971)             | -               | -                                                               | 86 971                                    |                  |
| <b>Total assets</b>                                                      | <b>207 745</b>   | <b>(61 625)</b>                                             | <b>146 120</b>                   | <b>(45 800)</b>      | <b>(89 218)</b> | <b>11 102</b>                                                   | <b>2 466</b>                              | <b>148 586</b>   |
| Derivative financial liabilities (note 53.3)                             |                  |                                                             |                                  |                      |                 |                                                                 |                                           |                  |
| (113 308)                                                                | 62 470           | (50 838)                                                    | 45 756                           | -                    | (5 082)         | (3 173)                                                         | (54 011)                                  |                  |
| Repurchase agreements and other similar secured borrowings (note 18)     |                  |                                                             |                                  |                      |                 |                                                                 |                                           |                  |
| (103 394)                                                                | -                | (103 394)                                                   | -                                | 103 394              | -               | -                                                               | (103 394)                                 |                  |
| <b>Total liabilities</b>                                                 | <b>(216 702)</b> | <b>62 470</b>                                               | <b>(154 232)</b>                 | <b>45 756</b>        | <b>103 394</b>  | <b>(5 082)</b>                                                  | <b>(3 173)</b>                            | <b>(157 405)</b> |

### Offsetting and collateral arrangements

#### Derivative assets and liabilities

Credit risk is mitigated where possible through netting arrangements, such as the International Swaps and Derivative Association (ISDA) Master Agreement or derivative exchange or clearing counterparty agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transactions covered by the agreements if an event of default or other predetermined events occur. Financial collateral (cash and non-cash) is also obtained, often daily, for the net exposure between counterparties where possible to further mitigate credit risk.

#### Repurchase and reverse repurchase agreements and other similar secured lending and borrowing

Credit risk is mitigated where possible through netting arrangements such as global master repurchase agreements and global master securities lending agreements whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transactions covered by the agreements if an event of default or other predetermined events occur. Financial collateral is obtained and typically comprises highly liquid securities which are legally transferred and can be liquidated in the event of counterparty default.

These offsetting and collateral arrangements and the credit risk mitigation strategies used by the Group are further explained in the Credit risk mitigation, collateral and other credit enhancements section of note 57.

## Notes to the consolidated financial statements

For the year ended 31 December

### 45. Related parties

#### 45.1 Significant related party transaction

Absa Group Limited announced the appointment of Kenny Fihla as Group Chief Executive Officer and Executive Director, effective 17 June 2025. Charles Russon stepped down as Interim Group Chief Executive Officer, effective 16 June 2025. René van Wyk, an Independent Non-Executive Director of Absa Group Limited, assumed the position of Chairman of the Board, effective 15 July 2025. Sello Moloko stepped down from his role as Chairman of Absa Group Limited and as Independent Non-Executive Director, effective 15 July 2025.

Zarina Bassa was appointed as an Independent Non-Executive Director effective 1 April 2025 and Sindiswa Zilwa was appointed as an Independent Non-Executive Director effective 1 April 2025.

Christine Wu and Geoffrey Lee have been appointed as interim co-Chief Executives of Personal and Private Banking, effective 30 May 2025.

Ihron Rensburg resigned as a Non-Executive Director effective 31 August 2025 and John Cummins resigned as a Non-Executive Director effective 30 September 2025.

On 1 May 2025, the Group disposed of Absa Life Botswana Proprietary Limited. The transaction yielded a cash consideration of R180m. The Group's share of net assets disposed was R164m, and transaction costs amounted to R13m. The disposal resulted in a profit of R3m. On 1 June 2025, the Group completed the disposal of Absa Life Zambia Limited for a cash consideration of R37m. The Group's share of net assets disposed was R40m, and transaction costs incurred were R14m. This transaction resulted in a gross loss of R17m.

On 1 April 2025, the Group disposed of its interest in Global Alliance Seguros, S.A. (Mozambique). The total consideration received amounted to R475m, comprising R20m in cash, a receivable of R412m, and a deferred consideration of R43m. The Group's share of net assets disposed was R515m, and transaction costs incurred amounted to R6m. This transaction resulted in a gross loss of R46m.

Refer to note 51 for additional information on the acquisitions and disposals of businesses and other significant assets.

#### 45.2 Prior period related party events and transactions

Deon Raju (former Group Chief Risk Officer and Group Treasurer) was appointed by the Board as the Group Financial Director for Absa Group Limited with effect from 26 April 2024, taking over from Christopher Snyman who stepped down as an Interim Financial Director on the same date.

Charles Russon was appointed as Interim Group Executive Officer on 15 October 2024. Prior to his appointment, he was Chief Executive of Absa's Corporate and Investment Bank (CIB).

Christine Wu was appointed as Chief Executive: Everyday Banking, while Rajal Vaidya was appointed as Interim Group Chief Risk Officer, both with effect from 26 April 2024.

Swithin J. Munyantwali announced his resignation as an Independent Director of Absa Group Limited, effective 12 March 2024.

Daisy Naidoo announced her retirement as an Independent Director of Absa Group Limited, effective, 4 June 2024.

Absa Bank Limited acquired an additional 0,685% stake in South African Bankers Services Company Proprietary Limited, increasing the investment's carrying value by R106m. Furthermore, Absa Group Limited expanded its shareholding in Sanlam Investment Holdings Proprietary Limited resulting in a R24 m increase in the investment's carrying value.

Devco Holdings, a division in the Business Banking segment (previously Relationship Banking), divested its entire shareholding in Absa Property Development Pty Ltd. The assets held at the time of the divestment were valued at R203m, while the liabilities amounted to R228m. The sale was finalised on 28 June 2024 and resulted in a profit of R25m.

Refer to note 51 for additional information on the acquisitions and disposals of businesses and other significant assets.

#### 45.3 Transactions with key management personnel

IAS 24 Related Party Disclosures (IAS 24) requires the identification of key management personnel, who are individuals responsible for planning, directing and controlling the activities of the entity, including directors. Key management personnel are defined as executive and non-executive directors and members of the Executive Committee (Exco), including those acting in capacity of decision makers even when not formally appointed to the Exco. A number of banking and insurance transactions are entered into with key management personnel in the normal course of business, under terms that are no more favourable than those arranged with other employees. These include loans, deposits and foreign currency transactions.

## Notes to the consolidated financial statements

For the year ended 31 December

|                                              | Group      |            |
|----------------------------------------------|------------|------------|
|                                              | 2025       | 2024       |
|                                              | Rm         | Rm         |
| <b>Key management personnel compensation</b> |            |            |
| <b>Directors</b>                             |            |            |
| Non-deferred cash payments                   | 27         | 14         |
| Post-employment benefit contributions        | 1          | 0          |
| Salaries and other short-term benefits       | 37         | 15         |
| Share-based payments                         | 42         | 26         |
|                                              | <b>107</b> | <b>55</b>  |
| <b>Other key management personnel</b>        |            |            |
| Non-deferred cash payments                   | 51         | 33         |
| Post-employment benefit contributions        | 4          | 3          |
| Salaries and other short-term benefits       | 64         | 58         |
| Share-based payments                         | 72         | 72         |
|                                              | <b>191</b> | <b>166</b> |

|                                                           | Group                            |                                                         |                                  |                                                         |
|-----------------------------------------------------------|----------------------------------|---------------------------------------------------------|----------------------------------|---------------------------------------------------------|
|                                                           | 2025                             |                                                         | 2024                             |                                                         |
|                                                           | Transactions with key management | Transactions with entities controlled by key management | Transactions with key management | Transactions with entities controlled by key management |
|                                                           | Rm                               | Rm                                                      | Rm                               | Rm                                                      |
| <b>Loans</b>                                              |                                  |                                                         |                                  |                                                         |
| <b>Balance at the beginning of the reporting period</b>   | 52                               | 7                                                       | 64                               | 7                                                       |
| (Discontinuance)/inception of related-party relationships | (2)                              | (1)                                                     | (13)                             | -                                                       |
| Loans issued and interest earned                          | 32                               | 2                                                       | 34                               | 0                                                       |
| Loans repaid                                              | (30)                             | (2)                                                     | (33)                             | (0)                                                     |
| <b>Balance at the end of the reporting period</b>         | <b>52</b>                        | <b>7</b>                                                | <b>52</b>                        | <b>7</b>                                                |
| <b>Interest income</b>                                    | <b>26</b>                        | <b>5</b>                                                | <b>10</b>                        | <b>-</b>                                                |
| <b>Deposits</b>                                           |                                  |                                                         |                                  |                                                         |
| <b>Balance at the beginning of the reporting period</b>   | 147                              | 2                                                       | 56                               | 2                                                       |
| (Discontinuance)/inception of related-party relationships | 37                               | 3                                                       | 74                               | -                                                       |
| Deposits received                                         | 206                              | 89                                                      | 132                              | 0                                                       |
| Deposits repaid and interest paid                         | (189)                            | (74)                                                    | (115)                            | (0)                                                     |
| <b>Balance at the end of the reporting period</b>         | <b>201</b>                       | <b>20</b>                                               | <b>147</b>                       | <b>2</b>                                                |
| <b>Interest expense</b>                                   | <b>25</b>                        | <b>2</b>                                                | <b>6</b>                         | <b>0</b>                                                |
| <b>Guarantees</b>                                         | <b>200</b>                       | <b>-</b>                                                | <b>55</b>                        | <b>-</b>                                                |
| <b>Other investments</b>                                  |                                  |                                                         |                                  |                                                         |
| <b>Balance at the beginning of the reporting period</b>   | 135                              | 43                                                      | 156                              | 43                                                      |
| (Discontinuance)/inception of related-party relationships | (2)                              | -                                                       | 29                               | -                                                       |
| Value of new investments/contributions                    | 110                              | -                                                       | 30                               | -                                                       |
| Value of withdrawals/disinvestments                       | (74)                             | -                                                       | (80)                             | -                                                       |
| <b>Balance at the end of the reporting period</b>         | <b>169</b>                       | <b>43</b>                                               | <b>135</b>                       | <b>43</b>                                               |

Discontinuance/inception of related-party relationships Includes balances relating to key management personnel who were resigned/appointed during the reporting period.

Notes to the consolidated financial statements

For the year ended 31 December

Insurance premiums paid and claims received.

Key management personnel paid insurance premiums of **R2m** (2024: R1m) and received claims of **Rnil** (2024: Rnil).

## Notes to the consolidated financial statements

For the year ended 31 December

### 45.4 Subsidiaries and consolidated structured entities

The following information provided is in respect of the Group's main subsidiaries. The main subsidiaries are those entities whose results or financial position, in the opinion of the directors, had the most significant impact, relative to all the Group's subsidiaries, on the figures shown in the consolidated financial statements. The significance of this impact is judged from both a qualitative and a quantitative perspective and is assessed on a half-yearly basis.

|                                                                |                                                                                                                                                                                                                                                             |                             | Group     |           |
|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------|-----------|
|                                                                |                                                                                                                                                                                                                                                             |                             | 2025<br>% | 2024<br>% |
| Name                                                           | Nature of business                                                                                                                                                                                                                                          | Country of<br>incorporation | holding   | holding   |
| Absa Group Limited and its subsidiaries                        |                                                                                                                                                                                                                                                             |                             |           |           |
| Absa Capital Securities Proprietary Limited                    | Stockbrokers.                                                                                                                                                                                                                                               | South Africa                | 100       | 100       |
| Absa Development Company Holdings Proprietary Limited          | Specialises in township development and sale of residential, commercial and industrial land.                                                                                                                                                                | South Africa                | 100       | 100       |
| Absa Manx Insurance Company Limited                            | Captive insurance company for the Group and responsible for investment in insurances markets.                                                                                                                                                               | Isle of Man                 | 100       | 100       |
| Absa Insurance Services Proprietary Limited (B)                | Absa Insurance Services Proprietary Limited (B) is an insurance agent which earns its fees from referral of life and non-life products such as credit life, life policy, motor comprehensive cover, home owners insurance and hospital cash back to clients |                             |           |           |
|                                                                |                                                                                                                                                                                                                                                             | Botswana                    | 100       | 100       |
| Absa Investment Management Services Proprietary Limited        | The Company is an authorised Financial Service Provider (FSP) holding approval as administrative, discretionary FSP and investment manager                                                                                                                  | South Africa                | 100       | 100       |
| Absa Life Assurance Kenya Limited                              | Life Insurance                                                                                                                                                                                                                                              | Kenya                       | 100       | 100       |
| Blue Age Properties 60 Proprietary Limited                     | Investment in movable and immovable property as principal                                                                                                                                                                                                   | South Africa                | 100       | 100       |
| Absa Stockbrokers and Portfolio Management Proprietary Limited | Enables customers to trade online or by telephone in shares, warrants and exchange traded funds.                                                                                                                                                            | South Africa                | 100       | 100       |
| Absa Securities U.S. Inc.                                      | Broker-dealer trading in debt and equity securities.                                                                                                                                                                                                        | United States of America    | 100       | 100       |
| Absa Securities United Kingdom Limited                         | Solicitation, syndication, selling and arranging of equity and debt products.                                                                                                                                                                               | United Kingdom              | 100       | 100       |
| Absa Bank of Ghana Limited                                     | Provides retail and corporate banking.                                                                                                                                                                                                                      | Ghana                       | 100       | 100       |
| Absa Bank of Kenya Limited                                     | Provides retail and corporate banking.                                                                                                                                                                                                                      | Kenya                       | 69        | 69        |
| Absa Bank Moçambique S.A. (ABM)                                | Commercial bank that provides retail and limited corporate services from a network of outlets and ATMs.                                                                                                                                                     |                             |           |           |
|                                                                |                                                                                                                                                                                                                                                             | Mozambique                  | 99        | 99        |
| Absa Bank of Botswana Limited                                  | Provides retail and corporate banking.                                                                                                                                                                                                                      | Botswana                    | 68        | 68        |
| Absa Bank (Mauritius) Limited                                  | Provides retail and corporate banking.                                                                                                                                                                                                                      | Mauritius                   | 100       | 100       |
| Absa Bank (Seychelles) Limited                                 | Provides retail and corporate banking.                                                                                                                                                                                                                      | Seychelles                  | 100       | 100       |
| Absa Bank Tanzania Limited                                     | Provides retail and corporate banking.                                                                                                                                                                                                                      | Tanzania                    | 100       | 100       |
| Absa Bank Uganda Limited                                       | Provides retail and corporate banking.                                                                                                                                                                                                                      | Uganda                      | 100       | 100       |
| Absa Bank Zambia PLC                                           | Provides retail and corporate banking.                                                                                                                                                                                                                      | Zambia                      | 100       | 100       |
| National Bank of Commerce Limited (NBC)                        | Commercial bank that provides retail and limited corporate services from a national network of outlets and ATMs.                                                                                                                                            |                             |           |           |
|                                                                |                                                                                                                                                                                                                                                             | Tanzania                    | 55        | 55        |
| Woolworths Financial Services Proprietary Limited              | Provides credit cards, in-store cards and personal loans.                                                                                                                                                                                                   | South Africa                | 50        | 50        |

A full list of subsidiaries and consolidated SEs is available, on request, at the registered address of the Group.



## Notes to the consolidated financial statements

For the year ended 31 December

| Name                                                        | Nature of business                                                                                                                                                                                                                 | Country of incorporation | Group     |           |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------|-----------|
|                                                             |                                                                                                                                                                                                                                    |                          | 2024<br>% | 2025<br>% |
|                                                             |                                                                                                                                                                                                                                    |                          | holding   | holding   |
| <b>Absa Bank Limited and its subsidiaries</b>               | Offers a comprehensive range of retail, commercial, corporate and investment banking services to a wide range of customers and clients.                                                                                            | South Africa             | 100       | 100       |
| Absa Technology Prague s.r.o                                | Provides information technology services to Absa Group.                                                                                                                                                                            | Czech Republic           | 100       | 100       |
| Absa Vehicle Management Solutions Proprietary Limited       | Operates as a fleet manager providing financial, leasing, maintenance and management services.                                                                                                                                     | South Africa             | 100       | 100       |
| Home Obligor Mortgages Enhanced Securities (RF) Limited     | Securitisation vehicle for Absa Home Loans division.                                                                                                                                                                               | South Africa             | 100       | 100       |
| United Towers Proprietary Limited                           | Investment in and issuance of preference shares                                                                                                                                                                                    | South Africa             | 100       | 100       |
| <b>Absa Financial Services and its subsidiaries</b>         |                                                                                                                                                                                                                                    |                          |           |           |
|                                                             | Holding company of financial service-related entities.                                                                                                                                                                             | South Africa             | 100       | 100       |
| Absa Financial Services Africa Holdings Proprietary Limited | Holding company of African financial service-related entities.                                                                                                                                                                     | South Africa             | 100       | 100       |
| Absa Financial Services Limited                             | Absa Financial Services Limited is an investment holding company. It holds investments in subsidiaries from which it receives dividends. It earns income from various investments administered by Absa Fund Managers (RF) Pty Ltd. | South Africa             | 100       | 100       |
| Absa Asset Management Limited (K)                           | The principal activity of the Company is to carry on the business of investment advisory and fund management services                                                                                                              | Kenya                    | 100       | 100       |
| Absa Insurance and Financial Advisers Proprietary Limited   | The company provides insurance and investment broking services                                                                                                                                                                     | South Africa             | 100       | 100       |
| Absa Insurance Company Limited                              | Short-term insurance provider to house and vehicle owners.                                                                                                                                                                         | South Africa             | 100       | 100       |
| Absa Insurance Risk Management Services Limited             | Provides short-term insurance and other related insurance products.                                                                                                                                                                | South Africa             | 100       | 100       |
| Absa Investment Management Services Proprietary Limited     | The Company is an authorised Financial Service Provider (FSP) holding approval as administrative, discretionary FSP and investment manager                                                                                         | South Africa             | 100       | 100       |
| Absa Life Botswana Proprietary Limited                      | Provides life assurance products focusing on risk and investment products that complement Absa's offerings to various market segments in Botswana.                                                                                 | Botswana                 | -         | 100       |
| Absa Life Limited                                           | Provides life assurance products, focusing on risk and investment products, that complement the Group's offerings to various market segments.                                                                                      | South Africa             | 100       | 100       |
| Absa Trust Limited                                          | Trust administrative services.                                                                                                                                                                                                     | South Africa             | 100       | 100       |
| Absa Life Zambia Limited                                    | Provides life assurance products focusing on risk and investment products that complement Absa's offerings to various market segments in Zambia.                                                                                   | Zambia                   | -         | 100       |
| Global Alliance Seguros, S.A.                               | Provides non-life insurance in Mozambique.                                                                                                                                                                                         | Mozambique               | -         | 100       |
| First Assurance Holdings Limited                            | Provides short-term insurance and other related insurance products.                                                                                                                                                                | Kenya                    | 100       | 100       |
| Instant Life Proprietary Limited                            | Provides life assurance products through cell arrangements.                                                                                                                                                                        | South Africa             | 100       | 100       |

A full list of subsidiaries and consolidated SEs is available, on request, at the registered address of the Group.

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                    |                                                                                                                                                             |                          | Group     |           |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------|-----------|
|                                                    |                                                                                                                                                             |                          | 2025<br>% | 2024<br>% |
| Name                                               | Nature of business                                                                                                                                          | Country of incorporation | holding   | holding   |
| Share trusts                                       |                                                                                                                                                             |                          |           |           |
| Absa Group Employee Incentive Trust                | Share purchase and option scheme available to senior staff.                                                                                                 | South Africa             | n/a       | n/a       |
| Absa Empowerment Trust*                            | To be used in the furtherance of the Group’s objective of establishing a Broad-Based Black Economic Empowerment scheme.                                     | South Africa             | n/a       | n/a       |
| Newshelf 1405 (RF) Proprietary Limited*            | To be used in the furtherance of the Group’s objective of establishing a Broad-Based Black Economic Empowerment scheme.                                     | South Africa             | n/a       | n/a       |
| Absa Insurance Services Proprietary Limited (B)    | Empower young people with the training and tools that they need for employment and entrepreneurship in the workplace.                                       | South Africa             | n/a       | n/a       |
| Structured entities                                |                                                                                                                                                             |                          |           |           |
| Absa Foundation Trust                              | Provides funding for community upliftment. It receives a percentage of the Group’s dividends which it distributes to identified community-related projects. | South Africa             | n/a       | n/a       |
| Springbok 2022 Aircraft Leasing Limited            | Springbok is an SPV and has only one asset, the aircraft. The aircraft is being leased out and this provides the sole source of income to the SPV.          | South Africa             | n/a       | n/a       |
| iMpumelelo CP Note Programme 1 (RF) Limited        | Special purpose, bankruptcy-remote company incorporated for the purpose of issuing Absa Bank guaranteed commercial paper and medium-term notes.             | South Africa             | n/a       | n/a       |
| AB Finco 1 (RF) Limited                            | Securitisation vehicle.                                                                                                                                     | South Africa             | n/a       | n/a       |
| Absa Home Loans 101 (RF) Limited                   | Securitisation vehicle.                                                                                                                                     | South Africa             | n/a       | n/a       |
| Commissioner Street No 10 (RF) Proprietary Limited | Securitisation vehicle.                                                                                                                                     | South Africa             | n/a       | n/a       |
| Absa CSI trust                                     | eKhaya Colleague Share Scheme                                                                                                                               | South Africa             | n/a       | n/a       |

A full list of subsidiaries and consolidated SEs is available, on request, at the registered address of the Group.

\* The Group's Broad-Based Black Economic Empowerment transaction had an impact on these consolidated structured entities. Refer to Note 46.2 for further information.

|                                                           | Group      | 2024   |
|-----------------------------------------------------------|------------|--------|
|                                                           | 2025<br>Rm | Rm     |
| Subsidiaries' aggregate profits and losses after taxation | 25 019     | 26 473 |

### 45.5 Nature and extent of significant restrictions relating to investments in subsidiaries

#### Regulatory requirements -(unaudited)

The Group's banking and insurance subsidiaries are subject to the regulatory capital (RC) requirements of the countries in which they operate. These require, inter alia, that these entities maintain minimum capital ratios which restrict the ability of these entities to make distributions to the Parent company. Distributions are also restricted by leverage constraints, large exposure limits and local legal licence requirements.

The requirements to maintain capital also affect certain equity and nonequity instruments in these subsidiaries such as Tier 1 and Tier 2 capital instruments and other subordinated liabilities which enable subsidiaries to meet their ratios. To the extent that these are retired, they must be replaced with instruments of similar terms.

The minimum amount of RC required to be maintained by the Group was **R161bn** (2024: R151bn).

#### Contractual requirements

Certain of the Group's securitisation and SEs hold assets or interests in assets that are only available to meet the liabilities of those entities and May have issued public debt securities. The Group has the ability to wind up these structures and repay the notes, but only on the occurrence of Certain contingencies, such as changes in tax laws or regulatory requirements. The carrying amount of the assets and liabilities of the entities to which these restrictions apply as at 31 December 2025 was **R9bn and R9bn** respectively (2024: R9bn and R9bn respectively).

#### Protective rights of non-controlling interests

On 3 June 2025, at a Scheme Meeting of Absa Bank preference shareholders, a special resolution was passed to implement a scheme of arrangement in which all outstanding preference shares would be acquired by Absa Bank Limited. As a result, all non-redeemable, non-cumulative,

## Notes to the consolidated financial statements

For the year ended 31 December

non-participating preference shares were repurchased on 21 July 2025, returned to Absa Bank Limited's authorised but unissued share capital, and delisted from the JSE Main Board. This transaction resulted in the derecognition in July 2025 of the Group's non-controlling interest relating to preference shares, with a gain of R31m being recognised directly in equity.

Absa Bank Limited had issued equity preference shares which were non-controlling interests of the Group. Under the terms of these instruments, the preference shareholders were not entitled to vote at any meeting of Absa Bank Limited, unless the preference dividend had been declared, but remained in arrears and unpaid after six months from the due date. Alternatively, voting rights were granted if a resolution of Absa Bank Limited was proposed which directly affected the rights attached to the Absa Bank Limited preference shares, which included any resolutions for the winding up of Absa Bank Limited or for the reduction of its share capital or share premium accounts.

The particulars of these instruments are shown in note 23.

### 45.6 Associates, joint ventures and retirement benefit fund

The Group provides certain banking and financial services to associates and joint ventures. The Group also provides a number of current and interest-bearing cash accounts to the Absa Pension Fund. These transactions are generally conducted on the same terms as third-party transactions.

In aggregate, the amounts included in the Group's consolidated financial statements are as follows:

|                                                                                                          | Group<br>2025                             |                                  |             |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-------------|
|                                                                                                          | Associates<br>and joint<br>ventures<br>Rm | Retirement<br>benefit fund<br>Rm | Total<br>Rm |
| Value of defined benefit pension fund and post-retirement medical aid plan investments held by the Group | -                                         | -                                | -           |
| Value of Absa Group Limited shares held by defined benefit pension fund                                  | -                                         | 1                                | 1           |
| Value of other Absa Group Limited securities held by defined benefit pension fund                        | -                                         | -                                | -           |
| <b>Statement of financial position</b>                                                                   |                                           |                                  |             |
| Other assets                                                                                             | 16                                        | 2                                | 18          |
| Loans and advances (refer to note 7)                                                                     | 31 584                                    | -                                | 31 584      |
| Other liabilities                                                                                        | (14)                                      | -                                | (14)        |
| Deposits                                                                                                 | 444                                       | 89                               | 534         |
| <b>Statement of comprehensive income</b>                                                                 |                                           |                                  |             |
| Interest income from joint ventures and associates and on pension plan assets (refer to note 24)         | 2 321                                     | -                                | 2 321       |
| Interest expense from joint ventures and associates and on defined benefit obligation                    | (1)                                       | -                                | (1)         |
| Fee and commission expense                                                                               | (4)                                       | -                                | (4)         |
| Operating expenses                                                                                       | (774)                                     | -                                | (774)       |
| Operating income                                                                                         | 177                                       | -                                | 177         |

Included in loans and advances balance are exposures relating to joint ventures of **R51m** (2024: R50m). Also included in the interest income from associates and joint ventures is an amount of **R26m** (2024: R30m) relating to joint ventures.

The remaining joint ventures and associates have been aggregated in the above disclosures as the joint ventures balance is immaterial to warrant separate disclosures.

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                                                             | Associates and<br>joint ventures<br>Rm | Group<br>2024<br>Retirement<br>benefit fund<br>Rm | Total<br>Rm |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------------------|-------------|
| Value of defined benefit pension fund and post-retirement medical aid plan investments managed by the Group | -                                      | 808                                               | 808         |
| Value of Absa defined contribution pension fund investments managed by the Group                            | -                                      | 57                                                | 57          |
| Value of Absa Group Limited shares held by defined benefit pension fund                                     | -                                      | 676                                               | 676         |
| <b>Statement of financial position</b>                                                                      |                                        |                                                   | -           |
| Other assets                                                                                                | 8                                      | -                                                 | 8           |
| Loans and advances (refer to note 7)                                                                        | 28 668                                 | -                                                 | 28 668      |
| Deposits                                                                                                    | (104)                                  | -                                                 | (104)       |
| <b>Statement of comprehensive income</b>                                                                    |                                        |                                                   | -           |
| Interest income from joint ventures and associates and on pension plan assets                               | 2 351                                  | 127                                               | 2 478       |
| Interest expense on defined benefit obligation                                                              | -                                      | (127)                                             | (127)       |
| Fee and commission expense                                                                                  | (5)                                    | -                                                 | (5)         |
| Operating expenses                                                                                          | (971)                                  | -                                                 | (971)       |

The interest income, interest expense and service cost amounts in relation to the retirement benefit fund, are included as part of the staff expense costs in operating expenses note. These amounts do not have an effect on the net interest income of the Group.

The 'Loans and advances' balance includes balances from joint ventures.

The information provided below is in respect of the Group's main associates and joint ventures. The main associates and joint ventures are those arrangements whose results or financial position, in the opinion of the directors, had the most significant impact, relative to all the Group's associates and joint ventures, on the Group's consolidated financial statements. Despite these investments having the most significant impact relative to all the Group's associates and joint ventures, none of the Group's associates or joint ventures are considered to have an impact that is individually material. Materiality and the relative significance of the Group's associates and joint ventures are judged from a qualitative and quantitative perspective and is assessed half-yearly.

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                                      |                                                                                                                                                                | Group                  | 2024           |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------|
|                                                                                      |                                                                                                                                                                | 2025<br>Ownership<br>% | Ownership<br>% |
| <b>Equity-accounted associates</b>                                                   |                                                                                                                                                                |                        |                |
| SBV Services Proprietary Limited                                                     | Cash transportation services.                                                                                                                                  | 25                     | 25             |
| Document Exchange Association                                                        | Facilitates the electronic exchange of documents between the banks.                                                                                            | 25                     | 25             |
| PayInc                                                                               | Automatic clearing house.                                                                                                                                      | 10                     | 24             |
| Sanlam Investment Holdings Proprietary Limited                                       | Operates as an investment holding company. The Company, through its subsidiaries, provides investment management, financial planning, and consulting services. | 13                     | 13             |
| <b>Equity-accounted joint ventures</b>                                               |                                                                                                                                                                |                        |                |
| FFS Finance South Africa (RF) Proprietary Limited                                    | Provides financing solutions to Ford Motor Company customers.                                                                                                  | 50                     | 50             |
| MAN Financial Services (SA) (RF) Proprietary Limited                                 | Joint venture with MAN Financial Services GmbH for financing of trucks and buses.                                                                              | 50                     | 50             |
| John Deere Financial Proprietary Limited                                             | Undertakes marketing activities for asset financing of John Deere products.                                                                                    | 50                     | 50             |
| <b>Associates and joint ventures designated at fair value through profit or loss</b> |                                                                                                                                                                | Various                | Various        |

All associates and joint ventures are incorporated in South Africa.

A full list of associates and joint ventures is available, on request, at the registered address of the Group.

SBV Services Proprietary Limited and The South Africa Bankers Services Company Proprietary Limited have a reporting date of 30 June.

During the current financial year, the South African Bankers Service Company Proprietary Limited which was rebranded as 'PayInc', issued ordinary shares to new shareholders, including the South African Reserve Bank. As a result of this share issuance, the Group's equity interest in PayInc decreased from 23.81% to 9.58% by way of a dilution. Despite this reduction in shareholding, the Group continues to exercise significant influence over PayInc and, accordingly, accounts for its remaining interest as an Investment in Associate in accordance with IAS 28

## Notes to the consolidated financial statements

For the year ended 31 December

### 46. Structured entities

#### Preference share funding vehicles

The Group provides financing to a number of SEs, established and managed by clients, in the form of a subscription for cumulative redeemable preference shares. These instruments typically have the economic characteristics of vanilla debt instruments, and as such the Group recognises interest income from its investments. Often the Group subscribes for preference shares in these vehicles together with other financial institutions on a syndicated basis. The Group does not have the ability to direct the relevant business activities in these vehicles and therefore in the absence of control, the vehicles are not consolidated. An entity which forms part of the same group of companies as the preference share funding vehicle, most commonly the parent company, writes the Group a financial guarantee or a put option, so as to provide security in the event of default.

#### Securitisation vehicles

The Group has used SEs in order to securitise loans that were originated by the Group. These entities have minimal equity and therefore rely on funding in the form of notes in order to acquire the underlying loans. The Group transfers the contractual right to receive cash flows on the underlying loans, but in many instances, does not relinquish substantial exposure to all the risks and rewards of ownership. Exposures to credit risk, prepayment risk and/or interest rate risk are retained when the Group purchases either senior notes or junior notes and sells derivatives to the entity. When the securitisation vehicles are established to run entirely on autopilot or when the only relevant activity of the entity constitutes recovery of the securitised loans in the event of default, then provided such activity is not directed by the Group, the Group will not have power over the relevant activities of the vehicle. The Group earns interest income on the notes issued by the vehicles, together with management fees from the Group's ongoing involvement. To the extent that the notes are fair valued, unrealised gains and losses are generated, which are recognised by the Group in profit or loss.

#### Funding vehicles

The Group provides funding in the form of loans to bankruptcy remote SEs to enable them to purchase fixed assets, such as property. The loans are fully collateralised by the underlying asset, and the repayment of principal and interest is met through the receipt of lease income. The loans are subject to guarantees received from the parent company, or from other trading entities within the same group of companies. The Group earns interest on the loans. The loans are either measured at amortised cost or are designated as at fair value through profit or loss.

#### 46.1 Consolidated structured entities

The Group did not incur losses related to the Group's interests in consolidated structured entities in the current financial reporting period (2024: Rnil).

The Group did not provide any financial support during the current financial reporting period (2024: Rnil) to consolidated structured entities and has no current arrangements to provide financial support in the future.

#### 46.2 Unconsolidated structured entities

The level of risk that the Group is exposed to is determined by the nature and purpose of it holding an interest in the entity.

Owing to the large number of SEs in which the Group holds an interest, information about such entities has been aggregated according to the purpose for which the entity was established.

Notes to the consolidated financial statements

For the year ended 31 December

|                                                                        | Group                             |                         |         |
|------------------------------------------------------------------------|-----------------------------------|-------------------------|---------|
|                                                                        | 2025                              |                         |         |
|                                                                        | Preference share funding vehicles | Securitisation vehicles | Total   |
|                                                                        | Rm                                | Rm                      | Rm      |
| Assets                                                                 |                                   |                         |         |
| Investment securities                                                  | -                                 | 268                     | 268     |
| Debt securities                                                        | -                                 | 268                     | 268     |
| Loans and advances to customers                                        | 38 988                            | -                       | 38 988  |
| Undrawn liquidity facilities and financial guarantees (notional value) | -                                 | 31                      | 31      |
| Maximum exposure to loss                                               | 38 988                            | 299                     | 39 287  |
| Total size of entities                                                 | 160 578                           | 1 041                   | 161 619 |

|                                                                        | Group                             |                         |                  |         |
|------------------------------------------------------------------------|-----------------------------------|-------------------------|------------------|---------|
|                                                                        | 2024                              |                         |                  |         |
|                                                                        | Preference share funding vehicles | Securitisation vehicles | Funding vehicles | Total   |
|                                                                        | Rm                                | Rm                      | Rm               | Rm      |
| Assets                                                                 |                                   |                         |                  |         |
| Investment securities                                                  | -                                 | 339                     | -                | 339     |
| Debt securities                                                        | -                                 | 339                     | -                | 339     |
| Loans and advances to customers                                        | 34 707                            | -                       | 7                | 34 714  |
| Undrawn liquidity facilities and financial guarantees (notional value) | -                                 | 260                     | -                | 260     |
| Maximum exposure to loss                                               | 34 707                            | 599                     | 7                | 35 313  |
| Total size of entities                                                 | 187 563                           | 1 154                   | 7                | 188 724 |

The Group did not incur losses related to the Group’s interests in unconsolidated structured entities in the current financial reporting period (2024: Rnil).

Under undrawn liquidity facilities and financial guarantees there are no liquidity arrangements, guarantees or other commitments with third parties that may affect the fair value or risk of the entity’s interest in unconsolidated structured assets. The Group’s maximum exposure to loss has been calculated as the sum of its assets recognised in the statement of financial position and its unrecognised contractual commitments to provide further finance. The actual loss, due to the collateral held by the entities, the availability of netting and credit protection held is likely to be less in most cases.

Total size of entities is measured relative to total assets.

Financial support provided or to be provided to unconsolidated structured entities

The Group did not provide any financial support during the current financial reporting period (2024: Rnil) to unconsolidated structured entities and has no current arrangements to provide financial support in the future.

46.3 Sponsored entities

The Group did not earn material income from its involvement in the unconsolidated SEs which it sponsors.

Assets transferred to unconsolidated sponsored structured entities

The Group did not transfer assets during the current financial reporting year (2024: Rnil) to its unconsolidated sponsored structured entities.

47. Assets under management and administration (unaudited)

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                        |         |         |
|--------------------------------------------------------|---------|---------|
| Alternative asset management and exchange-traded funds | 48 079  | 34 876  |
| Deceased estates                                       | 3 193   | 4 064   |
| Other assets under administration                      | 166 844 | 161 331 |
| Trusts                                                 | 17 178  | 15 316  |
| Unit trusts                                            | 72 468  | 68 547  |
|                                                        | 307 762 | 284 134 |

Other assets under administration include those to which custody and trustee services are provided. In 2024, certain items relating to internal parties had been incorrectly disclosed as external parties. Consequently, the Other assets under administration balance has been restated from R423 337m to R161 331m.

## 48. Contingencies, commitments and similar items

|                                       | Group   |         |
|---------------------------------------|---------|---------|
|                                       | 2025    | 2024    |
|                                       | Rm      | Rm      |
| Guarantees                            | 69 702  | 55 716  |
| Irrevocable debt facilities           | 172 275 | 150 802 |
| Letters of credit                     | 15 300  | 16 167  |
|                                       | 257 277 | 222 685 |
| <b>Authorised capital expenditure</b> |         |         |
| Contracted but not provided for       | 853     | 857     |

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

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

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

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

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

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

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

## Legal proceedings

### Legal matters

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

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

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



## Notes to the consolidated financial statements

For the year ended 31 December

particular period, depending on, amongst other things, the amount of the loss resulting from the matter(s) and the amount of income otherwise reported for the reporting period.

The Group has not disclosed the contingent liabilities associated with these matters either because they cannot reasonably be estimated or because such disclosure could be prejudicial to the outcome of the matter. Provision is made for all liabilities which are expected to materialise.

### Regulatory developments

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

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

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

### Income taxes disclosed as contingencies

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

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

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

## Notes to the consolidated financial statements

For the year ended 31 December

### 49. Deferred cash and share-based payments

|                                                                                                                                   | Group        |              |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                   | 2025<br>Rm   | 2024<br>Rm   |
| <b>Share-based payments expense</b>                                                                                               | <b>1 912</b> | <b>1 642</b> |
| <b>Equity-settled arrangements:</b>                                                                                               |              |              |
| Absa Group Share Incentive Plan Performance Award (SIPP)                                                                          | 497          | 443          |
| Absa Group Limited Share Incentive Plan Retention Buyout Award (SIPRB)                                                            | 73           | 47           |
| Absa Group Limited Share Incentive Plan Deferred Award (SIPD)                                                                     | 282          | 288          |
| Absa Group Limited Share Incentive Plan Retention Award (SIPR)                                                                    | 280          | 238          |
| eKhaya colleague share scheme (ECSS)                                                                                              | 414          | 384          |
| <b>Cash-settled arrangements:</b>                                                                                                 |              |              |
| Absa Group Share Incentive Plan Performance Award (SIPP)                                                                          | 33           | 18           |
| Absa Group Limited Phantom Joiners Share Award Plan (JSAP)                                                                        | 4            | -            |
| Absa Group Limited Share Incentive Plan Deferred Award (SIPD)                                                                     | 53           | 45           |
| Absa Group Limited Share Incentive Plan Retention Award (SIPR)                                                                    | 9            | 4            |
| eKhaya colleague share scheme (ECSS)                                                                                              | 267          | 175          |
| <b>Deferred cash expense</b>                                                                                                      |              |              |
| Absa Group Limited Cash Value Plan (CVP)                                                                                          | 2            | 1            |
| <b>Total deferred cash and share-based payments (refer to note 33)</b>                                                            | <b>1 914</b> | <b>1 643</b> |
| <b>Total carrying amount of liabilities for cash-settled arrangements (refer to note 17)</b>                                      | <b>552</b>   | <b>275</b>   |
| <b>Total carrying amount of the equity settled share-based payment arrangements (refer to the statement of changes in equity)</b> | <b>2 716</b> | <b>2 002</b> |

Cash-settled share-based payment schemes are measured with reference to the statement of financial position date and the Absa Group Limited share price.

#### Absa Group Limited Share Incentive Plan Performance Award

Qualifying participants of the Share Incentive Plan Performance Award (SIPP) will be entitled to Absa Group Limited ordinary shares either by way of a share award or a cash award that must be used to purchase Absa Group Limited ordinary shares. The Group retains the obligation to settle in cash certain SIPP awards that are prohibited from being equity-settled. The award will be issued by Absa Group Limited. In order for the participant to be entitled to these awards, the participant needs to render three years or five years (depending on the grant received) of service and the requisite performance conditions need to be met. Dividends may accumulate and are reinvested over the vesting period.

#### Absa Group Limited Share Incentive Plan Retention Buyout Award

The Share Incentive Plan Retention Buyout Award (SIPRB) enables the Group to attract and motivate new employees by buying out the 'in the money' portion of a participant's shares or options under their previous employers' share scheme by offering the employees Absa Group Limited awards. This award will be issued by Absa Group Limited. There is no consideration payable for the grant of an award and the vesting of the award is not subject to performance conditions. Dividends may accumulate and are reinvested over the vesting period, which will align with the vesting period of the previous employer.

#### Absa Group Limited Share Incentive Plan Deferred Award

The Share Incentive Plan Deferred Award (SIPD) (and any associated notional dividends) are awarded at no cost to the participants. The awards typically vest in equal tranches after one to five years. The award will be issued by Absa Group Limited. The Group retains the obligation to settle in cash certain SVP awards that are prohibited from being equity-settled. The amount that is paid to the cash-settled participants is equal to the market value of a number of Absa Group Limited ordinary shares, as determined on the vesting date. On vesting, equity-settled participants are awarded Absa Group Limited ordinary shares in settlement of their awards. Dividends may accumulate and are reinvested over the vesting period.

#### Absa Group Limited Share Incentive Plan Retention Award

The Share Incentive Plan Retention Award (SIPR) (and any associated notional dividends) are awarded at no cost to the participants. The awards vest after three to five years. The Bank retains the obligation to settle in cash certain SVP awards that are prohibited from being equity-settled. The amount that is paid to the cash-settled participants is equal to the market value of a number of Absa Group Limited ordinary shares, as determined on the vesting date. On vesting, equity-settled participants are awarded Absa Group Limited ordinary shares in settlement of their awards. Dividends may accumulate and are reinvested over the vesting period. These awards will vest on the vesting Date(s), subject to achieving a performance rating in respect of the 2021, 2022, 2023, 2024 and 2025 performance years of "Met expectation or above" (or any other equivalent rating in force from time to time).

#### Absa Group Limited Restricted Share Value Plan

## Notes to the consolidated financial statements

For the year ended 31 December

The Restricted Share Value Plan (RSVP) awards (and any associated notional dividends) are awarded at no cost to the participants. Vesting periods range from two to five years, with each tranche subject to its own independent non-market-related performance condition on vesting. The Group retains the obligation to settle in cash certain restricted SVP awards that are prohibited from being equity-settled. The amount that is paid to the cash-settled participants is equal to the market value of a number of Absa Group Limited ordinary shares, as determined on the vesting date, to the extent that the non-market-related conditions attached to the awards are met. On vesting, equity-settled participants are awarded Absa Group Limited ordinary shares in settlement of their awards. Dividends may accumulate and are reinvested over the vesting period.

### eKhaya Colleague Share Scheme

The Absa Group B-BBEE transaction resulted in the indirect allocation of 3% of the Group's shares in issue to a Staff Trust (the Absa Empowerment Trust). SA Staff Scheme participants are awarded units in the Staff Trust corresponding to an allocation of the Absa shares held by Newshelf 1405 (RF) Proprietary Limited (NS 1405). The SA Staff Scheme participants benefit from an attributable share of annual dividends equal to 25% of the Absa dividend paid to NS 1405 in the preceding 12 months, subject to a minimum loan to value ratio being maintained. The vesting term of the SA Staff Scheme is five years at which time qualifying participants will be direct and beneficial owners of unencumbered Absa shares. Notional units forfeited prior to the vesting date will be retained in the Staff Trust and re-allocated to eligible staff who join the Absa Group in the first 3 years of commencement of the SA Staff Scheme on a first-come-first-served basis. In recognition of the valued role of all staff, Absa Group Companies outside of South Africa participate via phantom cash-settled staff schemes in their respective jurisdictions equivalent in value in aggregate to approximately 1% of Absa Group Limited's shareholding, which will contain terms and provisions notionally equivalent to the terms for the SA Staff Scheme.

## Notes to the consolidated financial statements

For the year ended 31 December

### Deferred cash and share-based payments

|                        | Number of awards '000 |         |           |           |                 |                 |         |           |           |                 |
|------------------------|-----------------------|---------|-----------|-----------|-----------------|-----------------|---------|-----------|-----------|-----------------|
|                        | 2025                  |         |           |           |                 | 2024            |         |           |           |                 |
|                        | Opening Balance       | Granted | Forfeited | Exercised | Closing balance | Opening balance | Granted | Forfeited | Exercised | Closing Balance |
| <b>Equity-settled:</b> |                       |         |           |           |                 |                 |         |           |           |                 |
| SIPP                   | 12 470                | 6 514   | (1 964)   | (1 835)   | 15 185          | 10 552          | 5 681   | (1 131)   | (2 632)   | 12 470          |
| SIPRB                  | 402                   | 1 190   | (22)      | (270)     | 1 300           | 441             | 234     | (31)      | (242)     | 402             |
| SIPD                   | 3 632                 | 1 845   | (208)     | (1 715)   | 3 554           | 2 961           | 2 040   | (171)     | (1 198)   | 3 632           |
| SIPR                   | 4 257                 | 2 653   | (324)     | (775)     | 5 811           | 3 287           | 2 060   | (207)     | (883)     | 4 257           |
| RSVP                   | 33                    | -       | -         | -         | 33              | 33              | -       | -         | -         | 33              |
| ECSS                   | 26 382                | 1 337   | (1 468)   | (46)      | 26 205          | 26 364          | 1 543   | (1 471)   | (54)      | 26 382          |
| <b>Cash-settled:</b>   |                       |         |           |           |                 |                 |         |           |           |                 |
| SIPP                   | 614                   | 410     | (52)      | (102)     | 870             | 661             | 322     | (148)     | (221)     | 614             |
| SIPRB                  | 1                     | -       | -         | (1)       | -               | 4               | -       | -         | (3)       | 1               |
| SIPD                   | 130                   | 126     | -         | (60)      | 196             | 115             | 100     | (37)      | (48)      | 130             |
| SIPR                   | 229                   | 159     | (4)       | (53)      | 331             | 207             | 122     | (43)      | (57)      | 229             |
| ECSS                   | 6 735                 | 651     | (397)     | (155)     | 6 834           | 6 588           | 544     | (384)     | (13)      | 6 735           |

The terms and conditions of the above share-based payment arrangements dictate that awards be settled immediately on vesting and therefore there are no awards which have vested but have not yet been settled at any given time. Furthermore, the awards outstanding in the aforementioned schemes have no exercise price.

|                        | Weighted average share price at the exercise date (Rands) |        | Weighted average contractual life of awards outstanding (years) |      | Weighted average fair value of options granted during the period (Rands) |        |
|------------------------|-----------------------------------------------------------|--------|-----------------------------------------------------------------|------|--------------------------------------------------------------------------|--------|
|                        | 2025                                                      | 2024   | 2025                                                            | 2024 | 2025                                                                     | 2024   |
| <b>Equity-settled:</b> |                                                           |        |                                                                 |      |                                                                          |        |
| SIPP                   | 182.83                                                    | 137.88 | 1.41                                                            | 1.46 | 178.92                                                                   | 146.01 |
| SIPRB                  | 175.13                                                    | 169.07 | 1.11                                                            | 0.97 | 169.86                                                                   | 158.87 |
| SIPD                   | 170.89                                                    | 179.45 | 0.94                                                            | 0.94 | 179.18                                                                   | 145.68 |
| SIPR                   | 190.32                                                    | 153.62 | 1.46                                                            | 1.53 | 178.72                                                                   | 145.68 |
| ECSS                   | 82.39                                                     | 82.53  | 2.67                                                            | 3.67 | 100.16                                                                   | 76.39  |
| <b>Cash-settled:</b>   |                                                           |        |                                                                 |      |                                                                          |        |
| SIPP                   | 178.72                                                    | 156.72 | 1.43                                                            | 1.47 | 178.72                                                                   | 147.57 |
| SIPRB                  | 180.05                                                    | 147.80 | -                                                               | 0.31 | -                                                                        | -      |
| SIPD                   | 178.72                                                    | 145.68 | 0.90                                                            | 0.99 | 178.72                                                                   | 145.68 |
| SIPR                   | 178.72                                                    | 170.21 | 1.51                                                            | 1.47 | 178.72                                                                   | 145.68 |
| ECSS                   | 77.89                                                     | 73.18  | 2.67                                                            | 3.67 | 100.17                                                                   | 76.39  |

### Future cash flow effects associated with equity settled share payments

|                                                                  | Group 2025    |                        |                   |       |
|------------------------------------------------------------------|---------------|------------------------|-------------------|-------|
|                                                                  | Within 1 year | From 1 year to 5 years | More than 5 years | Total |
|                                                                  | Rm            | Rm                     | Rm                | Rm    |
| Estimate of amount expected to be transferred to tax authorities | 767           | 3 194                  | -                 | 3 961 |
|                                                                  | 2024          |                        |                   |       |
|                                                                  | Within 1 year | From 1 year to 5 years | More than 5 years | Total |
|                                                                  | Rm            | Rm                     | Rm                | Rm    |
| Estimate of amount expected to be transferred to tax authorities | 487           | 2 131                  | -                 | 2 618 |

The estimates provided above indicate the amounts which are expected to be transferred to tax authorities relating to the employees' tax obligations on equity schemes which have been granted but which vest in future periods. The amounts were estimated based on the number of awards expected to vest, the share price as at year-end and an estimate of the average applicable employee effective tax rate.

## Notes to the consolidated financial statements

For the year ended 31 December

### 50. Statement of cash flows notes

#### 50.1 Net increase in operating assets

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

#### 50.2 Net increase in operating liabilities

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

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

#### 50.3 Cash and cash equivalents

|                                                                                              | Group<br>2025<br>Rm | 2024<br>Rm     |
|----------------------------------------------------------------------------------------------|---------------------|----------------|
| Mandatory reserve and other balances with the SARB and other central banks (refer to note 2) | 106 892             | 89 282         |
| Coins and bank notes (refer to note 2)                                                       | 12 050              | 12 425         |
| Loans and advances to banks (refer to note 7)                                                | 32 075              | 25 907         |
| Money market assets (refer to note 2)                                                        | 2 171               | 3 377          |
| Mobile money balances (refer to note 5)                                                      | 3 566               | 2 207          |
| Investment securities (refer to note 3)                                                      | 7 256               | 4 599          |
|                                                                                              | <b>164 010</b>      | <b>137 797</b> |

## Notes to the consolidated financial statements

For the year ended 31 December

### 51. Acquisitions and disposals of business and similar transactions

#### 51.1 Acquisitions of businesses and other similar transactions during the current reporting period

In December 2025, as a result of the restructuring of a financing arrangement with a customer, Absa Bank Limited acquired 35.77% of the equity of a South African private company. This acquisition has been recognised as an investment in an equity-accounted associate.

#### 51.2 Disposals of businesses and other similar transactions during the current reporting period

In line with the Group's strategic intent, during 2025 the Group concluded the disposal of three insurance entities to Hollard, within its Africa Regions – Personal and Private Banking & Business Banking segment.

On 1 April 2025, the Group disposed of its interest in Global Alliance Seguros, S.A. (Mozambique). The total consideration received amounted to R475m, comprising R20m in cash, a receivable of R412m, and a deferred consideration of R43m. The Group's share of net assets disposed was R515m, and transaction costs incurred amounted to R6m. This transaction resulted in a gross loss of R46m.

Subsequently, on 1 May 2025, the Group disposed of Absa Life Botswana Proprietary Limited. The transaction yielded a cash consideration of R180m. The Group's share of net assets disposed was R164m, and transaction costs amounted to R13m. The disposal resulted in a profit of R3m.

Lastly, on 1 June 2025, the Group completed the disposal of Absa Life Zambia Limited for a cash consideration of R37m. The Group's share of net assets disposed was R40m, and transaction costs incurred were R14m. This transaction resulted in a gross loss of R17m.

During the current financial year, the South African Bankers Service Company Proprietary Limited which was rebranded as 'PayInc', issued ordinary shares to new shareholders, including the South African Reserve Bank. As a result of this share issuance, the Group's equity interest in PayInc decreased from 23.81% to 9.58% by way of a dilution, effective from November 2025. Despite this reduction in shareholding, the Group continues to exercise significant influence over PayInc and, accordingly, accounts for its remaining interest as an Investment in Associate in accordance with IAS 28.

#### 51.3 Acquisitions of businesses and other similar transactions during the previous reporting period

Absa Bank Limited increased its shareholding in South African Bankers Services Company Proprietary Limited by 0.685%. This increased the carrying value of the investment by R106m.

Absa Group Limited increased its shareholding in Sanlam Investment Holdings Proprietary Limited. This increased the carrying value of the investment by R24m.

On 6 July 2024, Absa Bank Mauritius Limited met the conditions for acquiring 100% of the assets and liabilities of HSBC's domestic Wealth, and Personal and Banking business in Mauritius. The acquisition became effective on this date. Included in the identifiable assets and liabilities acquired on the effective date are inputs (loans and advances, a portfolio of customer deposits, a branch and customer relationships), certain processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create interest and non-interest income. The acquired set is hence a business and has been accounted for as a business combination within the scope of IFRS 3.

The fair value of the acquired loans and advances is R2 454m. The gross contractual amount for the loans and advances is R2 491m, with a loss allowance of R37m recognised on acquisition.

The acquisition date fair value of the consideration transferred was allocated to the fair values of the acquired assets of R6 985m and liabilities assumed of R6 916m. The gain on bargain purchase recognised in the consolidated statement of comprehensive income due to the acquisition of the business was R69m. The acquired business contributed revenues of R69m and profit of R65m to the group for the period ended 31 December 2024.

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                                | 2024<br>Rm  |
|--------------------------------------------------------------------------------|-------------|
| Consideration at date of acquisition:                                          |             |
| Cash                                                                           | —           |
| <b>Total Consideration</b>                                                     | <b>—</b>    |
| Recognised fair values of identifiable assets acquired and liabilities assumed |             |
| Cash, cash balances and balances with central banks                            | 4 472       |
| Other assets                                                                   | 7           |
| Loans and advances                                                             | 2 454       |
| Property and equipment                                                         | 8           |
| Goodwill and intangible assets                                                 | 44          |
| Other liabilities                                                              | (56)        |
| Deposits                                                                       | (6 860)     |
| <b>Total identifiable net assets acquired</b>                                  | <b>69</b>   |
| <b>Gain on bargain purchase</b>                                                | <b>(69)</b> |

### 51.4 Disposals of businesses and other similar transactions during the previous reporting period

Devco Holdings, a division in the Business Banking segment, divested its entire shareholding in Absa Property Development (Pty) Ltd. The assets held at the time of the divestment were valued at R203m, while the liabilities amounted to R228m. The sale was finalised on 28 June 2024 and resulted in a profit of R25m.

# Notes to the consolidated financial statements

For the year ended 31 December

## 52. Segment report

### 52.1 Summary of segments

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

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

The following summary describes the operations in each of the Group’s business units:

- **Personal and Private Banking:** offers a comprehensive range of products and services to the retail consumer segments. Customers are served through an extensive integrated channel network across physical and virtual points of presence, including partnerships, and more increasingly through digital. The focus remains on providing a consistently superior experience across multiple channels tailored to each customer’s needs and expectations.
- **Business Banking:** consists of business units and associated products where a designated client relationship exists. The business provides customers with a single relationship manager, supported by a team of specialists, rather than multiple touchpoints within the Group. With a focus on seven primary sectors, namely Agriculture, Public Sector, Wholesale Retail and Franchise, Manufacturing, Transport and Logistics, and Renewable Energy and Tourism.
- **Africa Regions – Personal and Private Banking & Business Banking:** offers a comprehensive suite of retail, business banking and insurance products and services for individuals, small- to medium-sized enterprises and commercial customers across the region. Various solutions are provided to meet customers’ transactional, borrowing, savings, protection and investment needs. The focus is on delivering a superior customer experience matched closely to the needs and expectations of our customers. This is facilitated through branch, self-service, agency banking and digital channels supported by a relationship-based model with a well-defined coverage structure built on specific customer value propositions.
- **Corporate and Investment Banking (CIB):** provides innovative solutions to meet clients’ needs by delivering specialist investment banking, corporate and transactional banking, financing, risk management, and advisory products and services. Clients across various industry sectors such as corporates, financial institutions and public sector bodies are serviced by combining our in-depth product knowledge with regional expertise and an extensive, well-established local presence. CIB’s goal is to build a sustainable, trustworthy business that helps clients achieve their ambitions in the right way and by executing this we will create shared growth for clients, employees and communities.

#### Other reconciling stripes

• **Head Office, Treasury and other operations** consists of various non-banking activities and includes investment income earned by the Group, the impact of the hyperinflation accounting by the Group, as well as income earned by Absa Manx Holdings and Corporate Real Estate Services.

#### Reportable segments

• **Personal and Private Banking:** offers a comprehensive range of products and services to the retail consumer segments, through the below key business areas:

° **Transactions and Deposits includes, Transactional, Savings and Investments, Advice and Investments and the Private Wealth Banking division:**

- Transactional, Savings and Investments offers a full range of transactional banking, savings and investment products and services offered through multiple channels.
- Advice and Investments encompasses financial planning, direct insurance sales, investment management, stockbroking, and fiduciary services.
- Private Wealth Banking serves high-net-worth clients with a full range of local and international banking services, including transactional, lending, savings, investment, and forex solutions. It also offers personalised wealth management strategies tailored to clients’ life stages and financial goals.

° **Unsecured Lending includes Card and Personal Loans:**

- Card offers credit cards through a mix of Absa-branded and co-branded products. This portfolio also includes partnerships with Woolworths Financial Services, which offers in-store cards, credit cards, personal loans, life and non-life insurance products.
- Personal Loans offers unsecured loans through the Absa Mobile Banking app, Internet Banking, face-to-face engagements, and the contact centre channels.

° **Home Loans** – offers:



## Notes to the consolidated financial statements

For the year ended 31 December

- Residential property-related finance solutions directly to customers through personalised services, electronic channels and intermediaries such as estate agents and mortgage originators.

° **Vehicle and Asset Finance (VAF)** – offers:

- Funding solutions for passenger and light commercial vehicles to individual customers through approved dealerships and preferred suppliers.
- Wholesale funding solutions (floorplans) to dealers and dealer groups. VAF's joint venture with Ford Financial Services is an extension of the business and reinforces the strategic intent of establishing and harnessing relationships with original equipment manufacturers (OEMs), dealers and customers.

° **Insurance SA** – includes the following:

- Life insurance covers death, disability, retrenchment, critical illness, funeral and life-wrapped investment products mainly targeted at retail and group life insurance customers, distributed through face-to-face advisors, bank branches, mobile, call centre, partnerships and digital channels.
- Non-Life insurance provides insurance solutions to the retail and commercial market segments, including motor comprehensive insurance, buildings, legal, pet and value-added products such as extended cover and motor warranty.

• **Business Banking** – The business comprises two customer segments, which include Small and Medium Enterprises (SMEs) and Commercial Segment. Customers are served with a variety of products, comprising:

° **General Business Solutions** consisting of transactional banking, savings and investments, foreign exchange and international banking solutions.

° **Payments** consisting of payment acceptance (merchant acquiring), cash management, and commercial issuing.

° **Lending Products** consisting of commercial asset finance, commercial property finance, term lending, fleet card, working capital solutions and Absa vehicle management services.

° **Islamic Banking** offering various Shari'ah-compliant banking solutions across the Absa Group.

• **Africa Regions – Personal and Private Banking & Business Banking** – offers a range of solution managed through the below key business areas:

° **AR Personal and Private Banking:** offers day-to-day banking services to individual customers by providing a comprehensive suite of lending, transactional and deposit, cards and payments products across various segments.

° **AR Business Banking:** has been identified as being of particular importance as it contributes significantly to job creation and national economic development in the AR presence markets. Clients are serviced through a direct coverage and relationship-based models with customised solutions.

° **AR Insurance** consists of:

– **Life Insurance** – The product range covers death, disability and retrenchment, education as well as funeral and life-wrapped investment products; and

– **Non-Life Insurance** – The product range covers non-life insurance solutions, including motor, medical and workmen's compensation, primarily through agents leveraging the banking distribution channels.

• **CIB** – client engagement integrates client coverage across Africa to provide holistic solutions to clients through end-to-end relationship management and origination activities, leveraging the deep segment and sector specialisation within CIB across the business areas below. This includes the Growth Capital solutions team, which focuses on offering B-BBEE financing to clients with the aim of creating sustainable local and regional economies. Key business areas serviced are as per below:

° **Transactional Banking:** previously known as Corporate Banking, Transactional Banking delivers integrated financing and transactional solutions, including trade and working capital, cash management, payments, liquidity and card services to institutional, corporate and public sector clients across Africa. Absa Investor Services further strengthens the franchise through a full suite of custody and trustee services, enhancing client value.

° **Investment Bank** comprising:

– **Global Markets** – engages in sales, research activities across all major asset classes and products, delivering pricing, hedging and risk management capabilities to corporate and institutional clients;

– **Investment Banking Division** – leveraging our deep sector knowledge and advisory, financing, and capital-raising expertise, our award-winning experienced teams will tailor bespoke solutions to enable our clients' strategic goals;

– **Real Estate Finance** – previously known as Commercial Property Finance, Real Estate Finance specialises in financing commercial, industrial, retail and residential development property; and

– **Equity Investments** – manages non-core private equity and infrastructure investments. This portfolio continues to be reduced in line with the Group's strategy to exit non-core business.

## Notes to the consolidated financial statements

For the year ended 31 December

### 52.2 Segment report per geographical segment

|                                      | Group<br>2025                                            |                   |           |
|--------------------------------------|----------------------------------------------------------|-------------------|-----------|
|                                      | South Africa<br>and other<br>international<br>operations | Africa<br>regions | Total     |
|                                      | Rm                                                       | Rm                | Rm        |
| Net interest income - external       | 49 208                                                   | 24 733            | 73 941    |
| Interest and similar income          | 125 973                                                  | 35 113            | 161 086   |
| Interest expense and similar charges | (76 765)                                                 | (10 380)          | (87 145)  |
| Non-interest income - external       | 30 304                                                   | 11 452            | 41 756    |
| Total assets                         | 1 840 416                                                | 399 063           | 2 239 479 |

|                                      | Group<br>2024                                            |                   |           |
|--------------------------------------|----------------------------------------------------------|-------------------|-----------|
|                                      | South Africa<br>and other<br>international<br>operations | Africa<br>regions | Total     |
|                                      | Rm                                                       | Rm                | Rm        |
| Net interest income - external       | 47 918                                                   | 23 187            | 71 105    |
| Interest and similar income          | 134 748                                                  | 33 108            | 167 856   |
| Interest expense and similar charges | (86 830)                                                 | (9 921)           | (96 751)  |
| Non-interest income - external       | 28 691                                                   | 10 153            | 38 844    |
| Total assets                         | 1 676 732                                                | 391 963           | 2 068 695 |

The prior year geographical split between South Africa and other international operations and Africa regions have been restated due to the BU restatements in note 1.21. These restatements resulted in the following reallocations:

- R3m in 'Interest expense and similar charges' from South Africa and other international operations to the Africa regions (comprising of AR PPB & BB: -R140m, CIB AR: -R55m and AR entities within Head Office: R198m).
- R127m in 'Non-interest income' from the Africa regions (comprising of AR PPB & BB: R127m, CIB AR: R4m, and AR entities within Head Office: -R4m) to South Africa and other international operations.

Other International operations include United Kingdom, United States.

Notes to the consolidated financial statements

For the year ended 31 December

52.3 Segment report per market segment

The segment split numbers have been restated, refer to the reporting changes overview in note 1.21.  
Head Office, Treasury and other operations in South Africa represents a reconciling stripe and is not a reporting segment.

52.4 Total internal income by segment

|                                                                 | 2025<br>Rm | 2024<br>Rm |
|-----------------------------------------------------------------|------------|------------|
| Personal and Private Banking                                    | (11 520)   | (14 219)   |
| Business Banking                                                | 8 663      | 8 086      |
| Africa Regions –Personal and Private Banking & Business Banking | 4 053      | 3 039      |
| Corporate and Investment Banking                                | (4 556)    | (4 102)    |
| Head Office, Treasury and other operations                      | 3 360      | 7 196      |
|                                                                 | -          | -          |

The segment split numbers have been restated, refer to the reporting changes overview in note 1.21.

## Notes to the consolidated financial statements

For the year ended 31 December

### 52.5 Disaggregation of non-interest income

The following table disaggregates non-interest income splitting it into income received from contracts with customers by major service lines and per reportable segment, and other items making up non-interest income:

|                                                          | Group                           |                     |                                                                     |                                     |                                               |          |
|----------------------------------------------------------|---------------------------------|---------------------|---------------------------------------------------------------------|-------------------------------------|-----------------------------------------------|----------|
|                                                          | 2025                            |                     |                                                                     |                                     |                                               |          |
|                                                          | Personal and Private Banking Rm | Business Banking Rm | Africa Regions – Personal and Private Banking & Business Banking Rm | Corporate and Investment Banking Rm | Head Office, Treasury and other operations Rm | Total Rm |
| Fee and commission income from contracts with customers  | 15 830                          | 5 035               | 4 721                                                               | 5 934                               | (290)                                         | 31 230   |
| Consulting and administration fees                       | 218                             | 78                  | -                                                                   | 270                                 | 1                                             | 567      |
| Transactional fees and commissions                       | 12 556                          | 3 794               | 3 993                                                               | 3 763                               | (18)                                          | 24 088   |
| Cheque accounts                                          | 3 515                           | 1 340               | 60                                                                  | 459                                 | (1)                                           | 5 373    |
| Credit cards                                             | 2 626                           | 167                 | 756                                                                 | 51                                  | -                                             | 3 600    |
| Electronic banking                                       | 3 828                           | 1 489               | 263                                                                 | 898                                 | (1)                                           | 6 477    |
| Service charges                                          | 1 246                           | 386                 | 2 760                                                               | 1 576                               | 26                                            | 5 994    |
| Other (includes exchange commission and guarantees)      | 317                             | 322                 | 132                                                                 | 779                                 | (43)                                          | 1 507    |
| Savings accounts                                         | 1 024                           | 90                  | 22                                                                  | -                                   | 1                                             | 1 137    |
| Merchant income                                          | 1 321                           | 1 077               | 418                                                                 | 980                                 | -                                             | 3 796    |
| Trust and other fiduciary services fees                  | 747                             | 47                  | 5                                                                   | 5                                   | (3)                                           | 801      |
| Other fees and commissions                               | 162                             | 39                  | 115                                                                 | 522                                 | (216)                                         | 622      |
| Insurance commissions received                           | 790                             | -                   | 190                                                                 | 4                                   | (54)                                          | 930      |
| Investment markets execution and investment banking fees | 36                              | -                   | -                                                                   | 390                                 | -                                             | 426      |
| Other non-interest income, net of expenses               | 1 675                           | (641)               | 470                                                                 | 8 483                               | 539                                           | 10 526   |
| Total non-interest income                                | 17 505                          | 4 394               | 5 191                                                               | 14 417                              | 249                                           | 41 756   |

Other non-interest income, net of expenses consists of other sources of income not accounted for under IFRS 15. This amount has been included to reconcile to the total non-interest income amount presented in the Statement of comprehensive income.

Other notable non-interest income items include Gains and losses from banking and trading activities of **R10 853m** (2024: R8 719m), offset by expenses within Corporate and Investment Banking. For Personal and Private Banking this includes insurance revenue of **R9 460m** (2024: R9 074m), partially offset by insurance service expenses of **R7 329m** (2024: R7 111m). Included in Africa Regions – Personal and Private Banking & Business Banking is insurance revenue of **R2 130m** (2024: R2 690m), partially offset by insurance service expenses of **R1 628m** (2024: R2 010m).

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                          | Group<br>2024                            |                           |                                                                                          |                                                 |                                                           |               |
|----------------------------------------------------------|------------------------------------------|---------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|---------------|
|                                                          | Personal<br>and Private<br>Banking<br>Rm | Business<br>Banking<br>Rm | Africa<br>Regions –<br>Personal<br>and Private<br>Banking &<br>Business<br>Banking<br>Rm | Corporate<br>and<br>Investment<br>Banking<br>Rm | Head Office,<br>Treasury and<br>other<br>operations<br>Rm | Total<br>Rm   |
| Fee and commission income from contracts with customers  | 15 548                                   | 5 019                     | 3 884                                                                                    | 5 516                                           | (308)                                                     | 29 659        |
| Consulting and administration fees                       | 238                                      | 82                        | -                                                                                        | 181                                             | -                                                         | 501           |
| Transactional fees and commissions                       | 12 539                                   | 3 986                     | 3 225                                                                                    | 3 430                                           | (7)                                                       | 23 173        |
| Cheque accounts                                          | 3 447                                    | 1 281                     | 42                                                                                       | 476                                             | -                                                         | 5 246         |
| Credit cards                                             | 2 533                                    | 137                       | 617                                                                                      | 49                                              | -                                                         | 3 336         |
| Electronic banking                                       | 4 033                                    | 1 633                     | 283                                                                                      | 977                                             | -                                                         | 6 926         |
| Service charges                                          | 1 213                                    | 515                       | 2 157                                                                                    | 1 276                                           | 4                                                         | 5 165         |
| Other (includes exchange commission and guarantees)      | 310                                      | 322                       | 105                                                                                      | 652                                             | (11)                                                      | 1 378         |
| Savings accounts                                         | 1 003                                    | 98                        | 21                                                                                       | -                                               | -                                                         | 1 122         |
| Merchant income                                          | 1 069                                    | 981                       | 346                                                                                      | 866                                             | -                                                         | 3 262         |
| Trust and other fiduciary services fees                  | 623                                      | 21                        | 5                                                                                        | 21                                              | 1                                                         | 671           |
| Other fees and commissions                               | 99                                       | (51)                      | 151                                                                                      | 516                                             | (157)                                                     | 558           |
| Insurance commissions received                           | 935                                      | -                         | 157                                                                                      | 4                                               | (144)                                                     | 952           |
| Investment markets execution and investment banking fees | 45                                       | -                         | -                                                                                        | 498                                             | (1)                                                       | 542           |
| Other non-interest income, net of expenses               | 1 523                                    | (548)                     | 972                                                                                      | 6 914                                           | 324                                                       | 9 185         |
| <b>Total non-interest income</b>                         | <b>17 071</b>                            | <b>4 471</b>              | <b>4 856</b>                                                                             | <b>12 430</b>                                   | <b>16</b>                                                 | <b>38 844</b> |

The segment split numbers have been restated, refer to the reporting changes overview in note 1.21.

# Notes to the consolidated financial statements

For the year ended 31 December

## 53. Derivatives

### 53.1 Derivative financial instruments

Derivative financial instruments are entered into in the normal course of business to manage various financial risks.

The derivative instrument contract value is derived from one or more underlying financial instruments or indices defined in the contract. They include swaps, forward rate agreements, futures, options and combinations of these instruments and primarily affect the Group's net interest income, net trading income, net fee and commission income and derivative assets and liabilities.

In the current and prior year, the Group did not have any compound financial instruments with multiple embedded derivatives in issue.

The Group trades the following derivative instruments:

#### Foreign exchange derivatives

The Group's principal exchange rate-related contracts are forward foreign exchange contracts, currency swaps and currency options. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency, usually on a specified future date at an agreed rate. A currency swap generally involves the exchange, or notional exchange, of equivalent amounts of two currencies and a commitment to exchange interest periodically until the principal amounts are re-exchanged on a future date.

Currency options provide the buyer with the right, but not the obligation, either to purchase or sell a fixed amount of a currency at a specified exchange rate on or before a future date. As compensation for assuming the option risk, the option writer generally receives a premium at the start of the option period.

#### Interest rate derivatives

The Group's principal interest rate related contracts are interest rate swaps, forward rate agreements, basis swaps, caps, floors and swaptions. Included in this product category are transactions that include combinations of these features. An interest rate swap is an agreement between two parties to exchange fixed rate and floating rate interest by means of periodic payments based upon a notional principal amount and the interest rates defined in the contract. Certain agreements combine interest rate and foreign currency swap transactions, which may or may not include the exchange of principal amounts. In a forward rate agreement, two parties agree a future settlement of the difference between an agreed rate and a future interest rate, applied to a notional principal amount.

#### Credit derivatives

The Group's principal credit derivative-related contracts include credit default swaps and total return swaps. A credit derivative is an arrangement whereby the credit risk of an asset (the reference asset) is transferred to the seller of protection. A credit default swap is a contract where the protection seller receives premium or interest-related payments in return for contracting to make payments to the protection buyer upon a defined credit event. Credit events normally include bankruptcy, payment default, or downgrades by a rating agency.

A total return swap is an instrument whereby the seller of protection receives the full return of the asset, including both the income and change in the capital value of the asset. The buyer of the protection in return receives a predetermined amount.

#### Equity derivatives

The Group's principal equity-related contracts are equity and stock index swaps and options (including warrants, which are equity options listed on an exchange). An equity swap is an agreement between two parties to exchange periodic payments, based upon a notional principal amount, with one side paying fixed or floating interest and the other side paying based on the actual return of the stock or stock index. An equity option provides the buyer with the right, but not the obligation, either to purchase or sell a specified stock, basket of stocks or stock index at a specified price or level on or before a specified date. The Group also enters into fund-linked derivatives, being swaps and options which include mutual funds, hedge funds, indices and multi-asset portfolios as underlying.

#### Commodity derivatives

The Group's principal commodity-related derivative contracts are swaps, options, forwards and futures. The main commodities transacted are agricultural commodities and precious metals.

### 53.2 Notional amount

The gross notional amount is the sum of the absolute value of all contracts. The notional amount will not generally reflect the amount receivable or payable under a derivative contract. The notional amount should be viewed only as a means of assessing the Group's participation in derivative contracts and not the market risk position nor the credit exposure arising on such contracts.

The absolute value of all contracts is also not indicative of the Group's net exposure to, or position in any of the markets that the Group trades in.

## Notes to the consolidated financial statements

For the year ended 31 December

### 53.3 Derivative financial instruments

The Group's total derivative asset and liability position as reported on the statement of financial position is as follows:

|                                                                        | Group         |                   |                                      |               |                   |                                      |
|------------------------------------------------------------------------|---------------|-------------------|--------------------------------------|---------------|-------------------|--------------------------------------|
|                                                                        | 2025          |                   |                                      | 2024          |                   |                                      |
|                                                                        | Assets<br>Rm  | Liabilities<br>Rm | Notional<br>contract<br>amount<br>Rm | Assets<br>Rm  | Liabilities<br>Rm | Notional<br>contract<br>amount<br>Rm |
| Derivatives held for trading (refer to note 4 and 15)                  | 74 479        | (66 876)          | 15 395 425                           | 57 560        | (52 753)          | 15 817 670                           |
| Derivatives designated as hedging instruments (refer to note 4 and 15) | 709           | (3 196)           | 308 974                              | 4 055         | (1 258)           | 315 351                              |
| <b>Total derivatives</b>                                               | <b>75 188</b> | <b>(70 072)</b>   | <b>15 704 399</b>                    | <b>61 615</b> | <b>(54 011)</b>   | <b>16 133 021</b>                    |

### 53.4 Derivative held for trading – detail by instrument type

Derivatives held for trading by the Group related to the various markets and instrument types the Group trades in are as follows:

|                                     | Group         |                   |                                      |               |                   |                                      |
|-------------------------------------|---------------|-------------------|--------------------------------------|---------------|-------------------|--------------------------------------|
|                                     | 2025          |                   |                                      | 2024          |                   |                                      |
|                                     | Assets<br>Rm  | Liabilities<br>Rm | Notional<br>contract<br>amount<br>Rm | Assets<br>Rm  | Liabilities<br>Rm | Notional<br>contract<br>amount<br>Rm |
| Foreign exchange derivatives        | 22 389        | (22 462)          | 930 001                              | 18 970        | (18 917)          | 1 332 636                            |
| Interest rate derivatives           | 45 212        | (33 247)          | 14 063 233                           | 30 794        | (29 993)          | 14 197 235                           |
| Equity derivatives                  | 5 140         | (5 527)           | 332 900                              | 6 320         | (2 600)           | 221 903                              |
| Commodity derivatives               | 1 463         | (1 869)           | 12 270                               | 1 049         | (1 136)           | 12 000                               |
| Credit derivatives                  | 275           | (3771)            | 57 021                               | 427           | (107)             | 53 896                               |
| <b>Derivatives held for trading</b> | <b>74 479</b> | <b>(66 876)</b>   | <b>15 395 425</b>                    | <b>57 560</b> | <b>(52 753)</b>   | <b>15 817 670</b>                    |

In 2024, the Group incorrectly disclosed the notional amounts of total return swaps referencing underlying debt instruments, classifying these contracts as either interest rate or equity derivatives rather than credit derivatives. This misclassification resulted in a restatement of derivative notionals as follows: interest rate derivatives decreased from R14 206 870m to R14 197 235m, equity derivatives decreased from R250 919m to R221 903m, and credit derivatives increased from R15 245m to R53 896m.

### 53.5 Derivative held for investment purposes

No derivatives were held for investment purposes for the 2025 or prior period.

### 53.6 Counterparty netting and collateral

Derivative assets subject to counterparty netting agreements amounted to **R74 952m** (2024: R 59 149m). Additionally, the Group held **R2 123m** (2024: R2 247m) of collateral against the net derivative asset exposure. The financial assets pledged as collateral are held under terms that are usual and customary for such arrangements.

OTC traded instruments are subject to counterparty credit risk as the related cash flows are not guaranteed by an independent third party. This risk is mitigated by means of netting agreements. The International Swaps and Derivatives Association ("ISDA") Master Agreement is used by the Group. The ISDA Master Agreement and all the confirmations entered into under it, form a single agreement. This allows the parties to an ISDA Master Agreement to aggregate the amounts owing by each of them under all of the transactions outstanding under that ISDA Master Agreement and to replace them with a single net amount payable by one party to the other.

### 53.7 Hedge accounting

#### Risk Management strategy

Where derivatives are held for risk management purposes, and when transactions meet the required criteria for documentation and hedge effectiveness, the Group applies fair value hedge accounting, cash flow hedge accounting, or hedging of a net investment in a foreign operation, as appropriate to the risks being hedged.

Hedge accounting is predominantly applied for the following risks:

- Interest rate risk – arises due to exposure to capital or income volatility because of a mismatch between the interest rate exposures of its assets

## Notes to the consolidated financial statements

For the year ended 31 December

and liabilities.

•Contractually linked inflation risk – arises from certain financial instruments with a contractually specified inflation rate.

•Currency risk – arises due to transactional foreign exchange risk where assets, liabilities or highly probable expenditure are not denominated in the functional currency of the transacting entity. The Group is also exposed at a consolidated level to translation foreign currency risk where the functional currency of the foreign operation is different from the parent. Please refer to note 57 for additional information about the Group's Risk Management.

In order to hedge the risks to which the Group is exposed, the hedging instruments employed are interest rate swaps, inflation swaps, cross-currency swaps and forward foreign exchange contracts. The economic relationship between the hedge instrument and the hedged items is aligned since all hedging instruments are exposed to the same risks as the hedged items, being interest rate risk, inflation risk and/or foreign currency risk.

The hedge ratio between the hedged item and the hedging instrument, is typically determined with reference to the sensitivity of the hedged item, on designation, to the risk factor, compared to the hedging instrument. In many cases the hedge ratio is directly proportional to the hedged item. The assessment of the effectiveness of hedge relationships are performed on a cumulative life to date basis.

### Interest rate risk

Interest rate derivatives designated as cash flow hedges, primarily hedge the exposure to cash flow variability from interest rates of variable rate loans and advances.

Interest rate derivatives designated as fair value hedges, primarily hedge the interest rate risk of fixed rate borrowings in issue, fixed rate loans and advances as well as investments in fixed rate debt securities held.

In certain circumstances, hedged items that are designated for hedge accounting purposes are different from the economic hedge owing to the existence of restrictions on the ability to apply hedge accounting to the economic hedge. Specifically, the Group employs a governed interest rate risk management strategy (hedging programme) through the interest rate cycle to reduce volatility associated with structural balances (i.e. rate insensitive liabilities as well as the endowment associated with equity).

In some hedging relationships, the Group designates risk components or proportions of hedged items as follows:

- (i) Benchmark interest rate risk as a component of interest rate risk, for example ZARONIA or a Risk Free Rate (RFR).  
Designating the benchmark interest rate risk component only results in other risks, such as credit risk and liquidity risk, being excluded from the hedge accounting relationship, improving the effectiveness of the hedge relationship.
- (ii) Components of cash flows of hedged items, for example certain interest payments for part of the life of an instrument. Hedging a component of cash flows assists in meeting certain risk management objectives for example hedging certain tenors within the interest rate risk cycle as required to be within the Group's risk appetite.
- (iii) Proportions of cash flows of hedged items, for example only a portion of the hedged item's cash flows are designated in the hedge relationship. Hedging a portion of cash flows primarily assists in preventing the hedge relationship becoming overhedged due to prepayments or credit risk and resultantly reducing ineffectiveness.

### Inflation risk

Inflation derivatives designated as fair value hedges, primarily hedge fixed real interest rate risk to a nominal floating rate risk, introduced due to the contractually specified inflation rate within certain investment securities held. The contractually specified inflation risk is designated and hedged as a risk component, this results in other risks, such as credit risk and liquidity risk, being excluded from the hedge accounting relationship, improving the effectiveness of the hedge relationship.

### Foreign currency risk



## Notes to the consolidated financial statements

For the year ended 31 December

Foreign exchange derivatives designated as cash flow hedges, primarily hedge the cash flow variability arising from highly probable forecast foreign denominated expenditure. In addition, the Group hedges the cash flow variability of certain financial assets and liabilities denominated in a currency other than the functional currency. For these hedges the Group will designate the entire hedge item in the hedge relationship, therefore both the spot and forward component.

Foreign exchange derivatives designated as net investment hedges, hedge the translation foreign currency exposure to a net investment in a foreign operation. The spot exchange risk component is designated as the hedged item for these hedge relationships to reduce ineffectiveness.

Sources of ineffectiveness which may affect the Group's designated hedge relationships are as follows:

- (i) Mismatches between the contractual terms of the hedged item and hedging instrument, including basis differences between the hedged risk and the risk exposure of the hedging instrument;
- (ii) Changes in credit risk of the hedging instruments;
- (iii) If a hedge accounting relationship becomes over or under-hedged;
- (iv) Derivatives used as hedging instruments with non-zero fair values on designation date. These sources of ineffectiveness are applicable to all risk types. No other sources of ineffectiveness arose during the period.

### 53.7.1 Fair value hedge accounting

Fair value hedges are used by the Group to protect against changes in fair value of financial instruments due to movements in exchange rates and interest rates. The financial instruments hedged for interest rate risk include investment securities, loans and advances, debt securities and Subordinated debt.

## Notes to the consolidated financial statements

For the year ended 31 December

### 53. Derivatives

#### 53.7 Hedge accounting

##### 53.7.1 Fair value hedge accounting

The profile and timing of hedging instruments designated in fair value hedge relationships based on the notional amounts are as follows:

|                                               | Group<br>2025             |                      |                      |                      |                      |                                     | Total<br>Rm   |
|-----------------------------------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|-------------------------------------|---------------|
|                                               | Less than<br>1 year<br>Rm | 1 – 2<br>years<br>Rm | 2 – 3<br>years<br>Rm | 3 – 4<br>years<br>Rm | 4 – 5<br>years<br>Rm | More than<br>5 years<br>years<br>Rm |               |
| <b>Interest rate risk-Interest rate swaps</b> | <b>12 602</b>             | <b>843</b>           | <b>2 008</b>         | <b>2 583</b>         | <b>24 551</b>        | <b>45 808</b>                       | <b>88 395</b> |
| Hedge of investment securities                | 3 743                     | -                    | 248                  | 2 583                | 24 551               | 43 263                              | 74 388        |
| Hedge of loans and advances                   | -                         | -                    | -                    | -                    | -                    | -                                   | -             |
| Hedge of deposits and debt funding            | 1 993                     | 843                  | 1 760                | -                    | -                    | -                                   | 4 596         |
| Hedge of Subordinated debt                    | 6 866                     | -                    | -                    | -                    | -                    | 2 545                               | 9 411         |
| <b>Inflation risk-Interest rate swaps</b>     |                           |                      |                      |                      |                      |                                     |               |
| Hedge of investment securities                | -                         | -                    | 277                  | -                    | -                    | 426                                 | 703           |

|                                               | Group<br>2024             |                      |                      |                      |                      |                                     | Total<br>Rm   |
|-----------------------------------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|-------------------------------------|---------------|
|                                               | Less than<br>1 year<br>Rm | 1 – 2<br>years<br>Rm | 2 – 3<br>years<br>Rm | 3 – 4<br>years<br>Rm | 4 – 5<br>years<br>Rm | More than<br>5 years<br>years<br>Rm |               |
| <b>Interest rate risk-Interest rate swaps</b> | <b>4 844</b>              | <b>31 065</b>        | <b>1 882</b>         | <b>2 167</b>         | <b>2 398</b>         | <b>47 949</b>                       | <b>90 305</b> |
| Hedge of investment securities                | 2 483                     | 21 232               | 295                  | 388                  | 2 308                | 47 583                              | 74 289        |
| Hedge of loans and advances                   | 1 769                     | 789                  | 170                  | 19                   | 90                   | 216                                 | 3 053         |
| Hedge of deposits and debt funding            | 592                       | 2 178                | 1 417                | 1 760                | -                    | 150                                 | 6 097         |
| Hedge of Subordinated debt                    | -                         | 6 866                | -                    | -                    | -                    | -                                   | 6 866         |
| <b>Inflation risk-Interest rate swaps</b>     |                           |                      |                      |                      |                      |                                     |               |
| Hedge of investment securities                | -                         | -                    | -                    | 63                   | 222                  | 251                                 | 536           |

|                             | Group                                 |                                       |
|-----------------------------|---------------------------------------|---------------------------------------|
|                             | 2025<br>Average price<br>or rate<br>% | 2024<br>Average price<br>or rate<br>% |
| <b>Interest rate risk</b>   |                                       |                                       |
| Interest rate swaps         |                                       |                                       |
| Average fixed interest rate | 8%                                    | 8%                                    |
| Average float spread        | 1%                                    | 1%                                    |
| <b>Inflation risk</b>       |                                       |                                       |
| Average fixed interest rate | 3%                                    | 3%                                    |

## Notes to the consolidated financial statements

For the year ended 31 December

### 53. Derivatives

#### 53.7 Hedge accounting

##### 53.7.1 Fair value hedge accounting

If the risk management objective is no longer met, the relevant hedge accounting relationship is de-designated; in some cases a de-designated relationship is replaced with a different hedge accounting relationship. The following amounts relate to items designated as hedging instruments in fair value hedge relationships:

|                                                          | Group<br>2025            |              |                   |                                                                                                 |                                                                   |
|----------------------------------------------------------|--------------------------|--------------|-------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
|                                                          | Notional<br>amount<br>Rm | Assets<br>Rm | Liabilities<br>Rm | Change in fair<br>value used for<br>calculating<br>hedge<br>ineffective-<br>ness for 2025<br>Rm | Ineffective-<br>ness<br>recognised in<br>profit and<br>loss<br>Rm |
| <b>Total</b>                                             | <b>89 098</b>            | <b>357</b>   | <b>(2 743)</b>    | <b>(5 109)</b>                                                                                  | <b>38</b>                                                         |
| <b>Interest rate risk</b>                                | <b>88 395</b>            | <b>101</b>   | <b>(2 739)</b>    | <b>(5 094)</b>                                                                                  | <b>77</b>                                                         |
| Interest rate swaps - hedge of investment securities     | 74 388                   | 76           | (2 739)           | (5 490)                                                                                         | 82                                                                |
| Interest rate swaps -hedge of loans and advances         | -                        | -            | -                 | 1                                                                                               | 3                                                                 |
| Interest rate swaps -hedge of Subordinated debt          | 9 411                    | (131)        | -                 | 336                                                                                             | -                                                                 |
| Interest rate swaps - hedge of deposits and debt funding | 4 596                    | 156          | -                 | 59                                                                                              | (8)                                                               |
| <b>Inflation risk</b>                                    |                          |              |                   |                                                                                                 |                                                                   |
| Inflation linked swaps - hedge of investment securities  | 703                      | 72           | (4)               | (15)                                                                                            | (39)                                                              |
| <b>Collateral held against derivatives</b>               | -                        | 184          | -                 | -                                                                                               | -                                                                 |

|                                                          | Group<br>2024            |              |                   |                                                                                                 |                                                                   |
|----------------------------------------------------------|--------------------------|--------------|-------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
|                                                          | Notional<br>amount<br>Rm | Assets<br>Rm | Liabilities<br>Rm | Change in fair<br>value used for<br>calculating<br>hedge<br>ineffective-<br>ness for 2024<br>Rm | Ineffective-<br>ness<br>recognised in<br>profit and<br>loss<br>Rm |
| <b>Total</b>                                             | <b>90 841</b>            | <b>3 553</b> | <b>(1 022)</b>    | <b>(1 360)</b>                                                                                  | <b>(93)</b>                                                       |
| <b>Interest rate risk</b>                                | <b>90 305</b>            | <b>3 536</b> | <b>(1 211)</b>    | <b>(1 355)</b>                                                                                  | <b>(62)</b>                                                       |
| Interest rate swaps - hedge of investment securities     | 74 289                   | 3 384        | (693)             | (1 667)                                                                                         | (60)                                                              |
| Interest rate swaps -hedge of loans and advances         | 3 053                    | 12           | (43)              | (24)                                                                                            | 10                                                                |
| Interest rate swaps -hedge of Subordinated debt          | 6 866                    | -            | (479)             | 257                                                                                             | -                                                                 |
| Interest rate swaps - hedge of deposits and debt funding | 6 097                    | 140          | 4                 | 79                                                                                              | (12)                                                              |
| <b>Inflation risk</b>                                    |                          |              |                   |                                                                                                 |                                                                   |
| Inflation linked swaps - hedge of investment securities  | 536                      | 29           | (48)              | (5)                                                                                             | (31)                                                              |
| <b>Collateral held against derivatives</b>               | -                        | (12)         | 237               | -                                                                                               | -                                                                 |

The hedge ineffectiveness in profit and loss is presented within gains and losses from banking and trading activities on the statement of comprehensive income, and the hedging instruments of the Group are presented within hedging portfolio assets and liabilities on the statement of financial position.

## Notes to the consolidated financial statements

For the year ended 31 December

### 53. Derivatives

#### 53.7 Hedge accounting

##### 53.7.1 Fair value hedge accounting

Derivatives held in fair value hedge relationships by the Group relating to the various markets and instrument types that the Group trades in are as follows:

| Hedged item statement of financial position<br>classification and risk category | Group<br>2025            |                                                                                                        |                                                                           |                                                                              |
|---------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------|
|                                                                                 | Carrying<br>amount<br>Rm | Accumulated fair<br>value adjustment<br>included in the<br>carrying amount of<br>the hedged item<br>Rm | Portion related<br>to items no<br>longer in a hedge<br>relationship<br>Rm | Change in<br>value used for<br>calculating<br>hedge<br>ineffectiveness<br>Rm |
| <b>Financial Assets</b>                                                         |                          |                                                                                                        |                                                                           |                                                                              |
| Investment securities                                                           | 77 036                   | 3 696                                                                                                  | (101)                                                                     | 5 464                                                                        |
| Interest rate risk                                                              | 75 842                   | 3 794                                                                                                  | -                                                                         | 5 415                                                                        |
| Inflation risk                                                                  | 1 194                    | (98)                                                                                                   | (101)                                                                     | 49                                                                           |
| Loans and advances                                                              |                          |                                                                                                        |                                                                           |                                                                              |
| Interest rate risk                                                              | 1 303                    | 7                                                                                                      | 7                                                                         | (1)                                                                          |
| <b>Financial Liabilities</b>                                                    |                          |                                                                                                        |                                                                           |                                                                              |
| Debt securities in issue                                                        |                          |                                                                                                        |                                                                           |                                                                              |
| Interest rate risk                                                              | (6 321)                  | (102)                                                                                                  | (23)                                                                      | (59)                                                                         |
| Subordinated debt                                                               |                          |                                                                                                        |                                                                           |                                                                              |
| Interest rate risk                                                              | (10 818)                 | 106                                                                                                    | -                                                                         | (336)                                                                        |

During April 2025, the Group discontinued fair value hedge accounting for certain derivative financial instruments previously designated as part of the Fixed Rate Assets Fair Value Hedge Programme. The discontinuation followed a change in the Group's risk management strategy approved by management.

At the date of discontinuation, the cumulative fair value hedge adjustment relating to the hedged fixed-rate assets was retained in the carrying amount of those assets in accordance with IAS39. The hedge adjustment is being amortised to profit or loss over the remaining life of the hedged items.

As at 31 December 2025, the unamortised fair value hedge adjustment amounted to R6.8 million (loss), which will be amortised to profit or loss over the period ending 31 December 2030.

| Hedged item statement of financial position<br>classification and risk category | Group<br>2024            |                                                                                                        |                                                                           |                                                                              |
|---------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------|
|                                                                                 | Carrying<br>amount<br>Rm | Accumulated fair<br>value adjustment<br>included in the<br>carrying amount of<br>the hedged item<br>Rm | Portion related<br>to items no<br>longer in a hedge<br>relationship<br>Rm | Change in<br>value used for<br>calculating<br>hedge<br>ineffectiveness<br>Rm |
| <b>Financial assets</b>                                                         |                          |                                                                                                        |                                                                           |                                                                              |
| Investment securities                                                           | 73 419                   | (1 379)                                                                                                | (14)                                                                      | 1 761                                                                        |
| Interest rate risk                                                              | 72 316                   | (1 266)                                                                                                | (16)                                                                      | 1 727                                                                        |
| Inflation risk                                                                  | 1 103                    | (113)                                                                                                  | 2                                                                         | 34                                                                           |
| Loans and advances                                                              |                          |                                                                                                        |                                                                           |                                                                              |
| Interest rate risk                                                              | 3 196                    | 2                                                                                                      | (5)                                                                       | 19                                                                           |
| <b>Financial liabilities</b>                                                    |                          |                                                                                                        |                                                                           |                                                                              |
| Debt securities in issue                                                        |                          |                                                                                                        |                                                                           |                                                                              |
| Interest rate risk                                                              | (7 025)                  | (73)                                                                                                   | -                                                                         | (67)                                                                         |
| Subordinated debt                                                               |                          |                                                                                                        |                                                                           |                                                                              |
| Interest rate risk                                                              | (9 478)                  | 442                                                                                                    | -                                                                         | (257)                                                                        |

Notes to the consolidated financial statements

For the year ended 31 December

---

## Notes to the consolidated financial statements

For the year ended 31 December

### 53. Derivatives

#### 53.7 Hedge accounting

##### 53.7.2 Cash flow hedge accounting

Cash flow hedges are used by the Group to protect against the potential cash flow variability arising from the Group's exposure to interest rate and foreign currency risk.

The profile and timing of hedging instruments designated in cash flow hedge relationships based on notional amounts are as follows:

|                                               | Group                     |                      |                      |                      |                      |                            |             |
|-----------------------------------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------------|-------------|
|                                               | 2025                      |                      |                      |                      |                      |                            |             |
|                                               | Less than<br>1 year<br>Rm | 1 – 2<br>years<br>Rm | 2 – 3<br>years<br>Rm | 3 – 4<br>years<br>Rm | 4 – 5<br>years<br>Rm | More than<br>5 years<br>Rm | Total<br>Rm |
| Interest rate risk-Interest rate swaps        |                           |                      |                      |                      |                      |                            |             |
| Hedge of loans and advances                   | 80 037                    | 26 455               | 34 114               | 27 097               | 23 141               | 16 200                     | 207 044     |
| Foreign currency risk-Cross currency swaps    | 6 887                     | -                    | -                    | -                    | -                    | -                          | 6 887       |
| Hedge of Subordinated debt                    | 6 887                     | -                    | -                    | -                    | -                    | -                          | 6 887       |
| Foreign currency risk-Forwards                |                           |                      |                      |                      |                      |                            |             |
| Hedge of highly probable forecast expenditure | 3 128                     | 2 817                | -                    | -                    | -                    | -                          | 5 945       |

|                                               | Group                     |                      |                      |                      |                      |                            |             |
|-----------------------------------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------------|-------------|
|                                               | 2024                      |                      |                      |                      |                      |                            |             |
|                                               | Less than<br>1 year<br>Rm | 1 – 2<br>years<br>Rm | 2 – 3<br>years<br>Rm | 3 – 4<br>years<br>Rm | 4 – 5<br>years<br>Rm | More than<br>5 years<br>Rm | Total<br>Rm |
| Interest rate risk-Interest rate swaps        |                           |                      |                      |                      |                      |                            |             |
| Hedge of loans and advances                   | 84 379                    | 34 325               | 25 037               | 33 568               | 24 116               | 10 135                     | 211 560     |
| Foreign currency risk - cross currency swaps  | -                         | 6 887                | -                    | -                    | -                    | -                          | 6 887       |
| Hedge of Subordinated debt                    | -                         | 6 887                | -                    | -                    | -                    | -                          | 6 887       |
| Foreign currency risk-Forwards                |                           |                      |                      |                      |                      |                            |             |
| Hedge of highly probable forecast expenditure | 3 691                     | 2 372                | -                    | -                    | -                    | -                          | 6 063       |

The average rates or prices set out below relate to the hedging instruments designated in cash flow hedging relationships:

|                                | Group                                 |                                       |
|--------------------------------|---------------------------------------|---------------------------------------|
|                                | 2025<br>Average price<br>or rate<br>% | 2024<br>Average price<br>or rate<br>% |
| <b>Interest rate risk</b>      |                                       |                                       |
| Interest rate swaps            |                                       |                                       |
| Average fixed interest rate    | 7%                                    | 7%                                    |
| <b>Foreign currency risk</b>   |                                       |                                       |
| Average EUR/ZAR exchange rates | 21.61                                 | 21.15                                 |
| Average GBP/ZAR exchange rates | 24.62                                 | 24.30                                 |
| Average USD/ZAR exchange rates | 18.41                                 | 18.80                                 |
| Average AUD/ZAR exchange rates | 12.66                                 | -                                     |
| Average CHF/ZAR exchange rates | 22.88                                 | -                                     |

## Notes to the consolidated financial statements

For the year ended 31 December

### 53. Derivatives

#### 53.7 Hedge accounting

##### 53.7.2 Cash flow hedge accounting

If the hedge accounting objective changes, the relevant hedge accounting relationship is de-designated; in some cases, a de-designated relationship is replaced with a different hedge accounting relationship.

The following amounts relate to items designated as hedging instruments in cash flow hedge relationships:

|                                                             | Group<br>2025      |                |              |                                                                                     |                                                       |                                                                     |
|-------------------------------------------------------------|--------------------|----------------|--------------|-------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------|
|                                                             | Notional<br>amount | Assets         | Liabilities  | Change in<br>fair value<br>used for<br>calculating<br>hedge<br>ineffective-<br>ness | Hedging<br>gains<br>or losses<br>recognised<br>in OCI | Hedge<br>ineffective-<br>ness<br>recognised<br>in profit<br>or loss |
|                                                             | Rm                 | Rm             | Rm           | Rm                                                                                  | Rm                                                    | Rm                                                                  |
| <b>Total</b>                                                | <b>219 876</b>     | <b>352</b>     | <b>(454)</b> | <b>3 059</b>                                                                        | <b>2 899</b>                                          | <b>89</b>                                                           |
| <b>Interest rate risk</b>                                   |                    |                |              |                                                                                     |                                                       |                                                                     |
| Interest rate swaps - hedge of loans and advances           | 207 044            | 4 848          | (27)         | 3 966                                                                               | 3 968                                                 | 84                                                                  |
| <b>Foreign currency risk - cross currency swaps</b>         | <b>6 887</b>       | <b>8</b>       | <b>-</b>     | <b>(92)</b>                                                                         | <b>(254)</b>                                          | <b>-</b>                                                            |
| Foreign currency swaps - hedge of deposits and debt funding | -                  | -              | -            | -                                                                                   | 0                                                     | -                                                                   |
| Foreign currency swaps - hedge of Subordinated debt         | 6 887              | 8              | -            | (92)                                                                                | (254)                                                 | -                                                                   |
| <b>Foreign currency risk - forwards</b>                     |                    |                |              |                                                                                     |                                                       |                                                                     |
| Forwards - hedge of forecast expenditure                    | 5 945              | -              | (427)        | (815)                                                                               | (815)                                                 | 5                                                                   |
| <b>Collateral held against derivatives</b>                  | <b>-</b>           | <b>(4 504)</b> | <b>-</b>     | <b>-</b>                                                                            | <b>-</b>                                              | <b>-</b>                                                            |
|                                                             | Group<br>2024      |                |              |                                                                                     |                                                       |                                                                     |
|                                                             | Notional<br>amount | Assets         | Liabilities  | Change in<br>fair value<br>used for<br>calculating<br>hedge<br>ineffective-<br>ness | Hedging<br>gains<br>or losses<br>recognised<br>in OCI | Hedge<br>ineffective-<br>ness<br>recognised<br>in profit<br>or loss |
|                                                             | Rm                 | Rm             | Rm           | Rm                                                                                  | Rm                                                    | Rm                                                                  |
| <b>Total</b>                                                | <b>224 510</b>     | <b>502</b>     | <b>(236)</b> | <b>2 389</b>                                                                        | <b>838</b>                                            | <b>63</b>                                                           |
| <b>Interest rate risk</b>                                   |                    |                |              |                                                                                     |                                                       |                                                                     |
| Interest rate swaps - hedge of loans and advances           | 211 560            | 815            | (218)        | 2 378                                                                               | 735                                                   | 61                                                                  |
| <b>Foreign currency risk - cross currency swaps</b>         | <b>6 887</b>       | <b>105</b>     | <b>-</b>     | <b>(59)</b>                                                                         | <b>33</b>                                             | <b>-</b>                                                            |
| Foreign currency swaps - hedge of Subordinated debt         | 6 887              | 105            | -            | (59)                                                                                | 33                                                    | -                                                                   |
| <b>Foreign currency risk - forwards</b>                     |                    |                |              |                                                                                     |                                                       |                                                                     |
| Forwards - hedge of forecast expenditure                    | 6 063              | 185            | (31)         | 70                                                                                  | 70                                                    | 2                                                                   |
| <b>Collateral held against derivatives</b>                  | <b>-</b>           | <b>(603)</b>   | <b>13</b>    | <b>-</b>                                                                            | <b>-</b>                                              | <b>-</b>                                                            |

## Notes to the consolidated financial statements

For the year ended 31 December

The hedging instruments of the Group are presented within Hedging portfolio assets/liabilities, on the statement of financial position. Hedge accounting has not been applied to any forecast transactions that have not subsequently occurred.

The hedge ineffectiveness in profit and loss is presented within gains and losses from banking and trading activities on the statement of comprehensive income.

Collateral held against derivatives disclosures, has been included for fair presentation.

### 53. Derivatives

#### 53.7 Hedge accounting

##### 53.7.2 Cash flow hedge accounting

Impact on the statement of comprehensive income and OCI of recycling amounts in respect of cash flow hedges during the period:

|                                              | Group                                                               |                                                                       |              |                                                                     |                                                                       |                |
|----------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------|--------------|---------------------------------------------------------------------|-----------------------------------------------------------------------|----------------|
|                                              | 2025                                                                |                                                                       |              | 2024                                                                |                                                                       |                |
|                                              | Amount recycled from OCI to profit or loss due to continuing hedges | Amount recycled from OCI to profit or loss due to discontinued hedges | Total        | Amount recycled from OCI to profit or loss due to continuing hedges | Amount recycled from OCI to profit or loss due to discontinued hedges | Total          |
|                                              | Rm                                                                  | Rm                                                                    | Rm           | Rm                                                                  | Rm                                                                    | Rm             |
| <b>Cash flow hedge of interest rate risk</b> | <b>73</b>                                                           | <b>(52)</b>                                                           | <b>21</b>    | <b>(1 591)</b>                                                      | <b>(91)</b>                                                           | <b>(1 682)</b> |
| Recycled to interest income                  | (2)                                                                 | (55)                                                                  | (57)         | (1 564)                                                             | (93)                                                                  | (1 657)        |
| Recycled to interest expense                 | 75                                                                  | 3                                                                     | 78           | (27)                                                                | 2                                                                     | (25)           |
| <b>Cash flow hedge of currency risk</b>      | <b>(394)</b>                                                        | <b>-</b>                                                              | <b>(394)</b> | <b>61</b>                                                           | <b>-</b>                                                              | <b>61</b>      |
| Recycled to interest expense                 | (162)                                                               | -                                                                     | (162)        | 92                                                                  | -                                                                     | 92             |
| Recycled to operating expenses               | (232)                                                               | -                                                                     | (232)        | (31)                                                                | -                                                                     | (31)           |
| <b>Total</b>                                 | <b>(321)</b>                                                        | <b>(52)</b>                                                           | <b>(373)</b> | <b>(1 530)</b>                                                      | <b>(91)</b>                                                           | <b>(1 621)</b> |

The following amounts relate to items designated as hedged items in cash flow hedges:

|                                              | Group                                                      |                                                         |                                                           |                                                            |                                                         |                                                           |
|----------------------------------------------|------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------|
|                                              | 2025                                                       |                                                         |                                                           | 2024                                                       |                                                         |                                                           |
|                                              | Change in value used for calculating hedge ineffectiveness | Cash Flow hedge reserve in respect of continuing hedges | Cash Flow hedge reserve in respect of discontinued hedges | Change in value used for calculating hedge ineffectiveness | Cash Flow hedge reserve in respect of continuing hedges | Cash Flow hedge reserve in respect of discontinued hedges |
|                                              | Rm                                                         | Rm                                                      | Rm                                                        | Rm                                                         | Rm                                                      | Rm                                                        |
| <b>Loans and advances</b>                    |                                                            |                                                         |                                                           |                                                            |                                                         |                                                           |
| Interest rate risk                           | (4 099)                                                    | 4 401                                                   | (3)                                                       | (2 437)                                                    | 509                                                     | (58)                                                      |
| <b>Highly probable forecast transactions</b> |                                                            |                                                         |                                                           |                                                            |                                                         |                                                           |
| Foreign exchange risk                        | 815                                                        | (429)                                                   | -                                                         | (70)                                                       | 155                                                     | -                                                         |
| <b>Debt securities</b>                       |                                                            |                                                         |                                                           |                                                            |                                                         |                                                           |
| <b>Subordinated debt</b>                     |                                                            |                                                         |                                                           |                                                            |                                                         |                                                           |
| Foreign exchange risk                        | 92                                                         | 7                                                       | -                                                         | 59                                                         | 99                                                      | -                                                         |



## Notes to the consolidated financial statements

For the year ended 31 December

### 53. Derivatives

#### 53.7 Hedge accounting

##### 53.7.3 Hedges of net investments in foreign operations

Net investment hedges are used by the Group to protect against the potential risk arising from the Group's exposure to foreign currency risk in relation to its investment in foreign operations.

At 31 December 2025 the Group held the following foreign currency forward exchange contracts as hedging instruments in a net investment hedge.

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

|                              | Group<br>2025      |        |             |                                                                                   |                                                       |                                                                     |                                                                          |
|------------------------------|--------------------|--------|-------------|-----------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------|
|                              | Notional<br>amount | Assets | Liabilities | Changes in<br>fair value<br>used to<br>calculate<br>hedge<br>ineffective-<br>ness | Hedging<br>gains<br>or losses<br>recognised<br>in OCI | Hedge<br>ineffective-<br>ness<br>recognised<br>in profit<br>or loss | Presentation<br>of hedge<br>ineffective-<br>ness<br>in profit<br>or loss |
|                              | Rm                 | Rm     | Rm          | Rm                                                                                | Rm                                                    | Rm                                                                  | Rm                                                                       |
| <b>Foreign currency risk</b> |                    |        |             |                                                                                   |                                                       |                                                                     |                                                                          |
| Forwards                     | -                  | -      | -           | 122                                                                               | 122                                                   | -                                                                   | -                                                                        |

|                              | Group<br>2024      |        |             |                                                                                   |                                                       |                                                                     |                                                                          |
|------------------------------|--------------------|--------|-------------|-----------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------|
|                              | Notional<br>amount | Assets | Liabilities | Changes in<br>fair value<br>used to<br>calculate<br>hedge<br>ineffective-<br>ness | Hedging<br>gains or<br>losses<br>recognised<br>in OCI | Hedge<br>ineffective-<br>ness<br>recognised<br>in profit<br>or loss | Presentation<br>of hedge<br>ineffective-<br>ness<br>in<br>profit or loss |
|                              | Rm                 | Rm     | Rm          | Rm                                                                                | Rm                                                    | Rm                                                                  | Rm                                                                       |
| <b>Foreign currency risk</b> |                    |        |             |                                                                                   |                                                       |                                                                     |                                                                          |
| Forwards                     | -                  | -      | -           | (4)                                                                               | (4)                                                   | -                                                                   | -                                                                        |

The hedging instruments of the Group are presented within hedging portfolio assets/liabilities, on the statement of financial position.

## Notes to the consolidated financial statements

For the year ended 31 December

### 53.7.4 Reconciliation of equity

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items (before tax) resulting from hedge accounting:

#### Reconciliation of equity

|                                                    | Group         |            |             |               |            |             |
|----------------------------------------------------|---------------|------------|-------------|---------------|------------|-------------|
|                                                    | 2025          | Net        | Foreign     | 2024          | Net        | Foreign     |
|                                                    | Cash flow     | Investment | currency    | Cash flow     | Investment | currency    |
|                                                    | hedge reserve | hedge      | translation | hedge reserve | hedge      | translation |
|                                                    | Rm            | reserve    | reserve     | Rm            | reserve    | reserve     |
| Balance at the beginning of the year               | 706           | -          | 18          | (1 753)       | -          | 22          |
| Hedging (losses)/gains for the reporting period    | 2 898         | 122        | -           | 838           | (4)        | -           |
| Interest rate risk                                 | 3 968         | -          | -           | 735           | -          | -           |
| Foreign currency risk                              | (1 070)       | 122        | -           | 103           | (4)        | -           |
| <b>Amounts reclassified to profit or loss:</b>     |               |            |             |               |            |             |
| In relation to cash flows affecting profit or loss | 373           | -          | -           | 1 621         | -          | -           |
| <b>Amounts transferred within OCI:</b>             | -             | (122)      | 122         | -             | 4          | (4)         |
| <b>Balance at the end of the year</b>              | <b>3 977</b>  | <b>-</b>   | <b>140</b>  | <b>706</b>    | <b>-</b>   | <b>18</b>   |

## 53. Derivatives

### 53.8 Interest rate benchmark reform

#### Background

The global financial markets have progressed through a significant reform of benchmark interest rates, resulting in the transition from Interbank Offered Rates (IBORs) to alternative nearly risk-free reference rates (RFRs). This industry-wide shift, driven by regulatory initiatives to enhance the reliability and robustness of benchmark rates, has impacted financial institutions worldwide.

The Group's IBOR transition steering committee, which comprises a series of business and function workstreams with oversight and coordination provided by a central project team, has been managing the programme to streamline the transition for the Group and its clients in order to mitigate financial, accounting, operational, conduct, and legal risk arising from IBOR Reform. Workstreams actively participate in industry-wide working groups to remain informed of the latest developments and to ensure consistency with the approaches of other market participants. The Group will continue to leverage the experience it gained in the IBOR transition journey for the ongoing ZARONIA and KESONIA transition.

#### ZARONIA

The South African Reserve Bank (SARB) has consistently communicated the intention to replace the Johannesburg Interbank Average Rate (JIBAR) with the South African Overnight Index Average (ZARONIA).

In the current year, the SARB has advanced its benchmark rate reform by launching the ZARONIA First initiative for instruments in the derivatives markets. This approach encourages market participants to adopt ZARONIA as the primary reference rate, gradually reducing reliance on JIBAR. The initiative marks a key milestone in the transition, promoting consistency and transparency in rate-setting practices. This initiative has been supported by the publication of the MPG's endorsement of the methodology for determining credit adjustment spreads (CAS) to be used in JIBAR fallback rates and the inclusion of JIBAR fallback provisions in the International Swaps and Derivatives Association's (ISDA) Interest Rate Definitions and the ISDA Protocol. The fallback methodology aims to support continuity and fairness in existing JIBAR-linked financial contracts that transition to ZARONIA following the discontinuation of JIBAR.

On the 3<sup>rd</sup> of December 2025, the SARB formally announced that all JIBAR tenors will cease to be published on 31 December 2026 and will be considered non-representative as of that date.

#### KESONIA/ CBR

The Central Bank of Kenya (CBK) has published the revised Risk-Based Credit Pricing Model (RBCPM) taking effect from 1 December 2025. This framework identifies the Kenya Shilling Overnight Interbank Average (KESONIA) as the common reference rate to be applied for pricing all variable rate Kenya Shilling denominated loans.

KESONIA is a transaction-based benchmark rate reflecting the average interest rate at which banks in Kenya lend and borrow unsecured overnight funds in Kenyan Shillings. The new framework aims to enhance transparency, fairness, and accessibility in lending while strengthening monetary policy transmission ensuring that changes in the Central Bank's policy rate are reflected more effectively in customer loan rates. Where the use of KESONIA is not practical, the customers may use the Central Bank Rate (CBR) as the alternative reference rate. Previously, Kenyan banks priced

## Notes to the consolidated financial statements

For the year ended 31 December

loans using their own internally determined interbank rates, supplemented with a risk based premium. Within Absa Bank Kenya this was referred to as the Absa Bank Lending Rate (ABR).

The implementation date was 1 December 2025 for all new variable rate Kenya Shilling loans and existing variable-rate loans are to transition to this model by 28 February 2026.

**Notes to the consolidated financial statements**

For the year ended 31 December

## Notes to the consolidated financial statements

For the year ended 31 December

### 53. Derivatives

#### 53.8 Interest rate benchmark reform

##### Developments made towards implementing alternative benchmark interest rates

The Group has taken steps to ensure that its processes and systems for trading in ZARONIA are in place. The Group has also systematically started to include fallback language in new contracts. For legacy contracts referencing JIBAR, the Bank has begun the process to incorporate fallback language into contractual documentation in preparation for the anticipated cessation of JIBAR. This fallback language outlines the mechanism by which contracts will transition to ZARONIA. The inclusion of this language is intended to ensure contractual continuity and mitigate legal and financial risks associated with the benchmark transition. With regards to derivative contracts traded by the Group under ISDA, the relevant fallback provisions have been introduced through the "ISDA 2021 Fallbacks Protocol April 2025 Benchmark Module", published on 25 April 2025. Absa intends to adopt this protocol.

The Group has certain designated hedging relationships where hedged items and/or hedging instruments reference JIBAR as the interest rate benchmark.

The Group's cash flow hedging relationships of JIBAR risks extend beyond the anticipated cessation dates for these IBORs. There is uncertainty over the timing and amount of the replacement rate cash flows which may impact the hedging relationship i.e. its effectiveness assessment and highly probable assessment. For the purposes of these assessments, the Group assumes that the hedged benchmark interest rate, the cash flows of the hedged item and/or the hedging instrument will not be altered as a result of IBOR reform.

If a hedging relationship impacted by uncertainty about IBOR reform has not been highly effective throughout the financial reporting period, then the Group evaluates whether the hedge is expected to be highly effective prospectively and whether the effectiveness of the hedging relationship can be reliably measured. The hedging relationship will not be discontinued as long as it meets all criteria for hedge accounting, with the exception of the requirement that the hedge was actually highly effective.

Hedging relationships impacted by uncertainty about IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and the hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to IBORs using available quoted market rates for IBOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in IBOR on a similar basis.

##### KESONIA/ CBR

Following the publication of the Central Bank of Kenya's revised Risk-Based Credit Pricing Model, all new and qualifying existing KES-denominated variable-rate financial instruments are referenced to CBR plus a bank-specific premium from 1 December 2025. A full migration of existing variable-rate facilities to reference CBR is expected by 28 February 2026. At this stage of the transition, implementation of KESONIA is not yet considered practical due to required system changes. No hedge accounting relationships are expected to be impacted by the transition to the alternate benchmark rates.

The Group will continue to apply the Phase 1 amendments to IFRS 9 and IAS 39 until the uncertainty surrounding the timing and amount of cash flows arising from interest rate benchmark reform is resolved. This uncertainty is expected to persist until the Group's contracts referencing the IBOR rate are amended to specify both the timing and the amount of cash flows based on the selected alternate benchmark rate, as well as any applicable fixed spread. The Group applies the Phase 2 amendments as and when the Phase 1 amendments are considered to have ceased without restating comparative figures.

The table below provides information on financial instruments that have yet to transition to an alternative benchmark rate as at the end of the reporting period. The amounts include all JIBAR-and ABR-linked exposures at the reporting date, regardless of contractual or expected maturity.

## Notes to the consolidated financial statements

For the year ended 31 December

|                            | Group<br>2025                                                                                     |               |             |
|----------------------------|---------------------------------------------------------------------------------------------------|---------------|-------------|
|                            | Carrying values of financial<br>instruments impacted by benchmark<br>reform and yet to transition |               |             |
|                            | ZAR JIBAR<br>Rm                                                                                   | KES ABR<br>Rm | Total<br>Rm |
| Non-derivative assets      | 339 486                                                                                           | 14 953        | 354 439     |
| Non-derivative liabilities | 263 597                                                                                           | -             | 263 597     |
| Derivative notional        | 11 629 189                                                                                        | -             | 11 629 189  |

### 53.8 Interest rate benchmark reform

The table below provides more information on the hedge accounting relationships that are impacted by interest rate benchmark reform.

|                          | Group<br>2025               |                                                                |                         |
|--------------------------|-----------------------------|----------------------------------------------------------------|-------------------------|
|                          | Notional<br>ZAR JIBAR<br>Rm | Notional<br>not<br>impacted<br>by<br>benchmark<br>reform<br>Rm | Total<br>Notional<br>Rm |
| <b>Cash Flow hedges</b>  | 206 944                     | 12 932                                                         | 219 876                 |
| Interest Rate Swaps      | 206 944                     | 100                                                            | 207 044                 |
| Cross Currency Swaps     | -                           | 6 887                                                          | 6 887                   |
| Forwards                 | -                           | 5 945                                                          | 5 945                   |
| <b>Fair Value hedges</b> | 77 798                      | 11 301                                                         | 88 395                  |
| Interest Rate Swaps      | 77 798                      | 10 597                                                         | 88 395                  |
| Inflation Rate Swaps     | -                           | 704                                                            | -                       |

|                          | Group<br>2024               |                                                                |                         |
|--------------------------|-----------------------------|----------------------------------------------------------------|-------------------------|
|                          | Notional<br>ZAR JIBAR<br>Rm | Notional<br>not<br>impacted<br>by<br>benchmark<br>reform<br>Rm | Total<br>Notional<br>Rm |
| <b>Cash Flow hedges</b>  | 211 560                     | 12 950                                                         | 224 510                 |
| Interest Rate Swaps      | 211 560                     | -                                                              | 211 560                 |
| Cross Currency Swaps     | -                           | 6 887                                                          | 6 887                   |
| Forwards                 | -                           | 6 063                                                          | 6 063                   |
| <b>Fair Value hedges</b> | 80 177                      | 10 665                                                         | 90 842                  |
| Interest Rate Swaps      | 79 640                      | 10 665                                                         | 90 305                  |
| Inflation Rate Swaps     | 537                         | -                                                              | 537                     |

## Notes to the consolidated financial statements

For the year ended 31 December

### Financial instrument modifications due to IBOR reforms

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform if the following conditions are met: the change is necessary as a direct consequence of the reform; and the new basis for determining the contractual cash flows is economically equivalent to the previous basis, i.e. the basis immediately before the change.

Derivative notional balances represent the notional amount of derivative assets and liabilities that could be or are directly impacted by the IBOR reform.

## Notes to the consolidated financial statements

For the year ended 31 December

### 54. Consolidated statement of financial position summary- IFRS 9 classification

|                                                     | Group<br>2025                              |                                   |                              |                |
|-----------------------------------------------------|--------------------------------------------|-----------------------------------|------------------------------|----------------|
|                                                     | Fair value through profit or loss          |                                   |                              | Total<br>Rm    |
|                                                     | Mandatorily<br>held at fair<br>value<br>Rm | Designated at<br>fair value<br>Rm | Hedging<br>instruments<br>Rm |                |
| <b>Assets</b>                                       |                                            |                                   |                              |                |
| Cash, cash balances and balances with central banks | 4 188                                      | -                                 | -                            | 4 188          |
| Investment securities                               | 7 744                                      | 3 231                             | -                            | 10 975         |
| Trading portfolio assets                            | 282 682                                    | -                                 | -                            | 282 682        |
| Hedging portfolio assets                            | -                                          | -                                 | 709                          | 709            |
| Other assets                                        | 167                                        | -                                 | -                            | 167            |
| Loans and advances                                  | 106 290                                    | 34 135                            | -                            | 140 425        |
| Investments linked to investment contracts          | 27 218                                     | -                                 | -                            | 27 218         |
| Non-current assets held for sale                    | -                                          | -                                 | -                            | -              |
| Assets outside the scope of IFRS 9                  | -                                          | -                                 | -                            | -              |
|                                                     | <b>428 289</b>                             | <b>37 366</b>                     | <b>709</b>                   | <b>466 364</b> |
| <b>Liabilities</b>                                  |                                            |                                   |                              |                |
| Trading portfolio liabilities                       | 84 533                                     | -                                 | -                            | 84 533         |
| Hedging portfolio liabilities                       | -                                          | -                                 | 3 196                        | 3 196          |
| Other liabilities                                   | -                                          | 76                                | -                            | 76             |
| Deposits and debt funding                           | -                                          | 235 904                           | -                            | 235 904        |
| Liabilities under investment contracts              | -                                          | 27 744                            | -                            | 27 744         |
| Subordinated debt                                   | -                                          | -                                 | -                            | -              |
| Liabilities outside the scope of IFRS 9             | -                                          | -                                 | -                            | -              |
|                                                     | <b>84 533</b>                              | <b>263 724</b>                    | <b>3 196</b>                 | <b>351 453</b> |

Hedged portfolio assets include derivative assets to the amount of R352m (2024: R502m) and R357m (2024: R3553m) that have been designated as cash flow and fair value hedging instruments respectively.

Hedging portfolio liabilities includes derivative liabilities to the amount of R454m (2024: R236m) and R2743m (2024: R1 022m) that have been designated as cash flow and fair value hedging instruments respectively.

Liabilities outside the scope of IFRS 9 includes R803m (2024: R821m) that relates to expected credit losses from undrawn facilities, financial guarantees and letters of credit.

Fair value through other comprehensive income includes investments in unlisted equity and hybrid instruments which represent investments that are held for strategic long-term purposes but can be sold at any point. Due to this dual intention these investments have been designated at fair value through other comprehensive income.

The assets and liabilities outside of the scope of IFRS 9 column includes non-financial assets and non-financial liabilities as well as other financial instruments outside the scope of IFRS 9.

#### Group



## Notes to the consolidated financial statements

For the year ended 31 December

2025

| Fair value through other comprehensive income |                       |              |         | Amortised cost      |              |           | Outside the<br>scope of IFRS<br>9 | Total     |
|-----------------------------------------------|-----------------------|--------------|---------|---------------------|--------------|-----------|-----------------------------------|-----------|
| Debt<br>instruments                           | Equity<br>instruments | Hedged items | Total   | Debt<br>instruments | Hedged items | Total     |                                   |           |
| Rm                                            | Rm                    | Rm           | Rm      | Rm                  | Rm           | Rm        |                                   | Rm        |
| -                                             | -                     | -            | -       | 137 227             | -            | 137 227   | -                                 | 141 415   |
| 161 029                                       | 846                   | 44 430       | 206 305 | 18 644              | 32 606       | 51 250    | -                                 | 268 530   |
| -                                             | -                     | -            | -       | -                   | -            | -         | 4 454                             | 287 136   |
| -                                             | -                     | -            | -       | -                   | -            | -         | -                                 | 709       |
| -                                             | -                     | -            | -       | 24 945              | -            | 24 945    | 4 666                             | 29 778    |
| -                                             | -                     | -            | -       | 1 293 140           | 1 303        | 1 294 443 | 3 691                             | 1 438 559 |
| -                                             | -                     | -            | -       | -                   | -            | -         | -                                 | 27 218    |
| -                                             | -                     | -            | -       | 2 882               | -            | 2 882     | 871                               | 3 753     |
| -                                             | -                     | -            | -       | -                   | -            | -         | 42 381                            | 42 381    |
| 161 029                                       | 846                   | 44 430       | 206 305 | 1 476 838           | 33 909       | 1 510 747 | 56 063                            | 2 239 479 |
| -                                             | -                     | -            | -       | -                   | -            | -         | -                                 | 84 533    |
| -                                             | -                     | -            | -       | -                   | -            | -         | -                                 | 3 196     |
| -                                             | -                     | -            | -       | 33 738              | -            | 33 738    | 4 937                             | 38 751    |
| -                                             | -                     | -            | -       | 1 612 123           | 6 321        | 1 618 444 | -                                 | 1 854 348 |
| -                                             | -                     | -            | -       | -                   | -            | -         | -                                 | 27 744    |
| -                                             | -                     | -            | -       | 11 744              | 10 818       | 22 562    | -                                 | 22 562    |
| -                                             | -                     | -            | -       | -                   | -            | -         | 16 936                            | 16 936    |
| -                                             | -                     | -            | -       | 1 657 605           | 17 139       | 1 674 744 | 21 873                            | 2 048 070 |

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                     | Group<br>2024                              |                                   |                              |             |
|-----------------------------------------------------|--------------------------------------------|-----------------------------------|------------------------------|-------------|
|                                                     | Fair value through profit or loss          |                                   |                              |             |
|                                                     | Mandatorily<br>held at fair<br>value<br>Rm | Designated at<br>fair value<br>Rm | Hedging<br>instruments<br>Rm | Total<br>Rm |
| <b>Assets</b>                                       |                                            |                                   |                              |             |
| Cash, Cash balances and balances with central banks | 3 528                                      | -                                 | -                            | 3 528       |
| Investment securities                               | 8 618                                      | 14 565                            | -                            | 23 183      |
| Trading portfolio assets                            | 224 465                                    | -                                 | -                            | 224 465     |
| Hedging portfolio assets                            | -                                          | -                                 | 4 055                        | 4 055       |
| Other assets                                        | 216                                        | -                                 | -                            | 216         |
| Loans and advances                                  | 85 941                                     | 32 868                            | -                            | 118 809     |
| Investments linked to investment contracts          | 23 370                                     | -                                 | -                            | 23 370      |
| Non-current assets held for sale                    | -                                          | -                                 | -                            | -           |
| Assets outside the scope of IFRS 9                  | -                                          | -                                 | -                            | -           |
|                                                     | 346 138                                    | 47 433                            | 4 055                        | 397 626     |
| <b>Liabilities</b>                                  |                                            |                                   |                              |             |
| Trading portfolio liabilities                       | 66 020                                     | -                                 | -                            | 66 020      |
| Hedging portfolio liabilities                       | -                                          | -                                 | 1 258                        | 1 258       |
| Other liabilities                                   | -                                          | 87                                | -                            | 87          |
| Deposits and debt funding                           | -                                          | 197 749                           | -                            | 197 749     |
| Liabilities under investment contracts              | -                                          | 23 547                            | -                            | 23 547      |
| Subordinated debt                                   | -                                          | -                                 | -                            | -           |
| Liabilities outside the scope of IFRS 9             | -                                          | -                                 | -                            | -           |
|                                                     | 66 020                                     | 221 383                           | 1 258                        | 288 661     |

Deposits and debt securities in issue have been combined and presented as a single line item in the current reporting period. This has resulted in a restatement of the previously reported balances of R1 506 927m for Deposits and R211 291m for Debt securities in issue to a consolidated total of R1 718 218m. As part of this reclassification, financial liabilities designated at fair value of R138 045m (Deposits) and R59 704m (Debt securities in issue) have been aggregated to R197 749m, while financial liabilities measured at amortised cost have been combined from R1 368 882m (Deposits) and R144 562m (Debt securities in issue) to a total of R1 513 444m. Hedge items amounting to R7 025m, previously disclosed under Debt securities in issue, have now been presented as part of Deposits and debt funding. Refer to Note 1.21.1 for further details on this reclassification.

## Notes to the consolidated financial statements

For the year ended 31 December

| Group<br>2024                                 |                       |              |         |                     |              |           |                                   |           |
|-----------------------------------------------|-----------------------|--------------|---------|---------------------|--------------|-----------|-----------------------------------|-----------|
| Fair value through other comprehensive income |                       |              |         | Amortised cost      |              |           | Outside the<br>scope of IFRS<br>9 | Total     |
| Debt<br>instruments                           | Equity<br>instruments | Hedged items | Total   | Debt<br>instruments | Hedged items | Total     |                                   |           |
| Rm                                            | Rm                    | Rm           | Rm      | Rm                  | Rm           | Rm        | Rm                                | Rm        |
| -                                             | -                     | -            | -       | 121 029             | -            | 121 029   | -                                 | 124 557   |
| 147 528                                       | 816                   | 39 170       | 187 514 | 25 498              | 34 249       | 59 747    | -                                 | 270 444   |
| -                                             | -                     | -            | -       | -                   | -            | -         | 1 717                             | 226 182   |
| -                                             | -                     | -            | -       | -                   | -            | -         | -                                 | 4 055     |
| -                                             | -                     | -            | -       | 18 820              | -            | 18 820    | 4 159                             | 23 195    |
| -                                             | -                     | -            | -       | 1 224 343           | 3 196        | 1 227 539 | 3 240                             | 1 349 588 |
| -                                             | -                     | -            | -       | -                   | -            | -         | -                                 | 23 370    |
| -                                             | -                     | -            | -       | 1 140               | -            | 1 140     | 971                               | 2 111     |
| -                                             | -                     | -            | -       | -                   | -            | -         | 45 193                            | 45 193    |
| 147 528                                       | 816                   | 39 170       | 187 514 | 1 390 830           | 37 445       | 1 428 275 | 55 280                            | 2 068 695 |
| -                                             | -                     | -            | -       | -                   | -            | -         | -                                 | 66 020    |
| -                                             | -                     | -            | -       | -                   | -            | -         | -                                 | 1 258     |
| -                                             | -                     | -            | -       | 31 399              | -            | 31 399    | 8 805                             | 40 291    |
| -                                             | -                     | -            | -       | 1 513 444           | 7 025        | 1 520 469 | -                                 | 1 718 218 |
| -                                             | -                     | -            | -       | -                   | -            | -         | -                                 | 23 547    |
| -                                             | -                     | -            | -       | 11 710              | 9 478        | 21 188    | -                                 | 21 188    |
| -                                             | -                     | -            | -       | -                   | -            | -         | 14 897                            | 14 897    |
| -                                             | -                     | -            | -       | 1556 553            | 16 503       | 1573 056  | 23 702                            | 1 885 419 |

# Notes to the consolidated financial statements

For the year ended 31 December

## 55. Fair value disclosures

### 55.1 Assets and liabilities held at fair value

The following table shows the Group's assets and liabilities that are recognised and subsequently measured at fair value and are analysed by valuation techniques. The classification of assets and liabilities is based on the lowest level input that is significant to the fair value measurement in its entirety.

|                                                     | Group          |                |               |                |                |                |               |                |
|-----------------------------------------------------|----------------|----------------|---------------|----------------|----------------|----------------|---------------|----------------|
|                                                     | 2025           |                |               |                | 2024           |                |               |                |
|                                                     | Level 1<br>Rm  | Level 2<br>Rm  | Level 3<br>Rm | Total<br>Rm    | Level 1<br>Rm  | Level 2<br>Rm  | Level 3<br>Rm | Total<br>Rm    |
| <b>Financial assets</b>                             |                |                |               |                |                |                |               |                |
| Cash, cash balances and balances with central banks | -              | 4 188          | -             | 4 188          | -              | 3 528          | -             | 3 528          |
| Investment securities                               | 111 590        | 99 867         | 5 823         | 217 280        | 102 046        | 104 257        | 4 394         | 210 697        |
| Trading and hedging portfolio assets                | 154 156        | 114 839        | 14 396        | 283 391        | 122 487        | 96 996         | 9 037         | 228 520        |
| Debt instruments                                    | 91 500         | 9 936          | 1 771         | 103 207        | 76 025         | 11 479         | 1 204         | 88 708         |
| Derivative assets                                   | -              | 71 826         | 3 362         | 75 188         | -              | 59 710         | 1 905         | 61 615         |
| Commodity derivatives                               | -              | 1 456          | 7             | 1 463          | -              | 1 032          | 17            | 1 049          |
| Credit derivatives                                  | -              | -              | 275           | 275            | -              | -              | 427           | 427            |
| Equity derivatives                                  | -              | 3 028          | 2 112         | 5 140          | -              | 5 288          | 1 032         | 6 320          |
| Foreign exchange derivatives                        | -              | 21 691         | 698           | 22 389         | -              | 18 568         | 402           | 18 970         |
| Interest rate derivatives                           | -              | 45 651         | 270           | 45 921         | -              | 34 822         | 27            | 34 849         |
| Equity instruments                                  | 61 153         | -              | -             | 61 153         | 45 023         | -              | -             | 45 023         |
| Money market assets                                 | 1 503          | 33 077         | 9 263         | 43 843         | 1 439          | 25 807         | 5 928         | 33 174         |
| Other assets                                        | -              | 167            | -             | 167            | -              | 216            | -             | 216            |
| Loans and advances                                  | -              | 133 636        | 6 789         | 140 425        | -              | 112 143        | 6 666         | 118 809        |
| Investments linked to investment contracts          | 22 243         | 4 975          | -             | 27 218         | 20 051         | 3 319          | -             | 23 370         |
| <b>Total financial assets</b>                       | <b>287 989</b> | <b>357 672</b> | <b>27 008</b> | <b>672 669</b> | <b>244 584</b> | <b>320 459</b> | <b>20 097</b> | <b>585 140</b> |
| <b>Financial liabilities</b>                        |                |                |               |                |                |                |               |                |
| Trading and hedging portfolio liabilities           | 17 657         | 64 184         | 5 888         | 87 729         | 13 309         | 52 164         | 1 805         | 67 278         |
| Derivative liabilities                              | -              | 64 184         | 5 888         | 70 072         | 42             | 52 164         | 1 805         | 54 011         |
| Commodity derivatives                               | -              | 1 863          | 6             | 1 869          | -              | 1 120          | 16            | 1 136          |
| Credit derivatives                                  | -              | -              | 3 771         | 3 771          | -              | -              | 107           | 107            |
| Equity derivatives                                  | -              | 4 212          | 1 315         | 5 527          | -              | 1 284          | 1 316         | 2 600          |
| Foreign exchange derivatives                        | -              | 21 764         | 698           | 22 462         | 42             | 18 509         | 366           | 18 917         |
| Interest rate derivatives                           | -              | 36 345         | 98            | 36 443         | -              | 31 251         | -             | 31 251         |
| Short positions                                     | 17 657         | -              | -             | 17 657         | 13 267         | -              | -             | 13 267         |
| Other liabilities                                   | -              | 76             | -             | 76             | -              | 87             | -             | 87             |
| Deposits and debt funding                           | 704            | 233 201        | 1 999         | 235 904        | 60             | 196 002        | 1 687         | 197 749        |
| Liabilities under investment contracts              | -              | 27 744         | -             | 27 744         | -              | 23 547         | -             | 23 547         |
| <b>Total financial liabilities</b>                  | <b>18 361</b>  | <b>325 205</b> | <b>7 887</b>  | <b>351 453</b> | <b>13 369</b>  | <b>271 800</b> | <b>3 492</b>  | <b>288 661</b> |
| <b>Non-financial assets</b>                         |                |                |               |                |                |                |               |                |
| Commodities                                         | 4 454          | -              | -             | 4 454          | 1 717          | -              | -             | 1 717          |
| Investment properties                               | -              | -              | 314           | 314            | -              | -              | 225           | 225            |
| <b>Non-recurring fair value measurements</b>        |                |                |               |                |                |                |               |                |
| Non-current assets held for sale                    | -              | -              | 438           | 438            | -              | -              | 972           | 972            |
| Non-current liabilities held for sale               | -              | -              | 356           | 356            | -              | -              | 1 064         | 1 064          |

As a result of the uncertainties inherent in measuring the fair value of financial instruments at level 3, its measurement is estimated based on valuation assumptions and inputs derived from market expectations. Estimation involves judgements based on the latest available, reliable information. Resultantly, any changes in key assumptions relating to their valuation is treated as a change in accounting estimate and has been accounted for prospectively in the financial statements.

Non-current assets and liabilities held for sale includes certain items classified in terms of the requirements of IFRS 5 which are measured at fair value in terms of their respective Standard.

Deposits and debt securities have been reclassified and presented as a single line item, restated from R138 045m and R59 704m respectively to R197 749m. Refer to Note 1.21.2.2 for further details on this reclassification.

## Notes to the consolidated financial statements

For the year ended 31 December

### 55. Fair value disclosures

#### 55.2 Reconciliation of Level 3 assets and liabilities

A reconciliation of the opening balances to closing balances for all movements on Level 3 assets is set out below:

|                                                                 | Group                                      |                       |                          |                          |               |
|-----------------------------------------------------------------|--------------------------------------------|-----------------------|--------------------------|--------------------------|---------------|
|                                                                 | 2025                                       |                       |                          |                          |               |
|                                                                 | Trading and<br>hedging<br>portfolio assets | Loans and<br>advances | Investment<br>securities | Investment<br>Properties | Total assets  |
|                                                                 | Rm                                         | Rm                    | Rm                       | Rm                       | Rm            |
| <b>Opening balance at the beginning of the reporting period</b> | <b>9 037</b>                               | <b>6 666</b>          | <b>4 394</b>             | <b>225</b>               | <b>20 322</b> |
| Net interest income                                             | -                                          | 49                    | 32                       | -                        | 81            |
| Gains and losses from banking and trading activities            | 762                                        | 84                    | 308                      | -                        | 1 154         |
| Gains and losses from investment activities                     | -                                          | -                     | (165)                    | -                        | (165)         |
| Gains and losses from investment properties (refer to note 31)  | -                                          | -                     | -                        | 3                        | 3             |
| Purchases                                                       | 6 564                                      | 2 974                 | 246                      | 90                       | 9 874         |
| Sales                                                           | (1 920)                                    | (2 824)               | (644)                    | (1)                      | (5 389)       |
| Movement in other comprehensive income                          | -                                          | -                     | (43)                     | -                        | (43)          |
| Transfers to non-current assets held for sale                   | -                                          | -                     | -                        | (128)                    | (128)         |
| Transfers from non-current assets held for sale                 | -                                          | -                     | -                        | 126                      | 126           |
| Transfer to Level 3                                             | 243                                        | -                     | 1 616                    | -                        | 1 859         |
| Transfer out of Level 3                                         | (506)                                      | (160)                 | -                        | -                        | (666)         |
| Foreign currency conversion on assets                           | 216                                        | -                     | 79                       | (1)                      | 294           |
| <b>Closing balance at the end of the reporting period</b>       | <b>14 396</b>                              | <b>6 789</b>          | <b>5 823</b>             | <b>314</b>               | <b>27 322</b> |

|                                                                 | Group                                      |                       |                          |                          |               |
|-----------------------------------------------------------------|--------------------------------------------|-----------------------|--------------------------|--------------------------|---------------|
|                                                                 | 2024                                       |                       |                          |                          |               |
|                                                                 | Trading and<br>hedging<br>portfolio assets | Loans and<br>advances | Investment<br>securities | Investment<br>Properties | Total assets  |
|                                                                 | Rm                                         | Rm                    | Rm                       | Rm                       | Rm            |
| <b>Opening balance at the beginning of the reporting period</b> | <b>18 228</b>                              | <b>6 771</b>          | <b>12 311</b>            | <b>378</b>               | <b>37 688</b> |
| Net interest income                                             | -                                          | 31                    | 103                      | -                        | 134           |
| Gains and losses from banking and trading activities            | 199                                        | 45                    | 194                      | -                        | 438           |
| Gains and losses from investment activities                     | -                                          | -                     | (12)                     | -                        | (12)          |
| Purchases                                                       | 4 205                                      | 689                   | 1 333                    | 1                        | 6 228         |
| Sales                                                           | (12 231)                                   | (812)                 | (2 694)                  | -                        | (15 737)      |
| Movement in other comprehensive income                          | -                                          | -                     | (79)                     | -                        | (79)          |
| Transfers to non-current assets held for sale                   | -                                          | -                     | -                        | (182)                    | (182)         |
| Transfer to Level 3                                             | -                                          | 170                   | 254                      | -                        | 424           |
| Transfer out of Level 3                                         | (1 171)                                    | (219)                 | (6 946)                  | -                        | (8 336)       |
| Foreign currency conversion on assets                           | (193)                                      | (9)                   | (70)                     | 28                       | (244)         |
| <b>Closing balance at the end of the reporting period</b>       | <b>9 037</b>                               | <b>6 666</b>          | <b>4 394</b>             | <b>225</b>               | <b>20 322</b> |

## Notes to the consolidated financial statements

For the year ended 31 December

### 55. Fair value disclosures

#### 55.2 Reconciliation of Level 3 assets and liabilities

A reconciliation of the opening balances to closing balances for all movements on Level 3 liabilities is set out below:

|                                                                 | Group                                              |                              |                      |
|-----------------------------------------------------------------|----------------------------------------------------|------------------------------|----------------------|
|                                                                 | 2025                                               |                              |                      |
|                                                                 | Trading and<br>hedging<br>portfolio<br>liabilities | Deposits and<br>debt funding | Total<br>liabilities |
|                                                                 | Rm                                                 | Rm                           | Rm                   |
| <b>Opening balance at the beginning of the reporting period</b> | <b>1 805</b>                                       | <b>1 687</b>                 | <b>3 492</b>         |
| Gains and losses from banking and trading activities            | 4 811                                              | 303                          | 5 114                |
| Issues                                                          | 126                                                | 350                          | 476                  |
| Settlements                                                     | (47)                                               | (59)                         | (106)                |
| Transfer to Level 3                                             | 98                                                 | -                            | 98                   |
| Transfer out of Level 3                                         | (905)                                              | (282)                        | (1 187)              |
| <b>Closing balance at the end of the reporting period</b>       | <b>5 888</b>                                       | <b>1 999</b>                 | <b>7 887</b>         |

|                                                           | Group                                              |                              |                   |
|-----------------------------------------------------------|----------------------------------------------------|------------------------------|-------------------|
|                                                           | 2024                                               |                              |                   |
|                                                           | Trading and<br>hedging<br>portfolio<br>liabilities | Deposits and<br>debt funding | Total liabilities |
|                                                           | Rm                                                 | Rm                           | Rm                |
| Opening balance at the beginning of the reporting period  | 3 851                                              | 2 337                        | 6 188             |
| Gains and losses from banking and trading activities      | 789                                                | 96                           | 885               |
| Issues                                                    | 212                                                | 331                          | 543               |
| Settlements                                               | (3 010)                                            | (3)                          | (3 013)           |
| Transfer out of Level 3                                   | (37)                                               | (1 074)                      | (1 111)           |
| <b>Closing balance at the end of the reporting period</b> | <b>1 805</b>                                       | <b>1 687</b>                 | <b>3 492</b>      |

Deposits and debt securities have been reclassified and are now presented as a single line item. Refer to Note 1.21.2.2 for further details on this reclassification.

#### 55.2.1 Significant transfers between levels

During the 2025 and 2024 reporting periods, transfers between levels occurred because of changes in the observability of valuation inputs, in some instances owing to changes in the level of market activity. Transfers between level 1 and level 2 are not considered significant for disclosure. Transfers have been reflected as if they had taken place at the beginning of the year.

## Notes to the consolidated financial statements

For the year ended 31 December

### 55. Fair value Disclosures

#### 55.3 Unrealised gains and losses on Level 3 assets and liabilities

The total unrealised gains and losses for the reporting period on Level 3 positions held at the reporting date are set out below:

|                                                         | Group                                            |                             |                                |                                     |
|---------------------------------------------------------|--------------------------------------------------|-----------------------------|--------------------------------|-------------------------------------|
|                                                         | 2025                                             |                             |                                |                                     |
|                                                         | Trading and<br>hedging<br>portfolio assets<br>Rm | Loans and<br>advances<br>Rm | Investment<br>securities<br>Rm | Total assets at<br>fair value<br>Rm |
| Aggregate unrealised gains and (losses) since inception | 1 647                                            | 127                         | 103                            | 1 877                               |
| Unrealised gains and (losses) recognised                | 1 208                                            | 134                         | 234                            | 1 576                               |

|                                                         | Group                                            |                             |                                |                                     |
|---------------------------------------------------------|--------------------------------------------------|-----------------------------|--------------------------------|-------------------------------------|
|                                                         | 2024                                             |                             |                                |                                     |
|                                                         | Trading and<br>hedging<br>portfolio assets<br>Rm | Loans and<br>advances<br>Rm | Investment<br>securities<br>Rm | Total assets at<br>fair value<br>Rm |
| Aggregate unrealised gains and (losses) since inception | 345                                              | 43                          | 114                            | 502                                 |
| Unrealised gains and (losses) recognised                | 199                                              | 60                          | 31                             | 290                                 |

|                                                         | Group                                                    |                                    |                                          |
|---------------------------------------------------------|----------------------------------------------------------|------------------------------------|------------------------------------------|
|                                                         | 2025                                                     |                                    |                                          |
|                                                         | Trading and<br>hedging<br>portfolio<br>liabilities<br>Rm | Deposits and<br>debt funding<br>Rm | Total liabilities<br>at fair value<br>Rm |
| Aggregate unrealised gains and (losses) since inception | (5 498)                                                  | (502)                              | (6 000)                                  |
| Unrealised Gains and (losses) recognised                | (4 961)                                                  | (422)                              | (5 383)                                  |

|                                                         | Group                                                    |                                    |                                          |
|---------------------------------------------------------|----------------------------------------------------------|------------------------------------|------------------------------------------|
|                                                         | 2024                                                     |                                    |                                          |
|                                                         | Trading and<br>hedging<br>portfolio<br>liabilities<br>Rm | Deposits and<br>debt funding<br>Rm | Total liabilities<br>at fair value<br>Rm |
| Aggregate unrealised gains and (losses) since inception | (1 478)                                                  | (149)                              | (1 627)                                  |
| Unrealised gains and (losses) recognised                | (761)                                                    | (169)                              | (930)                                    |

## Notes to the consolidated financial statements

For the year ended 31 December

### 55. Fair value Disclosures

#### 55.4 Sensitivity analysis of valuations using unobservable inputs

As part of the Group's risk management processes, we perform a sensitivity analysis on the significant unobservable parameters, in order to determine the impact of reasonably possible alternative assumptions on the valuation of Level 3 financial assets and liabilities. The assets and liabilities that mostly impact this sensitivity analysis are those with more illiquid and/or structured portfolios. The alternative assumptions are applied independently and do not take account of any cross correlation between assumptions that would reduce the overall effect on the valuations.

A significant parameter has been deemed to be one which may result in a charge to profit or loss, or a change in the fair value of the asset or liability by more than 10% of the underlying value of the affected item.

This is demonstrated by the following sensitivity analysis which includes reasonable range of possible outcomes:

|                                           |                                                                                           | Group<br>2025                            |                 |                                |                                                            |
|-------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------|-----------------|--------------------------------|------------------------------------------------------------|
|                                           | Significant unobservable parameters                                                       | Change in significant unobservable input | Level 3 balance | Weighted average discount rate | Potential favourable/ (unfavourable) profit or loss impact |
|                                           |                                                                                           |                                          | Rm              |                                | Rm                                                         |
| Financial assets                          |                                                                                           |                                          |                 |                                |                                                            |
| Investment securities                     | Credit spreads                                                                            | 100/(100) bps                            | 3 422           | 8.95%                          | (62)/64                                                    |
| Trading and hedging portfolio assets      |                                                                                           |                                          |                 |                                |                                                            |
| Debt instruments and money market assets  | Credit spreads                                                                            | 100/(100) bps                            | 11 034          | 9.44%                          | (354)/370                                                  |
| Derivative assets                         | Volatility, African basis curves, yield curves and credit spreads on credit default swaps | Volatility: 10%<br>Other: 100/(100) bps  | 3 362           | Not applicable                 | 216/(216)                                                  |
| Loans and advances                        | Credit spreads                                                                            | 100/(100) bps                            | 6 789           | 7.05%                          | (451)/494                                                  |
| Financial liabilities                     |                                                                                           |                                          |                 |                                |                                                            |
| Trading and hedging portfolio liabilities |                                                                                           |                                          |                 |                                |                                                            |
| Derivative liabilities                    | Volatility, African basis curves, yield curves and credit spreads on credit default swaps | Volatility: 10%<br>Other: 100/(100) bps  | 5 888           | Not applicable                 | (262)/262                                                  |
| Deposits and debt funding                 | Absa Group Limited's funding spreads                                                      | 100/(100) bps                            | 1 999           | 9.03%                          | 99/(106)                                                   |

The sensitivity analysis excludes unlisted equity investments with a carrying amount of **R2 401m** (2024: R2 553m) as any reasonably possible changes in the valuation inputs would not have a material impact on profit or loss or equity.



## Notes to the consolidated financial statements

For the year ended 31 December

### 55. Fair value Disclosures

#### 55.4 Sensitivity analysis of valuations using unobservable inputs

|                                                  |                                                                                               |                                                   | Group<br>2024      |                                         |                                                                        |                                                             |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------|-----------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------|
|                                                  | Significant<br>unobservable<br>parameters                                                     | Change in<br>significant<br>unobservable<br>input | Level 3<br>balance | Weighted<br>average<br>discount<br>rate | Potential<br>favourable/<br>(unfavourable)<br>profit or loss<br>impact | Potential<br>favourable/<br>(unfavourable)<br>equity impact |
|                                                  |                                                                                               |                                                   | Rm                 |                                         | Rm                                                                     | Rm                                                          |
| <b>Financial assets</b>                          |                                                                                               |                                                   |                    |                                         |                                                                        |                                                             |
| Investment securities                            | Credit spreads                                                                                | 100/(100) bps                                     | 1 841              | 9.31%                                   |                                                                        | (39)/41                                                     |
| <b>Trading and hedging portfolio assets</b>      |                                                                                               |                                                   |                    |                                         |                                                                        |                                                             |
| Debt instruments and<br>money market assets      | Credit spreads                                                                                | 100/(100) bps                                     | 7 131              | 10.10%                                  | (327)/355                                                              |                                                             |
| Derivative assets                                | Volatility, African basis curves,<br>yield curves, credit spreads on<br>credit default swaps. | Volatility: 10%<br>Other: 100/(100)<br>bps        | 1 905              | Not<br>applicable                       | 264/(264)                                                              |                                                             |
| <b>Loans and advances</b>                        | Credit spreads                                                                                | 100/(100) bps                                     | 6 661              | 7.45%                                   | (452)/497                                                              |                                                             |
| <b>Financial liabilities</b>                     |                                                                                               |                                                   |                    |                                         |                                                                        |                                                             |
| <b>Trading and hedging portfolio liabilities</b> |                                                                                               |                                                   |                    |                                         |                                                                        |                                                             |
| Derivative liabilities                           | Volatility, African basis curves,<br>yield curves, credit spreads on<br>credit default swaps. | Volatility: 10%<br>Other :<br>100/(100)bps        | 1 805              | Not<br>applicable                       | (444)/444                                                              |                                                             |
| <b>Deposits and debt funding</b>                 | Absa Group Limited's funding<br>spreads                                                       | 100/(100) bps                                     | 1 687              | 10.88%                                  | 82/(88)                                                                |                                                             |

# Notes to the consolidated financial statements

For the year ended 31 December

## 55.5 Unrecognised losses/(gains) as a result of the use of valuation models using unobservable inputs

The amount that is to be recognised in the statement of comprehensive income that relates to the difference between the transaction price and the amount that would have arisen had valuation models using observable inputs been used on initial recognition, less amounts subsequently recognised, is as follows:

|                                                                  | Group |       |
|------------------------------------------------------------------|-------|-------|
|                                                                  | 2025  | 2024  |
|                                                                  | Rm    | Rm    |
| Opening balance at the beginning of the reporting period         | (406) | (379) |
| New transactions                                                 | (412) | (297) |
| Amounts recognised in profit or loss during the reporting period | 325   | 270   |
| Closing balance at the end of the reporting period               | (493) | (406) |

## 55.6 Third-party credit enhancements

There were no significant liabilities measured at fair value and issued with inseparable third-party credit enhancements.

## Notes to the consolidated financial statements

For the year ended 31 December

### 55.7 Assets and liabilities not held at fair value

The following table summarises the carrying amounts and fair value of those assets and liabilities not held at fair value.

|                                                                  | Group            |                  |               |                |                  |
|------------------------------------------------------------------|------------------|------------------|---------------|----------------|------------------|
|                                                                  | Carrying amount  | Fair value       | Level 1       | Level 2        | Level 3          |
|                                                                  | Rm               | Rm               | Rm            | Rm             | Rm               |
| <b>Financial assets</b>                                          |                  |                  |               |                |                  |
| <b>Investment securities</b>                                     | <b>51 250</b>    | <b>55 561</b>    | <b>40 701</b> | <b>226</b>     | <b>14 634</b>    |
| Personal and Private Banking                                     | <b>473 838</b>   | <b>482 232</b>   | -             | -              | <b>482 232</b>   |
| Transactions and deposits                                        | <b>11 128</b>    | <b>11 119</b>    | -             | -              | <b>11 119</b>    |
| Unsecured Lending                                                | <b>19 737</b>    | <b>19 029</b>    | -             | -              | <b>19 029</b>    |
| Personal Loans                                                   | <b>19 737</b>    | <b>19 029</b>    | -             | -              | <b>19 029</b>    |
| Home Loans                                                       | <b>315 934</b>   | <b>322 548</b>   | -             | -              | <b>322 548</b>   |
| Vehicle and Asset Finance                                        | <b>127 039</b>   | <b>129 536</b>   | -             | -              | <b>129 536</b>   |
| Business Banking                                                 | <b>148 286</b>   | <b>149 649</b>   | -             | -              | <b>149 649</b>   |
| Africa Regions - Personal and Private Banking & Business Banking | <b>91 109</b>    | <b>91 611</b>    | -             | -              | <b>91 611</b>    |
| Corporate and Investment Banking                                 | <b>467 455</b>   | <b>466 298</b>   | -             | <b>4 024</b>   | <b>462 274</b>   |
| Corporate and Investment Banking SA                              | <b>372 645</b>   | <b>373 856</b>   | -             | <b>4 024</b>   | <b>369 832</b>   |
| Corporate and Investment Banking AR                              | <b>94 810</b>    | <b>92 442</b>    | -             | -              | <b>92 442</b>    |
| <b>Loans and advances to customers</b>                           | <b>1 180 688</b> | <b>1 189 790</b> | -             | <b>4 024</b>   | <b>1 185 766</b> |
| <b>Loans and advances to banks</b>                               | <b>62 812</b>    | <b>62 824</b>    | <b>25 768</b> | <b>37 056</b>  | -                |
| <b>Loans and advances</b>                                        | <b>1 243 500</b> | <b>1 252 614</b> | <b>25 768</b> | <b>41 080</b>  | <b>1 185 766</b> |
| <b>Total</b>                                                     | <b>1 294 750</b> | <b>1 308 175</b> | <b>66 469</b> | <b>41 306</b>  | <b>1 200 400</b> |
| <b>Financial liabilities</b>                                     |                  |                  |               |                |                  |
| <b>Deposits and debt funding</b>                                 | <b>538 834</b>   | <b>538 797</b>   | <b>10 050</b> | <b>528 732</b> | <b>15 -</b>      |
| <b>Subordinated debt</b>                                         | <b>22 562</b>    | <b>24 278</b>    | -             | <b>24 278</b>  | -                |
| <b>Total</b>                                                     | <b>561 396</b>   | <b>563 075</b>   | <b>10 050</b> | <b>553 010</b> | <b>15</b>        |

The above table excludes the financial instruments where the fair value approximates the carrying amount. The fair value amounts approximates the carrying amount due to the short-term nature and/or frequent repricing of interest rates on such instruments.

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                  | Group<br>2024            |                  |               |               |               |
|------------------------------------------------------------------|--------------------------|------------------|---------------|---------------|---------------|
|                                                                  | Carrying<br>amount<br>Rm | Fair value<br>Rm | Level 1<br>Rm | Level 2<br>Rm | Level 3<br>Rm |
| <b>Financial assets</b>                                          |                          |                  |               |               |               |
| <b>Investment securities</b>                                     | 59 747                   | 60 804           | 45 605        | 827           | 14 372        |
| Personal and Private Banking                                     | 459 097                  | 465 376          | -             | -             | 465 376       |
| Transactions and deposits                                        | 10 494                   | 10 599           | -             | -             | 10 599        |
| Unsecured Lending                                                | 20 166                   | 19 704           | -             | -             | 19 704        |
| Personal Loans                                                   | 20 166                   | 19 704           | -             | -             | 19 704        |
| Home Loans                                                       | 310 116                  | 314 524          | -             | -             | 314 524       |
| Vehicle and Asset Finance                                        | 118 321                  | 120 549          | -             | -             | 120 549       |
| Business Banking                                                 | 140 187                  | 142 413          | -             | -             | 142 413       |
| Africa Regions - Personal and Private Banking & Business Banking | 91 060                   | 90 963           | -             | -             | 90 963        |
| Corporate and Investment Banking                                 | 429 062                  | 429 965          | -             | 4 030         | 425 935       |
| Corporate and Investment Banking SA                              | 335 875                  | 336 142          | -             | 4 030         | 332 112       |
| Corporate and Investment Banking AR                              | 93 187                   | 93 823           | -             | -             | 93 823        |
| <b>Loans and advances to customers</b>                           | 1 119 406                | 1 128 717        | -             | 4 030         | 1 124 687     |
| <b>Loans and advances to banks</b>                               | 57 039                   | 56 968           | 19 038        | 37 930        | -             |
| <b>Loans and advances</b>                                        | 1 176 445                | 1 185 685        | 19 038        | 41 960        | 1 124 687     |
| <b>Total</b>                                                     | 1 236 192                | 1 246 489        | 64 643        | 42 787        | 1 139 059     |
| <b>Financial liabilities</b>                                     |                          |                  |               |               |               |
| <b>Deposits and debt funding</b>                                 | 504 542                  | 504 764          | 7 245         | 497 389       | 130           |
| <b>Subordinated debt</b>                                         | 21 188                   | 21 241           | -             | 21 241        | -             |
| <b>Total</b>                                                     | 525 730                  | 526 005          | 7 245         | 518 630       | 130 -         |

The segment split numbers have been restated, refer to reporting changes overview note 1.21.1

Deposits and debt securities in issue have been reclassified and presented as a single line item, restated from R352 955m and R151 587m respectively to R504 542. Refer to Note 1.21.1 for further details on this reclassification.

## Notes to the consolidated financial statements

For the year ended 31 December

### 56. Credit risk of financial instruments designated at fair value

The following table represents the maximum exposure to credit risk of financial instruments designated at fair value through profit or loss at the reporting date:

|                                 | Group<br>2025<br>Rm | 2024<br>Rm    |
|---------------------------------|---------------------|---------------|
| <b>Assets</b>                   |                     |               |
| Investment securities           | 3 231               | 14 565        |
| Loans and advances to customers | 34 135              | 32 868        |
|                                 | <b>37 366</b>       | <b>47 433</b> |

The Group utilises credit derivatives and credit linked notes as a mechanism to hedge its exposure to credit risk for financial instruments designated at fair value through profit or loss.

The group did not hold any collateral against the financial assets designated at fair value in the current and previous reporting periods.

### Contractual obligation at maturity of financial liabilities designated at fair value through profit or loss

The following table represents the carrying amount of financial liabilities designated at fair value through profit or loss and the amount that the Group is contractually required to pay to the holder of the obligation at maturity:

|                                        | Group<br>2025            |                                 | 2024                     |                                 |
|----------------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|
|                                        | Carrying<br>amount<br>Rm | Contractual<br>Obligation<br>Rm | Carrying<br>amount<br>Rm | Contractual<br>Obligation<br>Rm |
| <b>Liabilities</b>                     |                          |                                 |                          |                                 |
| Deposits and debt funding              | 235 904                  | 260 911                         | 197 750                  | 227 938                         |
| Other liabilities                      | 76                       | 82                              | 87                       | 96                              |
| Liabilities under investment contracts | 27 744                   | 27 744                          | 23 547                   | 23 547                          |
|                                        | <b>263 724</b>           | <b>288 737</b>                  | <b>221 384</b>           | <b>251 581</b>                  |

Deposits and debt securities in issue have been combined and presented as a single line item, restating the carrying amount from R138 046m and R59 704m to R197 750m, and the contractual obligations from R159 839m and R68 099m to R227 938m, respectively. Refer to Note 1.21.1 for further details on this reclassification.

### (Increase)/decrease in fair value attributable to changes in own credit risk during the reporting period

|                                                                                 | Group<br>2025<br>Rm | 2024<br>Rm |
|---------------------------------------------------------------------------------|---------------------|------------|
| <b>Liabilities</b>                                                              |                     |            |
| Deposits and debt funding                                                       | (197)               | (274)      |
| <b>Cumulative adjustments in fair value attributable to changes in own risk</b> |                     |            |
| <b>Liabilities</b>                                                              |                     |            |
| Deposits and debt funding                                                       | 1 513               | 1 316      |

The following approach is used in determining changes in fair value due to changes in own credit risk for deposits and debt funding designated at fair value through profit or loss:

- The carrying amount reflects the effect on fair value of changes in own credit spreads derived from observable market data, such as spreads on Absa Group issued funding. Most market parameters are either directly observable or are implied from instrument prices. The model may perform numerical procedures in the pricing such as interpolation when input values do not directly correspond to the most actively traded market trade parameters.

# Notes to the consolidated financial statements

For the year ended 31 December

## 57. Risk management

### 57.1 Effective risk management and control are essential for sustainable and profitable growth

The Group actively identifies and assesses risks arising from internal and external environments, and proactively identifies emerging risks. To ensure effective implementation, our consolidated response is monitored 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, with clear Board escalation and oversight.
- Follow comprehensive and structured processes for evaluating, responding to and monitoring risks.
- Oversee and manage Group-wide control environment through a combined assurance model with clear accountability across the three lines of defense.

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

The Enterprise Risk Management Framework :

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

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

The Enterprise Risk Management Framework is reviewed and approved annually by the Board.

#### Strategy and risk appetite

The risk strategy is developed alongside the Group's business strategy and forms an integral part of the integrated planning process. Within the risk strategy, risk appetite defines the nature and amount of risk that the Group is willing to take to meet its strategic objectives. This forms part of the strategic planning process to ensure the business strategy is achievable within risk appetite, and that the organisation's decision-making and strategic planning is supported by risk information.

The Group's risk appetite:

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

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

#### Stress testing and scenario planning

Stress testing and scenario planning provides a forward-looking view of financial and non-financial risks under a range of scenarios and sensitivities to estimate the potential impact on the Group, including its subsidiaries, business lines or portfolios. Stress testing is an integral part of the Group's risk management and quantification and should alert management to unexpected outcomes arising from either decision made by management or a wide range of external downside/upside factors.

Stress testing forms a pillar of the Enterprise Risk Management Framework in that it contributes to risk identification, risk management and risk mitigation on an enterprise-wide basis. The Group's Board is responsible for approving the Stress Testing Framework and, through the Group Risk and Capital Management Committee, maintains ultimate responsibility for the Group's stress testing Programme.

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

#### Credit risk

Credit risk is the risk of suffering financial loss due to a borrower, counterparty to a derivative transaction, or an issuer of debt securities defaulting on its contractual obligations.

## Notes to the consolidated financial statements

For the year ended 31 December

### Market risk

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

- Trading book risk – The market risk resulting from trading activities booked in trading books across the Group in accordance with regulatory requirements.
- Banking book risk – The risk that the Group's current or projected financial condition and resilience might be adversely affected by changes in interest rate levels, yield curves and spreads. This risk arises in the banking book, due to re-pricing differences between assets, liabilities and equity, and includes funding spread risk and foreign exchange rate risk.

### Capital and liquidity risk

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

- Capital risk – The risk that the Group has an insufficient level or inappropriate composition of capital to support its normal business activities and to remain within its Board-approved capital target ranges under normal operating conditions or above regulatory capital requirements under stressed conditions.
- Liquidity risk – The risk that the Group is unable to meet its contractual or contingent liquidity obligations or that it does not have the appropriate amount, tenor and composition of funding to support its assets.

### Insurance risk

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

## Notes to the consolidated financial statements

For the year ended 31 December

### 57.2 Credit risk

The following table sets out information regarding the credit quality of financial instruments to which the impairment requirements in IFRS 9 are applicable.

|                                                                  | Gross maximum exposure | Stage 1        |                |               |
|------------------------------------------------------------------|------------------------|----------------|----------------|---------------|
|                                                                  |                        | DG 1-9         | DG 10-19       | DG 20-21      |
|                                                                  | Rm                     | Rm             | Rm             | Rm            |
| <b>Maximum exposure to credit risk</b>                           |                        |                |                |               |
| Balances with other central banks                                | 35 218                 | 8 757          | 10 246         | 4 879         |
| Balances with the SARB                                           | 89 982                 | 89 982         | -              | -             |
| <b>Cash, cash balances and balances with central banks</b>       | <b>125 200</b>         | <b>98 739</b>  | <b>10 246</b>  | <b>4 879</b>  |
| Government bonds                                                 | 178 647                | 162 141        | 9 976          | -             |
| Other                                                            | 22 625                 | 15 216         | 5 973          | -             |
| Treasury bills                                                   | 55 652                 | 40 807         | 1 684          | 10 199        |
| <b>Investment securities</b>                                     | <b>256 924</b>         | <b>218 164</b> | <b>17 633</b>  | <b>10 199</b> |
| Accounts receivables                                             | 16 987                 | 9 501          | 7 463          | -             |
| Settlement accounts                                              | 7 984                  | 7 794          | 190            | -             |
| <b>Other assets</b>                                              | <b>24 971</b>          | <b>17 295</b>  | <b>7 653</b>   | <b>-</b>      |
| Personal and Private Banking                                     | 558 612                | 101 159        | 329 567        | 31 978        |
| Transactions and Deposits                                        | 12 286                 | 926            | 8 409          | 178           |
| Unsecured Lending                                                | 84 762                 | 21 178         | 38 114         | 4 886         |
| Personal Loans                                                   | 23 989                 | 408            | 13 173         | 3 514         |
| Card                                                             | 60 773                 | 20 770         | 24 941         | 1 372         |
| Home Loans                                                       | 327 288                | 66 719         | 196 115        | 14 112        |
| Vehicle and Asset Finance                                        | 134 224                | 12 336         | 86 929         | 12 802        |
| Retail Other                                                     | 52                     | -              | -              | -             |
| Business Banking                                                 | 152 071                | 10 458         | 124 421        | -             |
| Africa Regions - Personal and Private Banking & Business Banking | 97 650                 | 7 785          | 74 709         | 1 427         |
| Corporate and Investment Banking                                 | 472 881                | 202 328        | 228 013        | 111           |
| Corporate and Investment Banking SA                              | 374 959                | 178 769        | 169 115        | 111           |
| Corporate and Investment Banking AR                              | 97 922                 | 23 559         | 58 898         | -             |
| Head Office, Treasury and other operations                       | 4 188                  | 4 185          | 3              | -             |
| <b>Loans and advances to customers</b>                           | <b>1 285 402</b>       | <b>325 915</b> | <b>756 713</b> | <b>33 516</b> |
| <b>Loans and advances to banks</b>                               | <b>62 858</b>          | <b>29 256</b>  | <b>29 439</b>  | <b>1 738</b>  |
| <b>Loans and advances</b>                                        | <b>1 348 260</b>       | <b>355 171</b> | <b>786 152</b> | <b>35 254</b> |
| <b>Off statement of financial position exposure</b>              |                        |                |                |               |
| Guarantees                                                       | 69 702                 | 21 246         | 38 695         | 306           |
| Letters of credit                                                | 15 300                 | 1 967          | 10 252         | 1 126         |
| Revocable and irrevocable debt facilities                        | 438 064                | 174 174        | 255 480        | 714           |
| <b>Total off statement financial position exposure</b>           | <b>523 066</b>         | <b>197 387</b> | <b>304 427</b> | <b>2 146</b>  |

Refer to note 1.2.1 for DG bucket definitions.

The revocable and irrevocable debt facilities include the risk that certain revocable debt facilities may be drawn down, without further intervention from the Group.



## Notes to the consolidated financial statements

For the year ended 31 December

### Group

| 2025    |          |          | Stage 3 | Purchased or originated credit impaired |
|---------|----------|----------|---------|-----------------------------------------|
| Stage 2 |          |          |         |                                         |
| DG 1-9  | DG 10-19 | DG 20-21 |         |                                         |
| Rm      | Rm       | Rm       | Rm      | Default                                 |
| -       | 11 336   | -        | -       | -                                       |
| -       | -        | -        | -       | -                                       |
| -       | 11 336   | -        | -       | -                                       |
| -       | -        | -        | 484     | 6 046                                   |
| -       | 1 436    | -        | -       | -                                       |
| -       | -        | -        | 2 962   | -                                       |
| -       | 1 436    | -        | 3 446   | 6 046                                   |
| -       | 23       | -        | -       | -                                       |
| -       | -        | -        | -       | -                                       |
| -       | 23       | -        | -       | -                                       |
| 188     | 11 199   | 30 745   | 53 776  | -                                       |
| 36      | 1 237    | 114      | 1 386   | -                                       |
| 61      | 4 154    | 3 407    | 12 962  | -                                       |
| 8       | 933      | 1 717    | 4 236   | -                                       |
| 53      | 3 221    | 1 690    | 8 726   | -                                       |
| 73      | 3 157    | 16 939   | 30 173  | -                                       |
| 18      | 2 651    | 10 285   | 9 203   | -                                       |
| -       | -        | -        | 52      | -                                       |
| 17      | 9 625    | -        | 7 550   | -                                       |
| 148     | 4 690    | 1 554    | 7 337   | -                                       |
| 348     | 26 749   | 205      | 15 127  | -                                       |
| 348     | 18 203   | 102      | 8 311   | -                                       |
| -       | 8 546    | 103      | 6 816   | -                                       |
| -       | -        | -        | -       | -                                       |
| 701     | 52 263   | 32 504   | 83 790  | -                                       |
| -       | 2 272    | 153      | -       | -                                       |
| 701     | 54 535   | 32 657   | 83 790  | -                                       |
|         |          |          | -       |                                         |
| -       | 8 921    | 192      | 342     | -                                       |
| -       | 1 938    | 17       | -       | -                                       |
| 90      | 5 485    | 234      | 1 887   | -                                       |
| 90      | 16 344   | 443      | 2 229   | -                                       |

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                  | Gross maximum exposure Rm | Stage 1        |                |               |
|------------------------------------------------------------------|---------------------------|----------------|----------------|---------------|
|                                                                  |                           | DG 1-9 Rm      | DG 10-19 Rm    | DG 20-21 Rm   |
| <b>Maximum exposure to credit risk</b>                           |                           |                |                |               |
| Balances with other central banks                                | 30 179                    | 7 960          | 9 231          | 3 081         |
| Balances with the SARB                                           | 78 431                    | 78 431         | -              | -             |
| Money market assets                                              | -                         | -              | -              | -             |
| <b>Cash, cash balances and balances with central banks</b>       | <b>108 610</b>            | <b>86 391</b>  | <b>9 231</b>   | <b>3 081</b>  |
| Government bonds                                                 | 177 425                   | 154 484        | 6 921          | -             |
| Other                                                            | 18 759                    | 14 381         | 2 993          | -             |
| Treasury bills                                                   | 50 386                    | 45 896         | 1 626          | 2 386         |
| <b>Investment securities</b>                                     | <b>246 570</b>            | <b>214 761</b> | <b>11 540</b>  | <b>2 386</b>  |
| Accounts receivables                                             | 14 909                    | 10 524         | 4 265          | -             |
| Settlement accounts                                              | 3 914                     | 3 618          | 296            | -             |
| <b>Other assets</b>                                              | <b>18 823</b>             | <b>14 142</b>  | <b>4 561</b>   | <b>-</b>      |
| Personal and Private Banking                                     | 543 477                   | 104 142        | 310 066        | 31 402        |
| Transactions and Deposits                                        | 11 821                    | 695            | 8 395          | 221           |
| Unsecured Lending                                                | 85 658                    | 19 755         | 37 844         | 4 580         |
| Personal Loans                                                   | 25 686                    | 308            | 13 431         | 3 015         |
| Card                                                             | 59 972                    | 19 447         | 24 413         | 1 565         |
| Home Loans                                                       | 320 567                   | 73 554         | 183 436        | 14 473        |
| Vehicle and Asset Finance                                        | 125 379                   | 10 138         | 80 391         | 12 128        |
| Retail Other                                                     | 52                        | -              | -              | -             |
| Business Banking                                                 | 144 174                   | 9 947          | 117 446        | -             |
| Africa Regions - Personal and Private Banking & Business Banking | 98 191                    | 6 617          | 76 340         | 1 426         |
| Corporate and Investment Banking                                 | 436 803                   | 194 586        | 195 682        | 1 362         |
| Corporate and Investment Banking SA                              | 340 143                   | 179 005        | 133 675        | 10            |
| Corporate and Investment Banking AR                              | 96 660                    | 15 581         | 62 007         | 1 352         |
| Head Office, Treasury and other operations                       | 4 042                     | 4 013          | 25             | -             |
| <b>Loans and advances to customers</b>                           | <b>1 226 687</b>          | <b>319 305</b> | <b>699 559</b> | <b>34 190</b> |
| <b>Loans and advances to banks</b>                               | <b>57 073</b>             | <b>26 837</b>  | <b>23 914</b>  | <b>1 430</b>  |
| <b>Loans and advances</b>                                        | <b>1 283 760</b>          | <b>346 142</b> | <b>723 473</b> | <b>35 620</b> |
| <b>Off statement of financial position exposure</b>              |                           |                |                |               |
| Guarantees                                                       | 55 716                    | 22 332         | 24 824         | 70            |
| Letters of credit                                                | 16 167                    | 2 616          | 9 390          | 728           |
| Revocable and irrevocable debt facilities                        | 439 969                   | 179 452        | 251 377        | 606           |
| <b>Total off statement financial position exposure</b>           | <b>511 852</b>            | <b>204 400</b> | <b>285 591</b> | <b>1 404</b>  |

The revocable and irrevocable debt facilities include the risk that certain revocable debt facilities may be drawn down, without further intervention from the Group.

The segment split numbers have been restated, refer to reporting changes overview in note 1.21.1

Letters of credit has been restated, refer to note 48.

During the reporting period, the Group aligned the treatment of intraday settlement limits with the Prudential Authority's large-exposure directive, resulting in a restatement of the prior-year revocable debt-facilities balance. Historically, these limits were excluded from the credit-risk notes as they operate as liquidity-management facilities requiring full intraday repayment, with no overnight utilisation permitted. Following the revised treatment, the comparative disclosure as at 31 December 2024 has been restated, increasing gross maximum exposure by R151 818m to R439 969m, stage 1 DG 1-9 exposures by R93 569m to R179 452m, and DG 10-19 exposures by R58 249m to R251 377m.

## Notes to the consolidated financial statements

For the year ended 31 December

Group  
2024

| Stage 2      |                |                | Stage 3       | Purchased or<br>originated<br>credit<br>impaired |
|--------------|----------------|----------------|---------------|--------------------------------------------------|
| DG 1-9<br>Rm | DG 10-19<br>Rm | DG 20-21<br>Rm | Default<br>Rm | Default<br>Rm                                    |
| 2 284        | 7 623          | -              | -             | -                                                |
| -            | -              | -              | -             | -                                                |
| -            | -              | -              | -             | -                                                |
| 2 284        | 7 623          | -              | -             | -                                                |
| 6 500        | 4 141          | -              | -             | 5 379                                            |
| -            | 1 061          | -              | 324           | -                                                |
| 423          | 55             | -              | -             | -                                                |
| 6 923        | 5 257          | -              | 324           | 5 379                                            |
| -            | 120            | -              | -             | -                                                |
| -            | -              | -              | -             | -                                                |
| -            | 120            | -              | -             | -                                                |
| 1 214        | 11 287         | 30 260         | 55 106        | -                                                |
| 121          | 842            | 148            | 1 399         | -                                                |
| 56           | 4 521          | 3 601          | 15 301        | -                                                |
| 15           | 1 347          | 1 840          | 5 730         | -                                                |
| 41           | 3 174          | 1 761          | 9 571         | -                                                |
| 97           | 3 357          | 16 791         | 28 859        | -                                                |
| 940          | 2 567          | 9 720          | 9 495         | -                                                |
| -            | -              | -              | 52            | -                                                |
| 5            | 8 056          | -              | 8 720         | -                                                |
| -            | 3 168          | 2 743          | 7 897         | -                                                |
| 47           | 30 522         | 559            | 14 045        | -                                                |
| 47           | 18 202         | 268            | 8 936         | -                                                |
| -            | 12 320         | 291            | 5 109         | -                                                |
| -            | 4              | -              | -             | -                                                |
| 1 266        | 53 037         | 33 562         | 85 768        | -                                                |
| -            | 4 374          | 518            | -             | -                                                |
| 1 266        | 57 411         | 34 080         | 85 768        | -                                                |
| 13           | 8 014          | 101            | 362           | -                                                |
| -            | 4 084          | 77             | -             | -                                                |
| 232          | 4 983          | 714            | 2 605         | -                                                |
| 245          | 17 081         | 892            | 2 967         | -                                                |

## Notes to the consolidated financial statements

For the year ended 31 December

The following table sets out information regarding the credit quality of financial instruments which are classified at fair value through profit or loss and reinsurance contract assets.

|                                                            | Group<br>2025                  |                |                |                |
|------------------------------------------------------------|--------------------------------|----------------|----------------|----------------|
|                                                            | Gross<br>carrying<br>Rm        | DG 1-9<br>Rm   | DG 10-19<br>Rm | DG 20-21<br>Rm |
| <b>Maximum exposure to credit risk</b>                     |                                |                |                |                |
| <b>Financial instruments</b>                               |                                |                |                |                |
| <b>Cash, cash balances and balances with central banks</b> | <b>4 188</b>                   | <b>4 188</b>   | -              | -              |
| Money market assets                                        | 4 188                          | 4 188          | -              | -              |
| <b>Investment securities</b>                               | <b>5 849</b>                   | <b>5 467</b>   | <b>382</b>     | -              |
| Government bonds                                           | 1 000                          | 1 000          | -              | -              |
| Other                                                      | 1 618                          | 1 536          | 82             | -              |
| Treasury bills                                             | 3 231                          | 2 931          | 300            | -              |
| <b>Trading and hedging portfolio assets</b>                | <b>222 236</b>                 | <b>178 482</b> | <b>43 098</b>  | <b>656</b>     |
| Debt instruments                                           | 103 206                        | 87 301         | 15 551         | 354            |
| Derivative assets                                          | 75 188                         | 70 137         | 4 749          | 302            |
| Money market assets                                        | 43 842                         | 21 044         | 22 798         | -              |
| <b>Other assets</b>                                        | <b>167</b>                     | <b>167</b>     | -              | -              |
| Accounts receivable                                        | 167                            | 167            | -              | -              |
| <b>Loans and advances</b>                                  | <b>140 425</b>                 | <b>71 872</b>  | <b>68 493</b>  | <b>60</b>      |
| Loans and advances to customers                            | 118 407                        | 57 323         | 61 024         | 60             |
| Loans and advances to banks                                | 22 018                         | 14 549         | 7 469          | -              |
| <b>Investments linked to investment contracts</b>          | <b>4 980</b>                   | <b>4 980</b>   | -              | -              |
| Debt instruments                                           | 4 975                          | 4 975          | -              | -              |
| Money market assets                                        | 5                              | 5              | -              | -              |
| <b>Total financial instruments</b>                         | <b>377 845</b>                 | <b>265 156</b> | <b>111 973</b> | <b>716</b>     |
| <b>Reinsurance contract assets</b>                         |                                |                |                |                |
| Reinsurance contracts assets                               | 525                            | 525            | -              | -              |
| <b>Total reinsurance contract assets</b>                   | <b>525</b>                     | <b>525</b>     | -              | -              |
|                                                            |                                |                |                |                |
|                                                            | Group<br>2024                  |                |                |                |
|                                                            | Gross carrying<br>amount<br>Rm | DG 1-9<br>Rm   | DG 10-19<br>Rm | DG 20-21<br>Rm |
| <b>Maximum exposure to credit risk</b>                     |                                |                |                |                |
| <b>Financial instruments</b>                               |                                |                |                |                |
| <b>Cash, cash balances and balances with central banks</b> | <b>3 528</b>                   | <b>3 528</b>   | -              | -              |
| Money market assets                                        | 3 528                          | 3 528          | -              | -              |
| <b>Investment securities</b>                               | <b>18 494</b>                  | <b>17 502</b>  | <b>992</b>     | -              |
| Other                                                      | 3 932                          | 3 928          | 4              | -              |
| Treasury bills                                             | 14 562                         | 13 574         | 988            | -              |
| <b>Trading and hedging portfolio assets</b>                | <b>183 497</b>                 | <b>148 179</b> | <b>35 094</b>  | <b>224</b>     |
| Debt instruments                                           | 88 708                         | 79 839         | 8 708          | 161            |
| Derivative assets                                          | 61 615                         | 42 073         | 19 479         | 63             |
| Money market assets                                        | 33 174                         | 26 267         | 6 907          | -              |
| <b>Other assets</b>                                        | <b>216</b>                     | <b>216</b>     | -              | -              |
| Accounts receivable                                        | 216                            | 216            | -              | -              |
| <b>Loans and advances</b>                                  | <b>118 808</b>                 | <b>61 786</b>  | <b>57 022</b>  | -              |
| Loans and advances to customers                            | 103 374                        | 54 525         | 48 849         | -              |
| Loans and advances to banks                                | 15 434                         | 7 261          | 8 173          | -              |
| <b>Investments linked to investment contracts</b>          | <b>3 327</b>                   | <b>3 327</b>   | -              | -              |
| Debt instruments                                           | 3 319                          | 3 319          | -              | -              |
| Money market assets                                        | 8                              | 8              | -              | -              |
| <b>Total financial instruments</b>                         | <b>327 870</b>                 | <b>234 538</b> | <b>93 108</b>  | <b>224</b>     |
| <b>Reinsurance contract assets</b>                         |                                |                |                |                |
| Reinsurance contracts                                      | 1 003                          | 1 003          | -              | -              |

Notes to the consolidated financial statements

For the year ended 31 December

|                                   |       |       |   |   |
|-----------------------------------|-------|-------|---|---|
| Total reinsurance contract assets | 1 003 | 1 003 | - | - |
|-----------------------------------|-------|-------|---|---|

## Notes to the consolidated financial statements

For the year ended 31 December

### Concentration of credit risk

Concentration of credit risk exists when a number of counterparties are located in a geographical region, such that their ability to meet contractual obligations is similarly affected by changes in economic or other conditions:

|                                                     | Group<br>2025                   |                |                |                  |                  |
|-----------------------------------------------------|---------------------------------|----------------|----------------|------------------|------------------|
|                                                     | Asia, Americas<br>and Australia | Europe         | Africa Regions | South Africa     | Total            |
| Geographical concentration of risk                  | Rm                              | Rm             | Rm             | Rm               | Rm               |
| <b>On-statement of financial position exposure</b>  |                                 |                |                |                  |                  |
| Cash, cash balances and balances with central banks | -                               | -              | 35 555         | 93 833           | 129 388          |
| Investment securities                               | 3 395                           | 1 028          | 94 606         | 163 743          | 262 772          |
| Trading portfolio assets                            | 1 503                           | 28 089         | 35 720         | 156 215          | 221 527          |
| Hedging portfolio assets                            | -                               | -              | -              | 709              | 709              |
| Other assets                                        | 38                              | 66             | 8 023          | 17 011           | 25 138           |
| Loans and advances                                  | 36 384                          | 75 713         | 255 993        | 1 120 595        | 1 488 685        |
| Reinsurance contract assets                         | -                               | -              | 121            | 404              | 525              |
| Investments linked to investment contracts          | -                               | -              | -              | 4 980            | 4 980            |
| <b>Subject to credit risk</b>                       | <b>41 320</b>                   | <b>104 896</b> | <b>430 018</b> | <b>1 557 490</b> | <b>2 133 724</b> |
| <b>Off-statement of financial position exposure</b> |                                 |                |                |                  |                  |
| Guarantees                                          | 6 593                           | 4 809          | 23 806         | 34 494           | 69 702           |
| Letters of credit                                   | 1 662                           | 547            | 12 298         | 793              | 15 300           |
| Revocable and irrevocable debt facilities           | 2 105                           | 30             | 40 524         | 395 405          | 438 064          |
| <b>Subject to credit risk</b>                       | <b>10 360</b>                   | <b>5 386</b>   | <b>76 628</b>  | <b>430 692</b>   | <b>523 066</b>   |

The revocable and irrevocable debt facilities includes the risk that certain revocable debt facilities may be drawn down, without further intervention from the Group.

|                                                     | Group<br>2024                   |                |                |                  |                  |
|-----------------------------------------------------|---------------------------------|----------------|----------------|------------------|------------------|
|                                                     | Asia, Americas<br>and Australia | Europe         | Africa Regions | South Africa     | Total            |
| Geographical concentration of risk                  | Rm                              | Rm             | Rm             | Rm               | Rm               |
| <b>On-statement of financial position exposure</b>  |                                 |                |                |                  |                  |
| Cash, cash balances and balances with central banks | -                               | -              | 30 655         | 81 483           | 112 138          |
| Investment securities                               | 1 837                           | 31 227         | 61 300         | 170 700          | 265 064          |
| Trading portfolio assets                            | 1 604                           | 21 225         | 26 572         | 130 041          | 179 442          |
| Hedging portfolio assets                            | -                               | -              | -              | 4 055            | 4 055            |
| Other assets                                        | 65                              | 94             | 6 767          | 12 113           | 19 039           |
| Loans and advances                                  | 25 475                          | 48 571         | 233 719        | 1 094 803        | 1 402 568        |
| Reinsurance contract assets                         | -                               | -              | 194            | 808              | 1 002            |
| Investments linked to investment contracts          | -                               | -              | -              | 3 327            | 3 327            |
| <b>Subject to credit risk</b>                       | <b>28 981</b>                   | <b>101 117</b> | <b>359 207</b> | <b>1 497 330</b> | <b>1 986 635</b> |
| <b>Off-statement of financial position exposure</b> |                                 |                |                |                  |                  |
| Guarantees                                          | 1 664                           | 2 872          | 20 433         | 30 747           | 55 716           |
| Letters of credit                                   | 586                             | 487            | 13 449         | 1 645            | 16 167           |
| Revocable and irrevocable debt facilities           | 139                             | 1 834          | 36 393         | 401 603          | 439 969          |
| <b>Subject to credit risk</b>                       | <b>2 389</b>                    | <b>5 193</b>   | <b>70 275</b>  | <b>433 995</b>   | <b>511 852</b>   |

Letters of credit has been restated, refer to Note 48.

During the reporting period, the Group aligned the treatment of intraday settlement limits with the Prudential Authority's large-exposure directive, resulting in a restatement of the prior-year revocable debt-facilities balance. Historically, these limits were excluded from the credit-risk notes as they operate as liquidity-management facilities requiring full intraday repayment, with no overnight utilisation permitted. Following the revised treatment, the comparative disclosure as at 31 December 2024 has been restated, increasing the South Africa balance for Revocable and irrevocable debt facilities by R151 818m to R401 603m.

## Notes to the consolidated financial statements

For the year ended 31 December

### Climate-sensitive concentration of risk (unaudited)

The Group has identified climate-sensitive sectors by utilising frameworks such as those developed by the Task Force on Climate-related Financial Disclosures (TCFD) based on their vulnerability to physical climate risks (e.g., extreme weather) and transition risks (e.g., policy changes, low-carbon technology shifts). Portfolio exposures were mapped to these sector/industry classifications database to derive climate sensitive sectors

The table below summarises the Group's gross loans and advances exposure to these climate-sensitive sectors at the reporting date. The Group acknowledges that apart from the identified climate-sensitive sectors, there could be other sectors that may also be impacted (positively or negatively) by climate adjusted credit risk parameters.

|                                        | Group<br>2025<br>Gross<br>maximum<br>exposure<br>Rm | 2024<br>Gross<br>maximum<br>exposure<br>Rm |
|----------------------------------------|-----------------------------------------------------|--------------------------------------------|
| <b>Climate sensitive sector</b>        |                                                     |                                            |
| Agriculture                            | 67 333                                              | 69 481                                     |
| Construction                           | 12 374                                              | 10 784                                     |
| Electricity (excludes renewables)      | 4 437                                               | 5 961                                      |
| Manufacturing                          | 61 048                                              | 52 931                                     |
| Mining and Quarrying                   | 38 328                                              | 30 530                                     |
| Real Estate                            | 443 700                                             | 436 886                                    |
| Transport and Logistics                | 178 333                                             | 166 269                                    |
| Water                                  | 347                                                 | 113                                        |
| Total                                  | 805 900                                             | 772 955                                    |
| Loans and advances                     | 1 488 685                                           | 1 402 568                                  |
| % exposed to climate-sensitive sectors | 54.1%                                               | 55.1%                                      |

The Group is of the view that renewable energy is mitigating climate risk. Consequently, funding provided in respect of renewable energy is therefore excluded from the Groups' climate risk exposure through credit risk.

## Notes to the consolidated financial statements

For the year ended 31 December

### IFRS disclosures in terms of credit mitigation

The financial effect and forms of collateral and credit enhancements for financial instruments that are credit impaired at the reporting date are disclosed in the table to follow. The accounting policy on how the collateral impacts the impairment provisions to be carried against the financial asset and off – statement of financial position exposure is described in note 1.2.1.

The Group offsets asset and liability amounts in the statement of financial position where the ability and intention to net settle exists and the Group has a legally enforceable right to do so. Amounts disclosed in the maximum exposure category are stated net of these.

The collateral reported is calculated by determining the values of available underlying collateral, limited to the carrying amount and the undrawn facility of the related credit exposure where a loan is possibly over-collateralised.

No ECL allowance is recognised in the instance where there is sufficient or excess collateral held. The Group has determined this to be the case for **2.5%** (2024: 2%) of gross loans and advances.

The Group may also obtain collateral in the form of floating charges over receivables and inventory of corporate and other business customers. The value of this collateral varies depending on the level of receivables and inventory. It is impractical to provide an estimate of the amount of this collateral and the value of this collateral is not reported.

During the period there were no changes in the Group's collateral policies.

#### Collateral includes:

- Guarantees and/or letters of credit from third parties.
- Credit default swaps and other credit derivatives.
- Credit insurance.
- Physical collateral including fixed charges over property.
- Cash collateral.
- Other forms including master netting agreements, put options, and highly liquid securities held under reverse repurchase agreements.

#### Physical risk and insurance coverage on secured lending portfolios

In portfolios such as Home Loans, the properties held as collateral are subject to physical risks. Comprehensive insurance cover is a key mitigate to these physical risks. The policy validity and coverage adequacy are subject to ongoing monitoring.



## Notes to the consolidated financial statements

For the year ended 31 December

|                                                                  | Group<br>2025                                 |                                                       |                        |                    |            |
|------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------|------------------------|--------------------|------------|
|                                                                  | Collateral - credit impaired financial assets |                                                       |                        |                    |            |
| Analysis of credit risk mitigation and collateral                | Gross maximum exposure Rm                     | Guarantees credit insurance and credit derivatives Rm | Physical collateral Rm | Cash collateral Rm | Other Rm   |
| Debt instruments                                                 | 103 206                                       | -                                                     | -                      | -                  | -          |
| Derivative assets                                                | 75 188                                        | -                                                     | -                      | -                  | -          |
| Money market assets                                              | 43 842                                        | -                                                     | -                      | -                  | -          |
| <b>Trading portfolio assets</b>                                  | <b>222 236</b>                                | -                                                     | -                      | -                  | -          |
| Personal and Private Banking                                     | 656 906                                       | 1                                                     | 34 123                 | -                  | -          |
| Transactions and Deposits                                        | 18 797                                        | 1                                                     | 496                    | -                  | -          |
| Unsecured Lending                                                | 122 696                                       | -                                                     | -                      | -                  | -          |
| Personal Loans                                                   | 24 456                                        | -                                                     | -                      | -                  | -          |
| Card                                                             | 98 240                                        | -                                                     | -                      | -                  | -          |
| Home Loans                                                       | 377 993                                       | -                                                     | 27 045                 | -                  | -          |
| Vehicle and Asset Finance                                        | 137 368                                       | -                                                     | 6 582                  | -                  | -          |
| Retail Other                                                     | 52                                            | -                                                     | -                      | -                  | -          |
| Business Banking                                                 | 183 900                                       | 23                                                    | 4 751                  | -                  | -          |
| Africa Regions - Personal and Private Banking & Business Banking | 106 233                                       | 226                                                   | 1 738                  | 23                 | 83         |
| Corporate and Investment Banking                                 | 890 315                                       | 9                                                     | 2 526                  | -                  | 681        |
| Corporate and Investment Banking SA                              | 758 502                                       | -                                                     | 2 038                  | -                  | -          |
| Corporate and Investment Banking AR                              | 131 813                                       | 9                                                     | 488                    | -                  | 681        |
| Head Office, Treasury and other operations                       | 4 280                                         | -                                                     | -                      | -                  | -          |
| <b>Loans and advances to customers</b>                           | <b>1 841 634</b>                              | <b>259</b>                                            | <b>43 138</b>          | <b>23</b>          | <b>764</b> |
| <b>Loans and advances to banks</b>                               | <b>85 115</b>                                 | -                                                     | -                      | -                  | -          |
| <b>Loans and advances</b>                                        | <b>1 926 749</b>                              | <b>259</b>                                            | <b>43 138</b>          | <b>23</b>          | <b>764</b> |
| <b>Off statement of financial position exposure</b>              |                                               |                                                       |                        |                    |            |
| Guarantees                                                       | 69 702                                        | -                                                     | -                      | -                  | -          |
| Letters of credit                                                | 15 300                                        | -                                                     | -                      | -                  | -          |
| <b>Total off-statement financial position exposure</b>           | <b>85 002</b>                                 | -                                                     | -                      | -                  | -          |

Included in the gross maximum exposure, in the table above, is the exposure for off-statement of financial position exposure for irrevocable debt facilities and those revocable debt facilities which expose the Group to the risk of draw down in the absence of further intervention from the Group.

## Notes to the consolidated financial statements

For the year ended 31 December

| 2025                                              |                                                                                 |                                                                      |                              |                          |             |                 |                                                                                     |
|---------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------|--------------------------|-------------|-----------------|-------------------------------------------------------------------------------------|
| Collateral - not credit impaired financial assets |                                                                                 |                                                                      |                              |                          |             |                 |                                                                                     |
| Unsecured<br>Rm                                   | Total<br>maximum<br>exposure<br>credit<br>impaired<br>financial<br>assets<br>Rm | Guarantees<br>credit<br>insurance and<br>credit<br>derivatives<br>Rm | Physical<br>collateral<br>Rm | Cash<br>collateral<br>Rm | Other<br>Rm | Unsecured<br>Rm | Total<br>maximum<br>exposure not<br>credit<br>impaired<br>financial<br>assets<br>Rm |
| -                                                 | -                                                                               | -                                                                    | -                            | -                        | -           | 103 206         | 103 206                                                                             |
| -                                                 | -                                                                               | 7 174                                                                | 73                           | 2 123                    | 53 014      | 12 804          | 75 188                                                                              |
| -                                                 | -                                                                               | -                                                                    | -                            | -                        | -           | 43 842          | 43 842                                                                              |
| -                                                 | -                                                                               | 7 174                                                                | 73                           | 2 123                    | 53 014      | 159 852         | 222 236                                                                             |
| 21 145                                            | 55 269                                                                          | 2                                                                    | 413 354                      | 1                        | 10          | 188 270         | 601 637                                                                             |
| 902                                               | 1 399                                                                           | 2                                                                    | 6 452                        | 1                        | 10          | 10 933          | 17 398                                                                              |
| 14 377                                            | 14 377                                                                          | -                                                                    | -                            | -                        | -           | 108 319         | 108 319                                                                             |
| 4 241                                             | 4 241                                                                           | -                                                                    | -                            | -                        | -           | 20 215          | 20 215                                                                              |
| 10 136                                            | 10 136                                                                          | -                                                                    | -                            | -                        | -           | 88 104          | 88 104                                                                              |
| 3 194                                             | 30 239                                                                          | -                                                                    | 331 679                      | -                        | -           | 16 075          | 347 754                                                                             |
| 2 620                                             | 9 202                                                                           | -                                                                    | 75 223                       | -                        | -           | 52 943          | 128 166                                                                             |
| 52                                                | 52                                                                              | -                                                                    | -                            | -                        | -           | -               | -                                                                                   |
| 2 835                                             | 7 609                                                                           | 130                                                                  | 124 903                      | 53                       | -           | 51 205          | 176 291                                                                             |
| 5 472                                             | 7 542                                                                           | 1 751                                                                | 19 137                       | 789                      | 667         | 76 347          | 98 691                                                                              |
| 12 045                                            | 15 261                                                                          | 1 876                                                                | 90 223                       | 107                      | 88 038      | 694 810         | 875 054                                                                             |
| 6 274                                             | 8 312                                                                           | -                                                                    | 83 518                       | -                        | 84 855      | 581 817         | 750 190                                                                             |
| 5 771                                             | 6 949                                                                           | 1 876                                                                | 6 705                        | 107                      | 3 183       | 112 993         | 124 864                                                                             |
| -                                                 | -                                                                               | -                                                                    | -                            | -                        | -           | 4 280           | 4 280                                                                               |
| 41 497                                            | 85 681                                                                          | 3 759                                                                | 647 617                      | 950                      | 88 715      | 1 014 912       | 1 755 953                                                                           |
| -                                                 | -                                                                               | 11                                                                   | -                            | -                        | 15 612      | 69 492          | 85 115                                                                              |
| 41 497                                            | 85 681                                                                          | 3 770                                                                | 647 617                      | 950                      | 104 327     | 1 084 404       | 1 841 068                                                                           |
| 342                                               | 342                                                                             | 14                                                                   | 885                          | 335                      | 1           | 68 125          | 69 360                                                                              |
| -                                                 | -                                                                               | -                                                                    | 8                            | -                        | -           | 15 292          | 15 300                                                                              |
| 342                                               | 342                                                                             | 14                                                                   | 893                          | 335                      | 1           | 83 417          | 84 660                                                                              |

## Notes to the consolidated financial statements

For the year ended 31 December

### Collateral - credit impaired financial assets

|                                                                  | Gross maximum exposure<br>Rm | Guarantees credit insurance and credit derivatives<br>Rm | Physical collateral<br>Rm | Cash collateral<br>Rm | Other<br>Rm |
|------------------------------------------------------------------|------------------------------|----------------------------------------------------------|---------------------------|-----------------------|-------------|
| <b>Analysis of credit risk mitigation and collateral</b>         |                              |                                                          |                           |                       |             |
| Debt instruments                                                 | 88 708                       | -                                                        | -                         | -                     | -           |
| Derivative assets                                                | 61 615                       | -                                                        | -                         | -                     | -           |
| Money market assets                                              | 33 174                       | -                                                        | -                         | -                     | -           |
| <b>Trading portfolio assets</b>                                  | <b>183 497</b>               | <b>-</b>                                                 | <b>-</b>                  | <b>-</b>              | <b>-</b>    |
| Personal and Private Banking                                     | 645 244                      | 1                                                        | 33 101                    | -                     | -           |
| Transactions and Deposits                                        | 18 507                       | 1                                                        | 482                       | -                     | -           |
| Unsecured Lending                                                | 122 208                      | -                                                        | -                         | -                     | -           |
| Personal Loans                                                   | 26 152                       | -                                                        | -                         | -                     | -           |
| Card                                                             | 96 056                       | -                                                        | -                         | -                     | -           |
| Home Loans                                                       | 375 879                      | -                                                        | 25 475                    | -                     | -           |
| Vehicle and Asset Finance                                        | 128 598                      | -                                                        | 7 144                     | -                     | -           |
| Retail Other                                                     | 52                           | -                                                        | -                         | -                     | -           |
| Business Banking                                                 | 174 116                      | 46                                                       | 5 341                     | -                     | -           |
| Africa Regions - Personal and Private Banking & Business Banking | 105 515                      | 324                                                      | 2 097                     | 41                    | 118         |
| Corporate and Investment Banking                                 | 840 871                      | 24                                                       | 881                       | -                     | 666         |
| Corporate and Investment Banking SA                              | 713 137                      | -                                                        | 345                       | -                     | -           |
| Corporate and Investment Banking AR                              | 127 734                      | 24                                                       | 536                       | -                     | 666         |
| Head Office, Treasury and other operations                       | 4 285                        | -                                                        | -                         | -                     | -           |
| <b>Loans and advances to customers</b>                           | <b>1 770 031</b>             | <b>395</b>                                               | <b>41 420</b>             | <b>41</b>             | <b>784</b>  |
| <b>Loans and advances to banks</b>                               | <b>72 506</b>                | <b>-</b>                                                 | <b>-</b>                  | <b>-</b>              | <b>-</b>    |
| <b>Loans and advances</b>                                        | <b>1 842 537</b>             | <b>395</b>                                               | <b>41 420</b>             | <b>41</b>             | <b>784</b>  |
| <b>Off statement of financial position exposure</b>              |                              |                                                          |                           |                       |             |
| Guarantees                                                       | 55 716                       | -                                                        | 5                         | -                     | -           |
| Letters of credit                                                | 16 167                       | -                                                        | -                         | -                     | -           |
| <b>Total off-statement financial position exposure</b>           | <b>71 883</b>                | <b>-</b>                                                 | <b>5</b>                  | <b>-</b>              | <b>-</b>    |

The segment split numbers have been restated, refer to reporting changes overview in note 1.21.1

Letters of Credit has been restated, refer to note 48.

During the reporting period, the Group revised its treatment of intraday settlement limits to align with the Prudential Authority's large-exposure directive, which required a restatement of the prior-year revocable debt-facilities balance. These limits had previously been excluded from the credit-risk notes because they function as liquidity-management facilities that must be fully repaid within the same day, with no overnight utilisation allowed. Under the updated approach, the comparative disclosure at 31 December 2024 has been restated, increasing Corporate and Investment Banking SA's loans and advances to customers gross maximum exposure by R151 818m to R713 137m, and increasing the balance of collateral – not credit-impaired financial assets (unsecured) to R552 946m.

## Notes to the consolidated financial statements

For the year ended 31 December

Group  
2024

| Collateral - not credit impaired financial assets |                                                                                 |                                                                      |                              |                          |             |                 | Total<br>maximum<br>exposure not<br>credit<br>impaired<br>financial<br>assets<br>Rm |
|---------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------|--------------------------|-------------|-----------------|-------------------------------------------------------------------------------------|
| Unsecured<br>Rm                                   | Total<br>maximum<br>exposure<br>credit<br>impaired<br>financial<br>assets<br>Rm | Guarantees<br>credit<br>insurance and<br>credit<br>derivatives<br>Rm | Physical<br>collateral<br>Rm | Cash<br>collateral<br>Rm | Other<br>Rm | Unsecured<br>Rm |                                                                                     |
| -                                                 | -                                                                               | -                                                                    | -                            | -                        | -           | 88 708          | 88 708                                                                              |
| -                                                 | -                                                                               | 7 812                                                                | 86                           | 2 247                    | 45 800      | 5 670           | 61 615                                                                              |
| -                                                 | -                                                                               | -                                                                    | -                            | -                        | -           | 33 174          | 33 174                                                                              |
| -                                                 | -                                                                               | 7 812                                                                | 86                           | 2 247                    | 45 800      | 127 552         | 183 497                                                                             |
| 23 563                                            | 56 665                                                                          | 2                                                                    | 406 646                      | 3                        | -           | 181 928         | 588 579                                                                             |
| 932                                               | 1 415                                                                           | 2                                                                    | 6 254                        | 3                        | -           | 10 833          | 17 092                                                                              |
| 16 763                                            | 16 763                                                                          | -                                                                    | -                            | -                        | -           | 105 445         | 105 445                                                                             |
| 5 733                                             | 5 733                                                                           | -                                                                    | -                            | -                        | -           | 20 419          | 20 419                                                                              |
| 11 030                                            | 11 030                                                                          | -                                                                    | -                            | -                        | -           | 85 026          | 85 026                                                                              |
| 3 465                                             | 28 940                                                                          | -                                                                    | 327 240                      | -                        | -           | 19 699          | 346 939                                                                             |
| 2 351                                             | 9 495                                                                           | -                                                                    | 73 152                       | -                        | -           | 45 951          | 119 103                                                                             |
| 52                                                | 52                                                                              | -                                                                    | -                            | -                        | -           | -               | -                                                                                   |
| 3 378                                             | 8 765                                                                           | 523                                                                  | 117 525                      | 78                       | -           | 47 225          | 165 351                                                                             |
| 5 537                                             | 8 117                                                                           | 2 713                                                                | 21 793                       | 678                      | 1 091       | 71 123          | 97 398                                                                              |
| 13 253                                            | 14 824                                                                          | 2 884                                                                | 87 474                       | 183                      | 76 049      | 659 457         | 826 047                                                                             |
| 8 623                                             | 8 968                                                                           | -                                                                    | 78 041                       | -                        | 72 282      | 553 846         | 704 169                                                                             |
| 4 630                                             | 5 856                                                                           | 2 884                                                                | 9 433                        | 183                      | 3 767       | 105 611         | 121 878                                                                             |
| -                                                 | -                                                                               | -                                                                    | -                            | -                        | -           | 4 285           | 4 285                                                                               |
| 45 731                                            | 88 371                                                                          | 6 122                                                                | 633 438                      | 942                      | 77 140      | 964 018         | 1 681 660                                                                           |
| -                                                 | -                                                                               | 7                                                                    | -                            | -                        | 9 468       | 63 031          | 72 506                                                                              |
| 45 731                                            | 88 371                                                                          | 6 129                                                                | 633 438                      | 942                      | 86 608      | 1027 049        | 1 754 166                                                                           |
| -                                                 | -                                                                               | -                                                                    | -                            | -                        | -           | -               | -                                                                                   |
| 357                                               | 362                                                                             | 5                                                                    | 1 411                        | 713                      | 2           | 53 223          | 55 354                                                                              |
| -                                                 | -                                                                               | 1                                                                    | 9                            | 7                        | -           | 16 150          | 16 167                                                                              |
| 357                                               | 362                                                                             | 6                                                                    | 1 420                        | 720                      | 2           | 69 373          | 71 521                                                                              |

Notes to the consolidated financial statements

For the year ended 31 December

Financial assets written off during the financial period but still subject to enforcement activities

Contractual amount outstanding on financial assets that were written off during the reporting period but are still subject to enforcement activity:

|                                                                                    | Group  |        |
|------------------------------------------------------------------------------------|--------|--------|
|                                                                                    | 2025   | 2024   |
|                                                                                    | Rm     | Rm     |
| Assets written off during financial period still subject to enforcement activities | 20 145 | 16 480 |

# Notes to the consolidated financial statements

For the year ended 31 December

## Modified financial assets

The following table provides information on loans and advances that were modified while they had a loss allowance measured at an amount equal to lifetime ECL, irrespective of a modification gain or loss being recognized:

|                                                    | Group   |         |
|----------------------------------------------------|---------|---------|
|                                                    | 2025    | 2024    |
|                                                    | Rm      | Rm      |
| <b>Financial assets modified during the period</b> |         |         |
| <b>Loans and advances</b>                          |         |         |
| Amortised cost before modification                 | 5 166   | 7 568   |
| New modification loss                              | (1 287) | (1 804) |

There were no financial assets modified during the current year for which loss allowance has changed to 12-month measurement (2024: None).

## 57.3 Macro-overlays and sensitivity analysis

### Macro-overlays

In accordance with the Group’s impairment policy, macro-overlays are used to account for known or expected risk factors which have not been considered in the ECL assessment or modelling process, or where uncertain future events have not been incorporated into the modelled approach.

### Sensitivity of expected credit losses

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

## Notes to the consolidated financial statements

For the year ended 31 December

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

|                                                         | Group<br>2025 |          |
|---------------------------------------------------------|---------------|----------|
|                                                         | Rm            | % Change |
| ECL allowance on stage 1 and stage 2 loans and advances | 11 791        | -        |
| Baseline                                                | 11 576        | (2)      |
| Upside                                                  | 10 598        | (10)     |
| Downside                                                | 13 188        | 12       |

|                                                         | Group<br>2024 |          |
|---------------------------------------------------------|---------------|----------|
|                                                         | Rm            | % Change |
| ECL allowance on stage 1 and stage 2 loans and advances | 12 356        | -        |
| Baseline                                                | 12 027        | (3)      |
| Upside                                                  | 11 050        | (11)     |
| Downside                                                | 14 248        | 15       |

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

|                                                                  | Group<br>2025<br>Stage 2                      |                                              |
|------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
|                                                                  | Increase in<br>gross carrying<br>amount<br>Rm | Increase in<br>expected<br>credit loss<br>Rm |
| Personal and Private Banking                                     | 23 135                                        | 1 536                                        |
| Business Banking                                                 | 6 744                                         | 275                                          |
| Africa Regions - Personal and Private Banking & Business Banking | 4 196                                         | 384                                          |
| Corporate and Investment Banking SA                              | 17 400                                        | 183                                          |
| Corporate and Investment Banking AR                              | 4 123                                         | 76                                           |

|                                                                  | Group<br>2024<br>Stage 2                      |                                              |
|------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
|                                                                  | Increase in<br>gross carrying<br>amount<br>Rm | Increase in<br>expected<br>credit loss<br>Rm |
| Personal and Private Banking                                     | 22 275                                        | 1 693                                        |
| Business Banking                                                 | 6 370                                         | 343                                          |
| Africa Regions - Personal and Private Banking & Business Banking | 4 197                                         | 527                                          |
| Corporate and Investment Banking SA                              | 15 634                                        | 200                                          |
| Corporate and Investment Banking AR                              | 3 947                                         | 75                                           |

The segment split numbers have been restated. Refer to the reporting changes overview in note 1.20.1.

## Notes to the consolidated financial statements

For the year ended 31 December

### 57.4 Equity investment risk

Equity risk in the banking book (ERBB) is defined as the risk of a loss arising from a decline in the value of investments in equity or an equity type instrument. This can be caused by the deterioration in the underlying operating asset performance, net asset value, enterprise value of the issuing entity, or by a decline in the market price of the equity or instrument itself.

Banking book equity risk is governed under the Non-traded Equity Risk and Purchased Debt Standard. Its purpose is to set the criteria for in-scope non-traded equity, lay out the minimum approval requirements, outline the minimum monitoring requirements and controls, and defines the key criteria covering the methodology for investment valuation. Banking book equity limits consume banking book capital, while equity exposures in the trading book are managed by market risk and consume capital in the trading book.

Strategic investments are typically Board-approved investments for the Group (such as investments in subsidiaries), investments for public interest or in utilities. Within each equity portfolio, the Group aims to achieve a level of asset diversification to manage concentration risk.

#### Approach

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

- a formal approval governance process;
- key functional specialists reviewing investment proposals;
- adequate monitoring and control after the investment decision has been implemented; and
- ongoing implementation of best practice standards based on current market trends, hurdle rates and benchmarks.

Criteria considered for new investments and investment reviews cover a comprehensive set of financial, commercial, legal (and technical, where required) matters. The performance of these investments is monitored relative to the objectives of the portfolio.

The majority of the Group's equity investments are held in CIB and Business Banking. Equity and other investments held by insurance entities are addressed in the insurance risk management section of this report.

#### Risk measurement

Equity investment risk is monitored monthly in terms of regulatory and economic capital (EC) requirements and is complemented by a range of additional risk metrics and stress testing. The equity investment risk profile is further tracked across a range of dimensions such as geography, industry and currency. Risk monitoring is done in accordance with a risk appetite, mandate and scale limits framework.

The Group employs the market-based simple risk weight approach as prescribed by Regulation 31 of the Regulations relating to banks to calculate risk-weighted assets (RWA) and regulatory capital (RC) and a historical simulation approach with volatility scaling to calculate EC for ERBB.

Consequently, the RWA requirement is calculated using adjusted risk weightings of **318%** (2024: 318%) and **424%** (2024: 424%) for listed and unlisted equity investments, respectively. For investments in which the Group owns between 10% and 20% of the issued common share capital of a financial entity, a 250% risk weight is applied. For investments not in the common share capital of financial entities, as well as any investments in financial entities (in common and non-common share capital) with a shareholding percentage of more than 20%, the Group applies a common equity Tier 1 capital deduction, also referred to as the threshold deduction, in accordance with Regulation 38 of the Regulations relating to banks. RC requirements in respect of investments in associates and joint ventures, defined as financial companies in the Regulations relating to banks, are calculated with reference to either the pro rata consolidation methodology or the deduction approach.

The approach in determining the EC requirement employs a historical simulation, which assumes that historical price movements of a different industry sector can be used to proxy the changes in the market value of the portfolio and a volatility forecast is applied to scale the historical returns to better reflect current market conditions. This allows for the capturing of diversification between individual industry sectors.

The Solvency Assessment Management (SAM) regime is a risk-based regulatory and solvency regime, prescribed by the Insurance Act of 2017, and applies to regulated insurance entities and insurance groups. Absa Financial Services entities' liabilities, capital and solvency positions will continue to be reported under parallel processes accordingly.



## Notes to the consolidated financial statements

For the year ended 31 December

### Analysis of equity investment risk in insurance and the banking book

The table below illustrates the equity sensitivity analysis and discloses the impact on pre-tax profit or loss and equity after the effect of hedges. Debt instruments have been excluded from the sensitivity analysis.

|                                                                                                  | Group                                         |             |              |                |           |                                               |             |              |                                              |           |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------|-------------|--------------|----------------|-----------|-----------------------------------------------|-------------|--------------|----------------------------------------------|-----------|
|                                                                                                  | 2025                                          |             |              |                |           | 2024                                          |             |              |                                              |           |
|                                                                                                  | Impact of a 5% or 10% reduction in fair value |             |              |                |           | Impact of a 5% or 10% reduction in fair value |             |              | Impact of a 5% or 10% Increase in fair value |           |
|                                                                                                  | Profit or loss                                | Equity      | Fair value   | Profit or loss | Equity    | Profit or loss                                | Equity      | Fair value   | Profit or loss                               | Equity    |
|                                                                                                  | Rm                                            | Rm          | Rm           | Rm             | Rm        | Rm                                            | Rm          | Rm           | Rm                                           | Rm        |
| <b>Insurance activities' listed and unlisted equity investments</b>                              | <b>(201)</b>                                  | <b>-</b>    | <b>3 681</b> | <b>201</b>     | <b>-</b>  | <b>(181)</b>                                  | <b>-</b>    | <b>3 304</b> | <b>181</b>                                   | <b>-</b>  |
| Listed equity investments                                                                        | <b>(166)</b>                                  | <b>-</b>    | <b>3 328</b> | <b>166</b>     | <b>-</b>  | <b>(149)</b>                                  | <b>-</b>    | <b>2 985</b> | <b>149</b>                                   | <b>-</b>  |
| Unlisted equity investments                                                                      | <b>(35)</b>                                   |             | <b>353</b>   | <b>35</b>      | <b>-</b>  | <b>(32)</b>                                   | <b>-</b>    | <b>319</b>   | <b>32</b>                                    | <b>-</b>  |
| <b>Group listed and unlisted equity investments, excluding insurance activities' investments</b> | <b>(138)</b>                                  | <b>(78)</b> | <b>2 291</b> | <b>138</b>     | <b>78</b> | <b>(149)</b>                                  | <b>(77)</b> | <b>2 406</b> | <b>149</b>                                   | <b>77</b> |
| Listed equity investments                                                                        | <b>(6)</b>                                    | <b>(6)</b>  | <b>243</b>   | <b>6</b>       | <b>6</b>  | <b>(10)</b>                                   | <b>(4)</b>  | <b>292</b>   | <b>10</b>                                    | <b>4</b>  |
| Unlisted equity investments                                                                      | <b>(132)</b>                                  | <b>(72)</b> | <b>2 048</b> | <b>132</b>     | <b>72</b> | <b>(139)</b>                                  | <b>(73)</b> | <b>2 114</b> | <b>139</b>                                   | <b>73</b> |
| <b>Total on Group equity investments</b>                                                         | <b>(339)</b>                                  | <b>(78)</b> | <b>5 972</b> | <b>339</b>     | <b>78</b> | <b>(330)</b>                                  | <b>(77)</b> | <b>5 710</b> | <b>330</b>                                   | <b>77</b> |

The sensitivity impact analysis on listed investments is based on 5% whereas unlisted investments is based on 10%.

The above sensitivities were only calculated on shareholder and non-linked policyholder assets (for unit linked policyholder liabilities there is no impact on the sensitivity analysis due to the fact that the asset and liability is 100% matched) and exclude all assets linked to investment and unit linked contracts due to the fact that the asset and liability is 100% matched.

The figures exclude all associates and joint ventures.

## 57.5 Market Risk

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

### 57.5.1 Traded book risk

#### 57.5.1.1 Traded Market risk

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

The Traded Market Risk Committee (TMRC) meets at least six times a year to review, challenge and make recommendations concerning the traded market risk profile, including risk appetite, policies, limits, risk utilisation, valuation risk and the effectiveness of the control environment.

The Market Risk Infrastructure, Data, Governance and Control Committee (MRIDGCC) is a subcommittee of the TMRC that provides oversight of the traded market risk and control environment.

#### Approach

Traded market risk arises primarily as a result of client facilitation in wholesale markets. This involves market making, providing risk management solutions, generating revenues from managing risk, and execution of syndications.

Banking book is subjected to the same rigorous measurement and control standards as in the trading book, but the associated sensitivities are reported separately as "Banking book risk" as part of the Market Risk Management Framework.

# Notes to the consolidated financial statements

For the year ended 31 December

## Risk appetite

The risk appetite for market risk is based on:

- proposed business strategy;
- budgeted revenue growth;
- statistical modelling measures; and
- risk equated to capital projection under normal and stressed market conditions.

## Risk measurement

A number of techniques are used to measure and control traded market risk on a daily and monthly basis, which include internal and regulatory required metrics:

- value at risk (VaR) based measures including both VaR and stressed value at risk (sVaR);
- tail metrics;
- position and sensitivity reporting;
- stress testing;
- back testing;
- standardised general and specific risk, as relevant, and
- Risk Weighted Assets

### 57.5.1.2 Internal Risk Management metrics

#### 57.5.1.2.1 Value at risk

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

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

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

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

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

Historically, the Group’s internal market risk management closely aligned with the regulatory capital framework, enabling clear links between internal risk measures and regulatory capital based on VaR. Under FRTB, however, the Group has adopted a hybrid approach: regulatory capital requirements now inform capital limit management, while VaR continues to play a central role as an internal risk management tool.

The following table reflects the VaR and sVaR statistics for trading book activities. Traded market risk exposure, as measured by average total VaR, decreased to **R52.92m** (2024: R56.30m) for the reporting period, which is a **6%** decrease on the prior year average (2024: 23% decrease). The movement in average VaR is driven by changes in desk positioning driven by dollar weakness, a declining interest rate risk environment, and increased rotation into emerging-market assets. .

## Notes to the consolidated financial statements

For the year ended 31 December

|                        | Group   |        |       |                          |         |        |       |                          |
|------------------------|---------|--------|-------|--------------------------|---------|--------|-------|--------------------------|
|                        | 2025    |        |       |                          | 2024    |        |       |                          |
|                        | Average | High   | Low   | As at the reporting date | Average | High   | Low   | As at the reporting date |
|                        | Rm      | Rm     | Rm    | Rm                       | Rm      | Rm     | Rm    | Rm                       |
| Interest rate risk     | 47.23   | 70.96  | 29.78 | 38.22                    | 54.82   | 118.87 | 27.59 | 43.78                    |
| Foreign exchange risk  | 26.98   | 72.65  | 6.93  | 24.71                    | 31.75   | 152.66 | 5.69  | 11.77                    |
| Equity risk            | 7.70    | 29.98  | 2.59  | 4.31                     | 5.85    | 14.35  | 1.85  | 3.55                     |
| Commodity risk         | 0.30    | 4.03   | 0.01  | 0.29                     | 0.7     | 5.81   | 0.02  | 0.10                     |
| Inflation risk         | 10.08   | 18.07  | 3.80  | 9.28                     | 13.95   | 22.56  | 6.72  | 12.28                    |
| Credit spread risk     | 30.87   | 33.71  | 26.49 | 31.24                    | 18.50   | 35.95  | 5.52  | 31.21                    |
| Diversification effect | (70.24) | -      | -     | (63.47)                  | (69.27) | -      | -     | (65.28)                  |
| Total DVaR             | 52.92   | 81.37  | 31.53 | 44.58                    | 56.30   | 161.90 | 27.68 | 37.41                    |
| VaR                    | 52.92   | 81.37  | 31.53 | 44.58                    | 56.30   | 161.90 | 27.68 | 37.41                    |
| sVaR                   | 78.32   | 149.21 | 37.84 | 85.83                    | 72.75   | 145.74 | 38.98 | 54.24                    |

### 57.5.1.3 Regulatory capital requirements under FRTB

On 1 July 2025, the new Basel market risk regulations came into effect, replacing the previous Basel 2.5 framework with the Fundamental Review of the Trading Book (FRTB). This marks a significant shift in the regulatory approach to capitalising market risk, as FRTB supersedes the Value-at-Risk (VaR) methodology previously used for regulatory purposes.

Under the Fundamental Review of the Trading Book (FRTB), Absa Bank Limited is subject to market risk capital requirements calculated using the Standardised Approach (SA) and Africa Regions are calculated under the Simplified Standardised Approach (SSA).

#### 57.5.1.3.1 RWA Disclosure

|                                         | 31 December 2025<br>Rm | 31 December 2024<br>Rm | Movement<br>Rm |
|-----------------------------------------|------------------------|------------------------|----------------|
| Market risk                             |                        |                        |                |
| Of which: (SA) <sup>(1)</sup>           | 61 117                 | 25 410                 | 35 707         |
| Of which: internal model approach (IMA) | -                      | 14 961                 | (14 961)       |
| <b>Total</b>                            | <b>61 117</b>          | <b>40 371</b>          | <b>20 746</b>  |

(1) Includes RWA's under the simplified standardized approach

#### 57.5.1.3.2 Standardised Approach Components under FRTB – Absa Bank Limited

The below outlines the key components of the Standardised Approach (SA) for market risk capital requirements, as prescribed under the Basel framework:

- Sensitivity-Based Method (SBM):**  
Captures delta, vega, and curvature risks across seven risk classes: General Interest Rate Risk (GIRR), Credit Spread Risk (CSR), Equity Risk, Commodity Risk, and Foreign Exchange Risk. Each risk class is assessed using regulatory risk weights, correlation parameters, and liquidity horizons. The aggregate capital requirement is determined using three correlation scenarios—low, medium, and high.
- Default Risk Charge (DRC):**  
Measures jump-to-default risk for credit and securitisation exposures not captured under SBM. The calculation is based on Loss Given Default (LGD), Exposure at Default (EAD), and Probability of Default (PD).
- Residual Risk Add-On (RRAO):**  
Addresses risks from non-linear or exotic instruments inadequately covered by SBM or DRC. It is calculated using prescribed risk weights applied to notional amounts.

The following table presents the calculation of market risk capital requirements for Absa Bank Company under the Fundamental Review of the Trading Book (FRTB), following the **Standardised Approach (SA)** as outlined in the Basel framework.

|                              | Capital requirement under standardised approach<br>Rm |
|------------------------------|-------------------------------------------------------|
| 1 General interest rate risk | 961                                                   |
| 2 Equity risk                | 156                                                   |

## Notes to the consolidated financial statements

For the year ended 31 December

|    |                                                                          |              |
|----|--------------------------------------------------------------------------|--------------|
| 3  | Commodity risk                                                           | 42           |
| 4  | Foreign exchange risk                                                    | 321          |
| 5  | Credit spread risk – non-securitisations                                 | 709          |
| 6  | Credit spread risk – securitisations (non-correlation trading portfolio) | -            |
| 7  | Credit spread risk – securitisation (correlation trading portfolio)      | -            |
| 8  | Default risk – non-securitisations                                       | 405          |
| 9  | Default risk – securitisations (non-correlation trading portfolio)       | -            |
| 10 | Default risk – securitisations (correlation trading portfolio)           | -            |
| 11 | Residual risk add-on                                                     | 40           |
| 12 | <b>Total</b>                                                             | <b>2 634</b> |

Compared to December 2024, the R8.2bn increase in RWAs for Absa Bank Company is mainly driven by the transition from Basel 2.5 to the FRTB framework effective 1 July 2025. Under Basel 2.5, RWAs were calculated using the Internal Models Approach with a 60-day averaging period, which reflected the prior year's risk-off positioning. Under FRTB, the Standardised Approach measures exposures at month-end, removing the benefit of lower averaged risk levels and resulting in an immediate RWA uplift. Additional increases stem from higher interest rate (IR) risk due to growth in average ZAR nominal exposure from client swap activity, as well as higher Sub-Saharan sovereign exposures as trading positions expanded in line with improving macroeconomic conditions and easing monetary policy.

### 57.5.1.3.3 Simplified Standardised Approach Components under FRTB – AR Entities (Unaudited)

The Simplified Standardised Approach (SSA) under the FRTB framework closely resembles the Standardised Approach under Basel 2.5, with the addition of the application of regulatory-defined scalars, which are applied to the capital charges for each risk class, namely FX and interest rate risk.

This table presents the calculation of market risk capital requirements for the African Regions under the Fundamental Review of the Trading Book (FRTB), following the **Simplified Standardised Approach (SSA)** as outlined in the Basel framework.

|                       | Simplified<br>Approach<br>Rm |
|-----------------------|------------------------------|
| Interest rate risk    | 2 162                        |
| Equity risk           | -                            |
| Commodity risk        | -                            |
| Foreign exchange risk | 94                           |
| Securitisation        | -                            |
| <b>Total</b>          | <b>2 256</b>                 |

For Africa Region, the R12.5bn increase in RWAs relative to December 2024 is driven by the application of FRTB Simplified Standardised Approach scalars, 1.3 for interest rate risk and 1.2 for foreign exchange risk, as well as larger sovereign bond holdings supported by a favourable macroeconomic outlook, moderating inflation, and stable currency conditions.

## Notes to the consolidated financial statements

For the year ended 31 December

### 57.5.2 Banking book risk

#### Approach

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

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

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

#### Risk mitigation

Risk management strategies considered include:

- Strategies regarding changes in the volume, composition, pricing and interest rate risk characteristics of assets and liabilities; and
- The execution of applicable derivative contracts to maintain the Group's interest rate risk exposure within limits.
  - Where possible, hedge accounting is applied to derivatives that are used to hedge Banking book risk. In cases where hedge relationships do not qualify for hedge accounting, mismatches may arise due to different bases used in fair valuing the hedges and the underlying banking book exposure. Applicable accounting rules, as detailed in the Group's accounting policies, are followed.
  - Structural interest rate risk arises from the variability of income from non-interest bearing products, managed variable rate products and the Group's equity, and is managed by Group Treasury. Interest rate risk also arises in each of the Africa Regions treasuries in the normal course of managing the balance sheet and facilitating customer activity. The risk is managed by the local treasury functions, subject to risk limits and other controls.

#### Key assumptions

Embedded optionality risk may also give rise to Banking book risk:

- Prepayment risk arises in relation to transactions where an early settlement option is embedded in the product. This risk most commonly arises in relation to fixed rate loans offered to retail customers, where the customer has an option to repay the loan prior to contractual maturity and where the Group is unable to collect full market-related compensation. This risk is managed by modelling the loans on a behavioural basis for both pricing and risk measurement. This treatment is also applied to non-maturing customer deposits.
- Recruitment risk arises when the Group commits to providing a product at a predetermined price for a period into the future. Customers have the option to take up this offer. Processes are in place to enable robust management of these additional forms of Banking book risk.

The techniques used to measure and monitor banking book risk include:

- Repricing profiles
- Annual earnings at risk (EaR)/NII sensitivity
- VaR and other tail metrics
- Economic capital
- Economic value of equity (EVE) sensitivity
- Stress testing

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

#### Re-pricing profiles

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

#### Earnings at risk (EaR)/Net interest income (NII) sensitivity

EaR/NII sensitivity measures the sensitivity of NII over the next 12 months to a specified shock in interest rates. EaR is monitored against approved internal limits. Foreign exchange risk arising on the banking book is transferred from business to treasury and hedged in the external market.

#### Value at risk (VaR)

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

#### Economic capital

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

#### Economic value of equity (EVE) sensitivity

EVE sensitivity measures the sensitivity of the present value of the banking book at a specific point in time to a specified shock to the yield curve. EVE sensitivity is measured against regulatory guidelines and approved internal limits.

## Notes to the consolidated financial statements

For the year ended 31 December

### Stress testing

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

### Risk control

Market risk is controlled through the use of AEaR, DVaR and stress limits as appropriate and supported by non-DVaR metrics (position and sensitivity limits), as well as the monthly monitoring of the risk profiles and EVE sensitivity. Limits are set and monitored in accordance with the limit framework. Limits for AEaR, DVaR and stress are agreed by the GMRC. Compliance with limits is monitored by the respective AR market risk team with oversight provided by Market Risk.

### Risk reporting

DVaR and supporting metrics are reported daily for Group Treasury, with the exception of two businesses, where reporting is performed on a monthly basis. The re-pricing profiles, AEaR, EVE sensitivity and stress results are reported monthly for Group Treasury.

### Interest rate sensitivity analyses

Three separate interest rate sensitivity analyses for the Group's banking book are set out in the table that follows, namely, the re-pricing profile of the book, the potential effect of changes in market interest rates on annual earnings and impact on equity reserves.

### Re-pricing profile

The re-pricing profile of the Group's banking books shows that the banking book remains asset sensitive, as interest-earning assets re-price sooner than interest-paying liabilities before and after derivative hedging activities. Accordingly, future net interest income remains vulnerable to a decrease in market interest rates.

| Expected re-pricing profile                                              | Group<br>2025                 |                       |                        |                         |
|--------------------------------------------------------------------------|-------------------------------|-----------------------|------------------------|-------------------------|
|                                                                          | On demand -<br>3 months<br>Rm | 4 - 6<br>months<br>Rm | 7 - 12<br>months<br>Rm | Over 12<br>months<br>Rm |
| <b>Domestic bank book</b>                                                |                               |                       |                        |                         |
| Interest rate sensitivity gap                                            | 187 855                       | (37 644)              | (58 910)               | (64 162)                |
| Derivatives                                                              | (146 005)                     | 40 635                | 39 888                 | 65 482                  |
| Net interest rate sensitivity gap                                        | 41 850                        | 2 991                 | (19 022)               | 1 320                   |
| Cumulative interest rate gap                                             | 41 850                        | 44 839                | 25 817                 | 27 138                  |
| Cumulative gap as a percentage of Absa Bank Limited's total assets (%)   | 2.8                           | 3.1                   | 1.7                    | 1.9                     |
| <b>Foreign subsidiaries' bank books</b>                                  |                               |                       |                        |                         |
| Interest rate sensitivity gap                                            | 34 515                        | (6 564)               | (8 376)                | (35 750)                |
| Net interest rate sensitivity gap                                        | 34 515                        | (6 564)               | (8 367)                | (35 750)                |
| Cumulative interest rate gap                                             | 34 515                        | 27 951                | 19 584                 | (16 165)                |
| Cumulative gap as a percentage of foreign subsidiaries' total assets (%) | 9.1                           | 7.4                   | 5.1                    | (4.2)                   |
| <b>Total</b>                                                             |                               |                       |                        |                         |
| Cumulative interest rate gap                                             | 76 365                        | 72 790                | 45 401                 | 11 173                  |
| Cumulative gap as a percentage of the Group's total assets (%)           | 3.4                           | 3.3                   | 2.0                    | 0.5                     |

| Expected re-pricing profile                                              | Group<br>2024                 |                       |                        |                         |
|--------------------------------------------------------------------------|-------------------------------|-----------------------|------------------------|-------------------------|
|                                                                          | On demand -<br>3 months<br>Rm | 4 - 6<br>months<br>Rm | 7 - 12<br>months<br>Rm | Over 12<br>months<br>Rm |
| <b>Domestic bank book</b>                                                |                               |                       |                        |                         |
| Interest rate sensitivity gap                                            | 144 764                       | 1 630                 | (36 453)               | (71 405)                |
| Derivatives                                                              | (139 013)                     | 24 393                | 40 601                 | 74 019                  |
| Net interest rate sensitivity gap                                        | 5 751                         | 26 023                | 4 148                  | 2 614                   |
| Cumulative interest rate gap                                             | 5 751                         | 31 774                | 35 922                 | 38 536                  |
| Cumulative gap as a percentage of Absa Bank Limited's total assets (%)   | 0.4                           | 2.1                   | 2.4                    | 2.5                     |
| <b>Foreign subsidiaries' bank books</b>                                  |                               |                       |                        |                         |
| Interest rate sensitivity gap                                            | 14 711                        | (541)                 | (2 136)                | 5 658                   |
| Net interest rate sensitivity gap                                        | 14 711                        | (541)                 | (2 136)                | 5 658                   |
| Cumulative interest rate gap                                             | 14 711                        | 14 170                | 12 034                 | 17 692                  |
| Cumulative gap as a percentage of foreign subsidiaries' total assets (%) | 4.00                          | 3.8                   | 3.3                    | 4.8                     |
| <b>Total</b>                                                             |                               |                       |                        |                         |
| Cumulative interest rate gap                                             | 20 462                        | 45 944                | 47 956                 | 56 228                  |
| Cumulative gap as a percentage of the Group's total assets (%)           | 1.00                          | 2.2                   | 2.3                    | 2.7                     |

Interest rate sensitivity – Includes exposures held in the CIB banking book.

The domestic bank book Includes exposures held in the CIB banking book. Derivatives for interest rate risk management purposes (net nominal value).

## Notes to the consolidated financial statements

For the year ended 31 December

### Impact on earnings

The table below shows the NII impact for a 100bps and 200bps changes in market interest rates for the Group's banking portfolios. Following the implementation of risk management strategies, an immediate and sustained parallel decrease of 200bps in all market interest rates would result in a pre-tax reduction of projected 12-month net interest income by **R2.768bn** as of the reporting date (2024: R1.904bn). A similar increase would result in an increase in projected 12-month net interest income of **R1.430bn** (2024: R1.116bn). NII sensitivity increased to **3.7%** (2024: 2.7%) of the Group's net interest income.

The pre-tax effect of net interest income sensitivity is reported in the preceding sensitivity analysis. The effect of taxation can be estimated using the effective tax rate for the reporting period.

### Annual earnings at risk for 100 and 200 bps changes in market interest rates

|                                                   | Group                           |                     |                     |                     |
|---------------------------------------------------|---------------------------------|---------------------|---------------------|---------------------|
|                                                   | 2025                            |                     |                     |                     |
|                                                   | Change in market interest rates |                     |                     |                     |
|                                                   | 200 bps<br>decrease             | 100 bps<br>decrease | 100 bps<br>increase | 200 bps<br>increase |
| Domestic bank book (Rm)                           | (1 270)                         | (580)               | 553                 | 681                 |
| Foreign subsidiaries' bank books (Rm)             | (1 498)                         | (681)               | 374                 | 749                 |
| Total (Rm)                                        | (2 768)                         | (1,261)             | 927                 | 1 430               |
| Percentage of the Group's net interest income (%) | (3.7)                           | (1.7)               | 1.3                 | 1.9                 |
| Percentage of the Group's equity (%)              | (1.5)                           | (0.7)               | 0.5                 | 0.8                 |

|                                                   | Group                           |                     |                     |                     |
|---------------------------------------------------|---------------------------------|---------------------|---------------------|---------------------|
|                                                   | 2024                            |                     |                     |                     |
|                                                   | Change in market interest rates |                     |                     |                     |
|                                                   | 200 bps<br>decrease             | 100 bps<br>decrease | 100 bps<br>increase | 200 bps<br>increase |
| Domestic bank book (Rm)                           | (1 006)                         | (398)               | 413                 | 758                 |
| Foreign subsidiaries' bank books (Rm)             | (898)                           | (371)               | 179                 | 358                 |
| Total (Rm)                                        | (1 904)                         | (769)               | 592                 | 1 116               |
| Percentage of the Group's net interest income (%) | (2.7)                           | (1.1)               | 0.8                 | 1.6                 |
| Percentage of the Group's equity (%)              | (1.0)                           | (0.4)               | 0.3                 | 0.6                 |

### Impact on equity reserves

Market interest rate changes may affect equity (capital) in the following three ways:

- Higher or lower profit after tax resulting from higher or lower net interest income;
- Higher or lower fair value through other comprehensive income reserve reflecting higher or lower fair values of fair value through other comprehensive income financial instruments; and
- Higher or lower values of derivatives held in the cash flow hedging reserve.

The equity reserve sensitivities that follow are illustrative, based on simplified scenarios and consider the impact on the cash flow hedges and fair value through other comprehensive income portfolios which are mark-to-market through reserves. The impact on equity is calculated by revaluing the fixed rate fair value through other comprehensive income assets, including the effect of any associated hedges and derivatives designated as cash flow hedges, for an assumed change in market interest rates. The increase in sensitivity of the fair value through other comprehensive income reserves is mainly due to the increase in the net directional risk.

### Sensitivity of reserves to market interest rate

|                                               | Group                                              |                         |                         | Group                                              |                         |                         |
|-----------------------------------------------|----------------------------------------------------|-------------------------|-------------------------|----------------------------------------------------|-------------------------|-------------------------|
|                                               | 2025                                               |                         |                         | 2024                                               |                         |                         |
|                                               | Impact on<br>equity at the<br>reporting date<br>Rm | Maximum<br>impact<br>Rm | Minimum<br>impact<br>Rm | Impact on<br>equity at the<br>reporting date<br>Rm | Maximum<br>impact<br>Rm | Minimum<br>impact<br>Rm |
| Fair value through other comprehensive income | (1 191)                                            | 659                     | (1 191)                 | 191                                                | 1 092                   | 191                     |
| Cash flow hedging reserve                     | (3 775)                                            | (93)                    | (3 775)                 | (162)                                              | 3 705                   | (732)                   |
|                                               | (4 966)                                            | 566                     | (4 966)                 | 29                                                 | 4 797                   | (541)                   |
| <b>As a percentage of Group equity (%)</b>    | <b>(2.6)</b>                                       | <b>0.3</b>              | <b>(2.6)</b>            | <b>-</b>                                           | <b>4.9</b>              | <b>(0.6)</b>            |

The sensitivity of reserves to market interest rate increased from the previous year due to the reduction in swap curve rates by an average of 110bps over the 2025 year.

## Notes to the consolidated financial statements

For the year ended 31 December

### 57.6 Capital and liquidity risk

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

#### 57.6.1 Capital risk

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

The Group's capital risk strategy, which is in line with and in support of the Group's strategy, is to create sustainable value for shareholders within the boundaries imposed by the Group's risk appetite through effective financial risk management.

- The Group's capital risk priorities are to:
  - Deliver sustainable shareholder value by generating long-term growth while maintaining sufficient capital supply. Maintain strong capital ratios within the Board-approved risk appetite and above regulatory minimum levels while supporting a sustainable dividend payout ratio.
  - Appropriately deploy capital and manage the repatriation of dividends from subsidiaries to optimise capital utilisation.
  - Monitor and execute opportunities to raise tier 2 capital and/or additional tier 1 instruments in domestic and/or international markets to optimise the level and composition of capital resources.
  - Continue to participate in the finalisation of the Financial Conglomerate Supervisory Framework capital standard in South Africa.
- The Prudential standard on First Loss Absorbing Capacity instruments has been promulgated with an implementation date of 1 January 2026. The Group will appropriately prioritise the issuance of FLAC instruments to meet the six-year phase-in period.
- The Prudential Authority, together with the South African Reserve Bank (SARB), have agreed to implement a positive cycle-neutral countercyclical buffer (CCyB). The minimum regulatory capital requirements will increase by 1% with an effective date of 1 January 2026, post a one-year phase-in period. The SARB requires that banks maintain a positive cycle-neutral CCyB to serve as a shock absorber that can be released in the event of sudden stress.
- The Group remains committed to optimising its total loss-absorbing capacity through a combination of capital and FLAC instruments issued in both domestic and international markets.

Various processes play a role in ensuring that the Group's capital risk priorities are met, including:

- The Internal Capital Adequacy Assessment Process (ICAAP);
- Stress testing; and
- Recovery and Resolution Planning.

The capital risk process in the Group encompasses all regulated entities within it (including insurance entities and banking subsidiaries in the Africa Regions). Appropriate Board approved capital buffers, above the minimum regulatory requirements, are held at an entity level. The Group ensures that all regulated entities are adequately capitalised in terms of their respective minimum capital adequacy requirements (CARs). The Group's capital target ranges for the current reporting period were set after considering the following:

- Capital risk appetite;
- The preference of rating agencies for loss absorbing capital;
- Stress scenarios and their impact on the integrated plan, including the capital position of the Group;
- Current or future enhancements to regulatory requirements and accounting developments; and
- Peer analysis.

### Capital adequacy ratios (unaudited)

| Group                                                                 | 2025      | 2024      | 2025                |                                         | 2024                |                                         |
|-----------------------------------------------------------------------|-----------|-----------|---------------------|-----------------------------------------|---------------------|-----------------------------------------|
|                                                                       |           |           | Board target ranges | Minimum regulatory capital requirements | Board target ranges | Minimum regulatory capital requirements |
|                                                                       |           |           | %                   | %                                       | %                   | %                                       |
| <b>Statutory capital ratios (includes unappropriated profits) (%)</b> |           |           |                     |                                         |                     |                                         |
| Common Equity Tier 1                                                  | 12.7      | 12.6      | 11-12.5             | 8.5                                     | 11-12.5             | 8.5                                     |
| Tier 1                                                                | 14.3      | 14.4      | >12.0               | 10.3                                    | >12.0               | 10.3                                    |
| Total                                                                 | 15.8      | 15.8      | >14.5               | 12.5                                    | >14.5               | 12.5                                    |
| <b>Capital supply and demand for the reporting period (Rm)</b>        |           |           |                     |                                         |                     |                                         |
| Qualifying capital                                                    | 195 282   | 183 439   |                     |                                         |                     |                                         |
| Total RWA                                                             | 1 232 627 | 1 161 658 |                     |                                         |                     |                                         |

The December 2024 figures were revised to align with final regulatory submissions. This resulted in the total RWA being restated from R1 160 916 to R1 161 658.

Regulatory capital comprises the following:

Common Equity Tier 1 – ordinary share capital, share premium and retained earnings including reserves, less regulatory deductions.



# Notes to the consolidated financial statements

For the year ended 31 December

Tier 1 – Common Equity Tier 1 plus perpetual, non-cumulative instruments with principal loss-absorption features issued in terms of the Basel III rules.

Total Capital – Tier 1 plus other items such as the general allowance for credit impairments and subordinated debt with principal loss-absorption features issued under Basel III.

During the past year, the Group complied in full with all externally imposed capital requirements which remained the same as prior year.

The 2025 minimum total regulatory capital adequacy requirement of **12.5%** (2024: 12.5%) includes the capital conservation buffer, Pillar 2A at 1% and the D-SIB add-on but excludes the bank specific individual capital requirement (Pillar 2B add-on) as required by regulatory guidance.

## 57.6.2 Liquidity risk

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

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

### Priorities

The Group's liquidity risk management objectives are:

- Preserve the Group's liquidity position in line with risk appetite.
- Manage the funding and HQLA position in line with the Board-approved framework and ensure compliance with regulatory requirements
- Focus on growing core retail, relationship bank, corporate and public sector deposits.
- Continue to strengthen and diversify the funding base while optimising funding costs, to support asset growth, other strategic initiatives and maintain the strong net stable funding ratio (NSFR) over the 5-year phase out of the national discretion.
- Collaborate with the regulatory authorities and other stakeholders on the SARB's approach to resolution planning in South Africa.
- Report in terms of the current and future Depositor Insurance Scheme requirements, which came into effect on 1 April 2024, with the Corporation for Depositor Insurance established to give depositors reasonable access to their covered deposits when their bank has been placed in resolution.

### Approach to liquidity risk

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

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

### Stress and scenario testing

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

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

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

### Contingency funding planning

The Contingency Funding Plan (CFP) includes, inter alia:

- the roles and responsibilities of senior management in a crisis.
- authorities for invoking the plan.
- communications strategy.
- an analysis of a realistic range of market-wide and Group-specific liquidity stress tests.
- scenario analyses and the extent to which each stress test and scenario can be mitigated by the management of the statement of financial position.
- a range of early warning indicators (EWIs), which assist in informing management when deciding whether the CFP should be invoked.

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

## Notes to the consolidated financial statements

For the year ended 31 December

### Contractual maturity of financial assets and liabilities

The table below provides detail on the contractual maturity and mismatch position of all financial instruments and other assets and liabilities. Derivatives (other than those designated in a hedging relationship) and trading portfolio assets and liabilities are included in the 'on demand' time bucket at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity since they are not held for settlement according to such maturity and will frequently be settled before contractual maturity at fair value. Derivatives designated in a hedging relationship are included according to their contractual maturity. Subordinated debt have been included based on contractual maturities and do not take into account the effect of early redemption features, which are being exercised. Subordinated debt have been included based on contractual maturities and do not take into account the effect of early redemption features which are being exercised with the exception of the additional Tier I instrument which is bucketed according to the interest reset date as there is no contractual maturity. For details regarding early redemption options, refer to note 20.

|                                                        | Group<br>2025   |                        |                                 |                            |                            | Total<br>Rm |
|--------------------------------------------------------|-----------------|------------------------|---------------------------------|----------------------------|----------------------------|-------------|
|                                                        | On demand<br>Rm | Within<br>1 year<br>Rm | From 1 year<br>to 5 years<br>Rm | More than<br>5 years<br>Rm | Impairment<br>losses<br>Rm |             |
| <b>Discounted maturity</b>                             |                 |                        |                                 |                            |                            |             |
| <b>Assets</b>                                          |                 |                        |                                 |                            |                            |             |
| Cash, cash balances and balances with central banks    | 121 113         | 19 857                 | 379                             | 88                         | (22)                       | 141 415     |
| Investment securities                                  | 5 856           | 77 338                 | 111 350                         | 74 201                     | (215)                      | 268 530     |
| Trading and hedging portfolio assets                   | 282 682         | 59                     | 459                             | 191                        | -                          | 283 391     |
| Derivative assets                                      | 74 479          | 59                     | 459                             | 191                        | -                          | 75 188      |
| Non-derivative assets                                  | 208 203         | -                      | -                               | -                          | -                          | 208 203     |
| Other financial assets                                 | 11 258          | 13 858                 | 2                               | 20                         | (26)                       | 25 112      |
| Loans and advances                                     | 204 299         | 389 037                | 532 341                         | 363 009                    | (50 127)                   | 1 438 559   |
| Non-current assets held for sale                       | -               | 2 882                  | -                               | -                          | -                          | 2 882       |
| Investments linked to investment contracts             | 155             | 3 000                  | 4 185                           | 19 878                     | -                          | 27 218      |
| Financial assets                                       | 625 363         | 506 031                | 648 716                         | 457 387                    | (50 390)                   | 2 187 107   |
| Non-financial assets                                   | -               | -                      | -                               | -                          | -                          | 50 618      |
| Insurance related assets (refer to note 57.7)          |                 | -                      |                                 |                            |                            | 1 754       |
| <b>Total assets</b>                                    |                 |                        |                                 |                            |                            | 2 239 479   |
| <b>Liabilities</b>                                     |                 |                        |                                 |                            |                            |             |
| Trading and hedging portfolio liabilities              | 84 533          | 314                    | 759                             | 2 123                      | -                          | 87 729      |
| Derivative liabilities                                 | 66 875          | 314                    | 759                             | 2 123                      | -                          | 70 071      |
| Non-derivative liabilities                             | 17 658          | -                      | -                               | -                          | -                          | 17 658      |
| Other financial liabilities                            | 9 764           | 16 168                 | 596                             | 4 030                      | -                          | 30 558      |
| Deposits and debt funding                              | 904 141         | 618 932                | 309 040                         | 22 235                     | -                          | 1 854 348   |
| Liabilities under investment contracts                 | 263             | 3 048                  | 4 236                           | 20 197                     | -                          | 27 744      |
| Subordinated debt                                      | -               | 8 227                  | 11 850                          | 2 485                      | -                          | 22 562      |
| Financial liabilities                                  | 998 701         | 646 689                | 326 481                         | 51 070                     | -                          | 2 022 941   |
| Non-financial liabilities                              |                 |                        |                                 |                            |                            | 20 556      |
| Insurance related liabilities (refer to note 57.7)     |                 |                        |                                 |                            |                            | 4 573       |
| <b>Total liabilities</b>                               |                 |                        |                                 |                            |                            | 2 048 070   |
| <b>Equity</b>                                          |                 |                        |                                 |                            |                            | 191 409     |
| <b>Total equity and liabilities</b>                    |                 |                        |                                 |                            |                            | 2 239 479   |
| <b>Net liquidity position of financial instruments</b> | (373 338)       | (140 658)              | 322 235                         | 406 317                    | (50 390)                   | 164 166     |

Liabilities do not include the maturity analysis of finance lease payables, which is detailed in note 39.

Insurance related assets and liabilities are not included in the above maturity analysis. This is detailed in note 57.7. Liabilities for remaining coverage measured under the PAA have been excluded from the analysis.

The following current items are disclosed under non-financial assets and non-financial liabilities: current tax liabilities, provisions (details on the current/non-current split are included in note 16).

The following non-current items are disclosed under non-financial assets and non-financial liabilities: Investments in associates and joint ventures, goodwill and intangible assets, provisions (details on the current/non-current splits are included in note 16), investment property, property and equipment and deferred tax.

## Notes to the consolidated financial statements

For the year ended 31 December

|                                                        |                 |                        | Group<br>2024                   |                           |                            |             |
|--------------------------------------------------------|-----------------|------------------------|---------------------------------|---------------------------|----------------------------|-------------|
|                                                        | On demand<br>Rm | Within<br>1 year<br>Rm | From 1 year<br>to 5 years<br>Rm | More than<br>5 year<br>Rm | Impairment<br>losses<br>Rm | Total<br>Rm |
| Discounted maturity                                    |                 |                        |                                 |                           |                            |             |
| <b>Assets</b>                                          |                 |                        |                                 |                           |                            |             |
| Cash, cash balances and balances with central banks    | 105 084         | 19 252                 | 157                             | 70                        | (6)                        | 124 557     |
| Investment securities                                  | 10 518          | 85 675                 | 105 646                         | 68 729                    | (124)                      | 270 444     |
| Trading and hedging portfolio                          | 224 465         | 53                     | 663                             | 3 339                     | -                          | 228 520     |
| Derivative assets                                      | 57 560          | 53                     | 663                             | 3 339                     | -                          | 61 615      |
| Non-derivative assets                                  | 166 905         | -                      | -                               | -                         | -                          | 166 905     |
| Other financial assets                                 | 4 880           | 13 867                 | 278                             | 14                        | (3)                        | 19 036      |
| Loans and advances                                     | 194 826         | 364 485                | 509 628                         | 333 630                   | (52 981)                   | 1 349 588   |
| Non-current assets held for sale                       | -               | 1 140                  | -                               | -                         | -                          | 1 140       |
| Investments linked to investment contracts             | 1 249           | 1 402                  | 2 964                           | 17 755                    | -                          | 23 370      |
| Financial assets                                       | 541 022         | 485 874                | 619 336                         | 423 537                   | (53 114)                   | 2 016 655   |
| Non-financial assets                                   | -               | -                      | -                               | -                         | -                          | 50 244      |
| Insurance related assets (refer to note 57.7)          |                 |                        |                                 |                           |                            | 1 796       |
| <b>Total assets</b>                                    |                 |                        |                                 |                           |                            | 2 068 695   |
| <b>Liabilities</b>                                     |                 |                        |                                 |                           |                            |             |
| Trading and hedging portfolio liabilities              | 66 020          | 75                     | 648                             | 535                       | -                          | 67 278      |
| Derivative liabilities                                 | 52 753          | 75                     | 648                             | 535                       | -                          | 54 011      |
| Non-derivative liabilities                             | 13 267          | -                      | -                               | -                         | -                          | 13 267      |
| Other financial liabilities                            | 14 142          | 14 737                 | 4                               | 2 603                     | -                          | 31 486      |
| Deposits and debt funding                              | 891 354         | 562 310                | 238 483                         | 26 071                    | -                          | 1 718 218   |
| Liabilities under investment contracts                 | 2 131           | 1 624                  | 3 220                           | 16 572                    | -                          | 23 547      |
| Subordinated debt                                      | -               | 3 133                  | 17 724                          | 331                       | -                          | 21 188      |
| Financial liabilities                                  | 973 647         | 581 879                | 260 079                         | 46 112                    | -                          | 1 861 717   |
| Non-financial liabilities                              |                 |                        |                                 |                           |                            | 16 760      |
| Insurance related liabilities (Refer to 57.7)          |                 |                        |                                 |                           |                            | 6 942       |
| <b>Total liabilities</b>                               |                 |                        |                                 |                           |                            | 1 885 419   |
| <b>Equity</b>                                          |                 |                        |                                 |                           |                            | 183 276     |
| <b>Total equity and liabilities</b>                    |                 |                        |                                 |                           |                            | 2 068 695   |
| <b>Net liquidity position of financial instruments</b> | (432 625)       | (96 005)               | 359 257                         | 377 425                   | (53 114)                   | 154 938     |

Deposits and debt securities in issue have been combined and presented as a single line item restated from R1 509 308m and R208 910m respectively to R1 718 218m in December 2024 . Refer to note 1.21.1 for further details on this reclassification.

## Notes to the consolidated financial statements

For the year ended 31 December

| Undiscounted maturity<br>(statement of financial position value<br>with impact of future interest) | Group<br>2025   |                        |                                 |                           |                          | Total<br>Rm      |
|----------------------------------------------------------------------------------------------------|-----------------|------------------------|---------------------------------|---------------------------|--------------------------|------------------|
|                                                                                                    | On demand<br>Rm | Within<br>1 year<br>Rm | From 1 year<br>to 5 years<br>Rm | More than<br>5 year<br>Rm | Discount<br>effect<br>Rm |                  |
| <b>Liabilities</b>                                                                                 |                 |                        |                                 |                           |                          |                  |
| <b>On-statement of financial position</b>                                                          |                 |                        |                                 |                           |                          |                  |
| Trading and hedging portfolio liabilities                                                          | 84 533          | 325                    | 961                             | 3 928                     | (2 018)                  | 87 729           |
| Derivative liabilities                                                                             | 66 876          | 324                    | 961                             | 3 928                     | (2 018)                  | 70 071           |
| Non-derivative liabilities                                                                         | 17 657          | -                      | -                               | -                         | -                        | 17 658           |
| Other financial liabilities                                                                        | 9 765           | 16 278                 | 668                             | 5 755                     | (1 908)                  | 30 558           |
| Deposits and debt funding                                                                          | 904 180         | 629 100                | 353 000                         | 40 260                    | (72 192)                 | 1 854 348        |
| Liabilities under investment contracts                                                             | 263             | 3 086                  | 5 265                           | 42 528                    | (23 398)                 | 27 744           |
| Subordinated debt                                                                                  | -               | 8 430                  | 14 311                          | 3 549                     | (3 728)                  | 22 562           |
| <b>Financial liabilities</b>                                                                       | <b>998 741</b>  | <b>657 219</b>         | <b>374 205</b>                  | <b>96 020</b>             | <b>(103 244)</b>         | <b>2 022 941</b> |
| Non-financial liabilities                                                                          |                 |                        |                                 |                           |                          | 20 556           |
| Insurance related liabilities (Refer to 57.7)                                                      |                 |                        |                                 |                           |                          | 4 573            |
| <b>Total liabilities</b>                                                                           |                 |                        |                                 |                           |                          | <b>2 048 070</b> |
| <b>Off-statement of financial position</b>                                                         |                 |                        |                                 |                           |                          |                  |
| Guarantees                                                                                         | 69 702          | -                      | -                               | -                         | -                        | 69 702           |
| Loan commitments                                                                                   | 172 275         | -                      | -                               | -                         | -                        | 172 275          |
| Letters of credit                                                                                  | 15 299          | -                      | -                               | -                         | -                        | 15 299           |

| Undiscounted maturity<br>(statement of financial position value<br>with impact of future interest) | Group<br>2024   |                        |                                 |                           |                          | Total<br>Rm      |
|----------------------------------------------------------------------------------------------------|-----------------|------------------------|---------------------------------|---------------------------|--------------------------|------------------|
|                                                                                                    | On demand<br>Rm | Within<br>1 year<br>Rm | From 1 year<br>to 5 years<br>Rm | More than<br>5 year<br>Rm | Discount<br>effect<br>Rm |                  |
| <b>Liabilities</b>                                                                                 |                 |                        |                                 |                           |                          |                  |
| <b>On-statement of financial position</b>                                                          |                 |                        |                                 |                           |                          |                  |
| Trading and hedging portfolio liabilities                                                          | 66 020          | 78                     | 749                             | 1 230                     | (799)                    | 67 278           |
| Derivative liabilities                                                                             | 52 753          | 78                     | 749                             | 1 230                     | (799)                    | 54 011           |
| Non-derivative liabilities                                                                         | 13 267          | -                      | -                               | -                         | -                        | 13 267           |
| Other financial liabilities                                                                        | 14 144          | 14 807                 | 5                               | 4 009                     | (1 479)                  | 31 486           |
| Deposits and debt funding                                                                          | 891 401         | 572 755                | 289 785                         | 51 946                    | (87 669)                 | 1 718 218        |
| Liabilities under investment contracts                                                             | 2 131           | 1 634                  | 4 082                           | 40 397                    | (24 697)                 | 23 547           |
| Subordinated debt                                                                                  | -               | 2 935                  | 21 569                          | 1 265                     | (4 581)                  | 21 188           |
| <b>Financial liabilities</b>                                                                       | <b>973 696</b>  | <b>592 209</b>         | <b>316 190</b>                  | <b>98 847</b>             | <b>(119 225)</b>         | <b>1 861 717</b> |
| Non-financial liabilities                                                                          |                 |                        |                                 |                           |                          | 16 760           |
| Insurance related liabilities (Refer to 57.7)                                                      |                 |                        |                                 |                           |                          | 6 942            |
| <b>Total liabilities</b>                                                                           |                 |                        |                                 |                           |                          | <b>1 885 419</b> |
| <b>Off-statement of financial position</b>                                                         |                 |                        |                                 |                           |                          |                  |
| Guarantees                                                                                         | 55 716          | -                      | -                               | -                         | -                        | 55 716           |
| Loan commitments                                                                                   | 150 802         | -                      | -                               | -                         | -                        | 150 802          |
| Letters of credit                                                                                  | 16 167          | -                      | -                               | -                         | -                        | 16 167           |

In 2024, Letters of credit were incorrectly disclosed in the above table as R19 863m. This was due to an error in the elimination of intergroup balances. This has been restated to R16 167m.

## Notes to the consolidated financial statements

For the year ended 31 December

Deposits and debt securities in issue have been reclassified and presented as a single line item, restated from R1 509 308m and R208 910m respectively to R1 718 218m . Refer to Note 1.21.1 for further details on this reclassification.

### 57.7 Insurance risk management

#### 57.7.1 Definition

In the context of the Group's insurance risk management, insurance risk is the risk that future claims, expenses, policyholder behaviour and investment returns will be adversely different from allowances made in measuring policyholder liabilities (both insurance contracts and investment contracts) and in product pricing. Insurance risk arises due to:

- Adverse policyholder demographic experience or management expense deviations allocated to policyholders resulting in financial losses;
- The exposure to movements in the value of an investment portfolio (including concentration and investment-related credit risks) and the risk that the assets and liabilities are mismatched; or
- Insufficient or inappropriate financial resources, which may impact the ability to effectively conduct business activities in normal and stressed operating conditions.

#### 57.7.2 Objectives

The Group's insurance risk management objectives are to:

- Pursue profitable growth opportunities within the financial volatility and solvency risk appetite approved by the Board;
- Balance exposure between, and within, life and non-life insurance to allow for better diversification; and optimal risk-adjusted returns; and
- Leverage off the Absa presence and infrastructure across Africa.

#### 57.7.3 Governance

Insurance entities are standalone legal entities within the Absa Group, and each has its own board. As such, AFS has its own committee structures, and governance requirements. The regulated insurance group AFS and insurance entities form part of Personal and Private Banking (PPB) and have representation in PPB committees. These entities are subject to the requirements of the Insurance Principal Risk Management Framework (IPRMF).

The following AFS committees oversee all elements of the IPRMF as well as all other risks within insurance entities:

## Notes to the consolidated financial statements

For the year ended 31 December

### 57. Risk management

#### 57.7 Insurance risk management

##### 57.7.3 Governance (continued)

| Committee                                                                                       | Main objectives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AFS and entity boards                                                                           | <p>The AFS board oversees the identification and monitoring of material risks across AFS, including emerging and insurance-related risks, and ensures appropriate mitigation and escalation of material matters to relevant Absa Group governance structures where required. The AFS Board ensures effective risk reporting, with AR Insurance entities included in reporting to the AFS Board and its subcommittees to maintain a comprehensive insurance risk view and excluded from reporting to Absa Group where applicable.</p> <p>The AFS and entity boards approve the risk appetite, dividend policy and strategy, and retain ultimate accountability for compliance with applicable local regulatory requirements, including the Prudential Standards.</p>                                                                                                                                                                                         |
| AFS Audit, Risk and Compliance Committee (ARCC)                                                 | <p>The AFS Audit, Risk and Compliance Committee is a sub-committee of the AFS Board and provides oversight on behalf of the AFS and relevant entity boards. The Committee oversees financial integrity, internal control frameworks, risk management, compliance, audit activities as well as capital, solvency and liquidity matters across the AFS Insurance Group.</p> <p>The Committee reviews financial performance, significant transactions and matters requiring Board approval and makes dividend recommendations to the AFS and entity boards, taking into account capital adequacy and the impact of proposed distributions. It supports effective governance across subsidiaries, ensures material matters are escalated appropriately, and engages with the AFS Group Audit Committee where specialist input is required.</p>                                                                                                                  |
| AFS Group Actuarial Committee (GAC)                                                             | <p>The AFS Group Actuarial Committee is a sub-committee of the AFS Board. It supports the AFS Board, relevant entity boards and the Audit, Risk and Compliance Committee on actuarial and related financial risk matters, including capital and liquidity considerations, without duplicating the responsibilities of the Audit, Risk and Compliance Committee. The Committee also supports the effective discharge of statutory and professional actuarial responsibilities.</p> <p>The Committee provides oversight of actuarial, insurance and model risks across the AFS Insurance Group, with a focus on the integrity of actuarial reporting, methodologies and models. It considers key actuarial valuations, opinions and regulatory submissions, monitors insurance and model risk against approved appetite, and oversees capital and liquidity adequacy, stress testing and relevant regulatory developments affecting actuarial governance.</p> |
| AFS Social Sustainability and Ethics Committee (SSEC)                                           | <p>The Social, Sustainability and Ethics Committee is a sub-committee of the AFS Board and provides oversight of social, ethical and sustainability matters that may impact the AFS Insurance Group's risk profile, in line with applicable legislation, regulation and internal policies.</p> <p>The Committee focuses on the management of non-financial risks relevant to the insurance business, including conduct risk, policyholder and customer outcomes, people and culture, and ethical business practices.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| AFS Insurance Risk Committee (IRC)                                                              | <p>The Insurance Risk Committee is a management committee responsible for the oversight and monitoring of insurance risk across the Absa Group, with a primary focus on AFS and its regulated insurance entities. The Committee is responsible for setting and monitoring insurance and insurance model risk appetite, overseeing capital management and Own Risk and Solvency Assessment processes, and ensuring that relevant insurance risk frameworks and supporting policies are maintained and kept up to date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Executive Risk Committee (ERC)                                                                  | <p>The Executive Risk Committee is an internal management committee responsible for the oversight of risks relevant to the business unit with a focus on insurance-related risks. The Committee monitors the risk profile against approved appetite, oversees the effectiveness of the control environment and risk culture and considers assurance activities to support effective risk management.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Life Insurance Financial and Actuarial Management Committee / Non-Life Financial Risk Committee | <p>These Committees support the management of the relevant business units and Boards of Directors in discharging their responsibility regarding the governing of financial risk, and also advise on the management and oversight of financial risk and capital management as a function of the ERC.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Model and Insurance Governance Control Forum (M&IGCF)                                           | <p>The role of the IGCF is to provide independent oversight and challenge of the Insurance Risk control environment of all the insurance business units within AFS. The IGCF is established in line with the requirements of the AFS Enterprise Risk Management Framework which requires the Insurance Risk Type Officer to establish a Principal Risk Forum where the effectiveness and the adherence to the IPRMF is monitored and challenged. This is required to enable assurance to be provided to the Insurance Risk Type Officer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                |
| AFS Exco                                                                                        | <p>AFS Exco is an internal management committee that is responsible for the oversight of matters affecting the AFS Insurance Group. Meetings are convened to consider matters impacting the AFS Insurance Group. The Committee reviews papers prior to submission to the AFS Board and its sub-committees.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

# Notes to the consolidated financial statements

For the year ended 31 December

## 57. Risk management

### 57.7 Insurance risk management

The AFS Board, AFS ARCC and Solo entity Boards are responsible for the review and approval of the IPRMF.

In addition, Insurance Risk is overseen by the Absa Group committee structures and governance. The following Absa Group Board committees oversee all or some elements of the risk within insurance entities and the IPRMF:

- RemCo (Board) and Remuneration Review Panel (Executive Management) – oversight of certain people related risks.
- Information Technology Committee (Board) – oversight over technology risk, including security related risks.

#### 57.7.4 IPRMF and supporting policies

The IPRMF sets out the approach for managing financial risks within the Group's insurance legal entities. The IPRMF is in support of the AFS Enterprise Risk Management Framework (ERMF) and is supported by policies and standards which provide more detail on what is required from business areas and employees in order to effectively manage insurance risk. AFS's insurance entities are required to comply with the IPRMF and the eight supporting insurance risk policies:

- Insurance Asset Liability Management Policy;
- Insurance Capital and Liquidity Risk Policy;
- Insurance Credit and Concentration Risk Policy;
- Insurance Investment Management Policy;
- Reinsurance and Risk Transfer Policy;
- Insurance Reserving Policy;
- Insurance Own Risk and Solvency Assessment (ORSA) Policy; and
- Insurance Underwriting Policy.

Other policies required by the Governance and Operational Standard for Insurers (GOI) 3 are in place, as well as any other applicable policies.

IFRS 17 is applicable to all issued insurance contracts (as defined in the standard) regardless of whether these contracts are issued by licenced insurers. This includes certain contracts issued by operations outside of the licenced insurers. These are also measured and presented in accordance with IFRS 17. Such operations are however outside the scope of the IPRMF requirements.

# Notes to the consolidated financial statements

For the year ended 31 December

## 57. Risk Management

### 57.7 Insurance risk management

#### 57.7.5 Insurance Risk Subtypes

The types of insurance risk that can occur are broad and varied. As defined in the AFS ERMF, insurance risk can be broken down into three primary risk groupings. These are then further segmented into insurance risk types, which are aligned with the insurance Prudential Standard requirements. The risk primary groupings and sub-types below reflect this broad spectrum of financial risk types inherent to insurance entities. These are reviewed at least annually.

| Primary Risk Grouping     | Insurance Sub-Risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insurance Exposure Risk   | <p>Adverse policyholder demographic experience or management expense deviations allocated to policyholders result in financial losses, which can occur as follows:</p> <p>Underwriting risk: Aggregate insurance premiums received from policyholders under a portfolio of insurance contracts are inadequate to cover the claims arising from those policies and the expenses associated with the management of the portfolio.</p> <p>Reserving risk<sup>1</sup>: Current reserves are insufficient to cover current and future claims and the expenses associated with the management of the portfolio.</p> <p>Reinsurance risk: The inability to obtain and contractually agree reinsurance arrangements that provide suitable cover. Arrangements are considered suitable where they ensure that an insurance entity's risk profile remains within appetite, whilst providing a desired risk adjusted return on capital and not resulting in undue secondary risks.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Investment Portfolio Risk | <p>The exposure to movements in the value of an investment portfolio (including concentration and investment related credit risks) and the risk that assets and liabilities are mismatched:</p> <p>Asset-liability mismatch risk: An asset-liability mismatch arises when the assets backing insurance products do not grow as expected, or their proceeds do not materialise timeously to match expected insurance policy outflows during and at the end of the policy term.</p> <p>Investment management risk: The risk of adverse investment experience impacting the ability of the entity to provide for policy obligations and capital adequacy requirements, as well as the ability to provide shareholders with an acceptable return on assets retained in the business.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Financial Soundness Risk  | <p>Insufficient or inappropriate financial resources, which may impact the ability to effectively conduct business activities in normal and stressed operating conditions. This is considered in terms of:</p> <p>Capital risk: An insurance entity has an insufficient level, or inadequate composition, of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments and stressed conditions (both actual and as defined for internal planning or regulatory testing purposes).</p> <p>Liquidity risk: An insurance entity, though solvent, either does not have sufficient financial resources available to enable it to meet its obligations as they fall due or can secure them only at excessive cost.</p> <p>Concentration risk: Insufficient diversification of counterparties, i.e., due to concentrations in asset classes, sectors, geographies, counterparties and maturities. Primarily driven by counterparty exposure on reinsurance contracts and investments, but can also arise due to on- and off-balance sheet counterparties (including policyholders with significant exposure and geographically concentrated exposures).</p> <p>Counterparty default risk: A counterparty to an agreement will be unable or unwilling to fulfil its obligations. Primarily driven by counterparty exposure on reinsurance contracts and investments, but can also arise due to on- and off-balance sheet counterparties.</p> |

<sup>1</sup> Reserving risk is the actuarial equivalent of the risk that the recognized insurance contract liabilities, in terms of IFRS Accounting Standards, may be understated.

Non-financial risks that insurance entities are exposed to are covered by the Group's non-financial risk frameworks.



# Notes to the consolidated financial statements

For the year ended 31 December

## 57. Risk Management

### 57.7 Insurance risk management

#### 57.7.6 Insurance Risk Management Methodology

The IPRMF applies the three-step process evaluate-respond-monitor to insurance risk, comprising of the following elements:

| Risk Management Step | Element                                               | Description and purpose of element                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Evaluate             | Risk identification                                   | An insurance entity must identify all insurance risks to which its operations are exposed utilizing a robust risk identification process that uses a combination of internal and external data sources.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                      | Risk measurement                                      | An insurance entity must quantify all insurance liabilities and assets as required for local regulatory and financial reporting purposes.<br>An insurance entity must quantify the capital adequacy requirements defined for local regulatory, insurance group regulatory (as required) and internal solvency purposes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                      | Critical Process Assessment                           | Critical Process Assessment (CPA) is an integrated process-based risk and control self-assessment tool adopted by the Group. This integrated assessment covers processes end-to-end and specific process enablers such as systems, human resources and external dependencies are also included. Critical processes that underpin insurance risk have been identified and are subjected to the CPA process at least annually.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                      | Stress and scenario testing                           | Stress and scenario testing is used to assess plausible risks on a mild, adverse and extreme or stressed bases, to understand the potential impacts on the business, its performance and capital cover results, and the suitability of mitigating actions. This method is also used as part of the capital and liquidity assessment and risk appetite setting process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                      | Emerging Risk Assessment                              | This is part of the Evaluate stage but is covered by the Operational and Resilience Risk Management Framework for all risks within the AFS ERMF.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                      | Own Risk and Solvency Assessment (ORSA)               | Where required by local regulation, the insurance risk management process supports the ORSA – the internal process undertaken by an insurance entity to assess the adequacy of its risk management and its current and prospective solvency positions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                      | Assurance                                             | Assurance is performed for all material risks and key controls; it is performed across the three lines of defence and includes control testing and conformance review. It is designed to provide comfort that material risks and key controls are being effectively managed.<br>Assurance requirements for insurance risk operate consistently with other risks in the AFS ERMF.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Respond              | Insurance Risk Appetite                               | Risk limits and tolerance thresholds are set for insurance risk so that Absa's insurance entities take risk decisions which are within Board-approved risk appetite (as expressed in quantitative and qualitative terms). Each business area also operates within defined insurance risk limits, with an understanding of the risks it will take and the risks it will avoid.<br><br>Insurance risk appetite is considered from three perspectives: <ul style="list-style-type: none"> <li>Economic Capital Coverage: Defined as the degree of capital headroom required in excess of economic capital requirements in order to satisfy financial solvency expectations of stakeholders (policyholders, regulators, shareholders and management).</li> <li>Financial volatility: The level of potential deviation from expected performance that the Group is prepared to sustain at an appropriate near term return period.</li> <li>Mandates, limits and preferences: A risk management approach that seeks to formally review and control business activities to ensure that they are within Absa's mandate, manage concentration risk in the business and ensure that business activities are of an appropriate scale and mix to achieve a targeted risk-adjusted return.</li> </ul> Further entity specific key metrics and influencers of risk, with associated limits, should be contained in each entity's risk appetite statements. |
|                      | Authorisation / Delegation of Insurance Risk Activity | Insurance entities which are permitted to conduct insurance business have to meet all the regulatory and Group requirements in order to maintain this permission. This includes a clear set of criteria for the identification of insurance lines of business and product types which each insurance entity is permitted to write.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                      | Policies for managing insurance risk                  | Insurance risk policies describe key components of the insurance risk life cycle and define clear control principles and requirements which can then be expanded on in the form of standards (as required) to articulate the specific controls required by local practice, regulation or business.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Monitor              | Metrics Monitoring                                    | Key Performance Indicators (KPI) and Key Risk Indicators (KRI) are established during the annual Medium Term Plan (MTP) and risk appetite setting process.<br>The levels of these metrics are monitored on at least a quarterly basis to compare the actual risk and performance profiles against their associated planned thresholds and limits.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                      | Report                                                | The Insurance Risk Profile, together with supporting rationale and responses, are reported to the various committees.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

## Notes to the consolidated financial statements

For the year ended 31 December

### 57. Risk management

#### 57.7 Insurance risk management

##### 57.7.7 Life insurance risks

Life insurance underwriting activities are undertaken by Absa Life Limited and Absa Life Assurance Kenya Limited (ALAK).

The table that follows summarises the main risk exposures per life insurance product line.

| Product line              | Description of product                                                                                                                                                                                                                                                                                                                                | Absa Life | ALAK | Main risk exposures                                                                                                                            |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Underwritten life         | Provides cover for some or all of death, disability and critical illness. Cover and associated premiums are based on an assessment of each customer's risk profile.                                                                                                                                                                                   | ✓         | ✗    | Mortality; morbidity; lapse                                                                                                                    |
| Limited underwritten life | Provides cover for some or all of death, disability and critical illness. Underwriting can be a limited number of questions, the application of waiting periods, pre-existing condition exclusions, the phasing in of sums insured, or some combination thereof.                                                                                      | ✓         | ✓    | Mortality; morbidity; lapse                                                                                                                    |
| Funeral                   | Provides cover for death and the costs associated with a funeral. Underwriting is limited to the application of waiting periods which are governed by regulation in some markets.                                                                                                                                                                     | ✓         | ✓    | Mortality; lapse                                                                                                                               |
| Credit life               | Provides for the payment of the obligations due under a credit agreement due to some or all of death, disability, critical illness and loss of income of the borrower. Demographic shifts might introduce additional insurance risk as premiums generally do not differ by gender, age or smoker status.                                              | ✓         | ✓    | Mortality; morbidity retrenchment ; lapse                                                                                                      |
| Embedded                  | Provides cover to Bank / partner customers for some or all of death, disability and retrenchment. Typically, the policyholder and premium payer is the Bank / partner and the ultimate beneficiary is the customer. Demographic shifts might introduce additional insurance risk as premiums generally do not differ by gender, age or smoker status. | ✓         | ✓    | Mortality; morbidity retrenchment ; lapse                                                                                                      |
| Group life                | Provides cover for the employees or members of a group under a single insurance contract where the policyholder is typically an employer or an entity such as a labour organisation.                                                                                                                                                                  | ✓         | ✓    | Mortality; morbidity; longevity; concentration<br>Lapse; other financial risks taken by the policyholder include investment; longevity and tax |
| Investments               | Endowment and/or living annuity products where benefits are linked to investment returns.                                                                                                                                                                                                                                                             | ✓         | ✓    |                                                                                                                                                |
| Morbidity only            | Provides cover for critical illness and defined benefits upon admission to a hospital.                                                                                                                                                                                                                                                                | ✓         | ✓    | Morbidity; lapse                                                                                                                               |

# Notes to the consolidated financial statements

For the year ended 31 December

## 57. Risk management

### 57.7 Insurance risk management

#### 57.7.7 Life insurance risks (continued)

##### 57.7.7.1 Underwriting risk

The underwriting process involves underwriting risks on an individual basis in order to apply terms commensurate with the risk. The process is automated for lower risk cases, but experienced underwriters manually assess cases that present increased risk whilst following established underwriting guidelines. The outcome of the underwriting process can be to accept cases at standard terms, accept with increased premiums, accept with specific conditions or events excluded, to decline or to defer the application.

The product development process is managed under the Market Conduct Risk Policy and Product Risk Standard. The design of new or amendments to existing products are informed through various types of research, including customer, competitor and market research, with further engagement and collaboration with functional and risk subject matter experts. Prototypes are developed in some instances to test the usability of the solution with customers and to inform further design changes. The proposed design is then presented as new, major or minor amendments at the Product Risk Committee, for approval in principle. A subsequent risk assessment process is followed whereby the relevant risk and functional areas review the product proposal and provide their approval and/or in some instances raise pre- or post-launch conditions. All new products and product amendments will be presented at the Product Risk Committee for final sanction (new products and major amendments) or noting (minor amendments). The ongoing relevance and appropriateness of the products are formally considered at least every one to three years (depending on the risk rating of the product) whilst various forums and committees manage the products and product performance on a regular basis.

Pricing (including re-pricing) is conducted under the requirements of the Insurance Underwriting Policy and Insurance Model Risk Standard. Various reviews and approvals are required before implementing and operationalising new premiums, including independent review by the Head of the Actuarial Function. Reviews are conducted to ensure the premiums remain appropriate and result in new business profit margin, claim ratios and strain ratios which are in line with hurdle rates as approved by the LIFAM. The hurdle rates aim to balance the interests of shareholders and policyholders whilst having regard to the risk associated by product line.

The experience related to all risks underwritten are reviewed regularly to determine whether underwriting guidelines and rules need to be adjusted and/or risk parameters extended. The business relies on experience investigations (at least annually), ongoing studies and analysis of surplus investigations to set pricing and valuation parameters. The non-economic pricing and reserving assumptions (e.g. mortality, morbidity, persistency and expense assumptions) are reviewed to determine changes in trends that are likely to continue in the future.

Effective claims management processes ensure that all valid claims are honoured in line with policy documentation and appropriate allowances made in setting premiums or valuing liabilities. Proactive fraud detection capabilities continue to be developed and improved to minimise fraudulent claim pay-outs.

##### 57.7.7.2 Reinsurance and reinsurer credit risk

Reinsurance is used in respect of large individual risks and in respect of risks where the life insurance entity needs to build knowledge and experience as well as obtain technical assistance from the reinsurers. Catastrophe reinsurance is used as a protection against a large number of simultaneous losses.

Reinsurer credit risk is managed by transacting solely within mandated levels as defined in the counterparty credit risk mandates. Mandates prescribe the maximum exposure to the relevant credit rating buckets per entity, give consideration to country-specific mandatory cession requirements, and are governed and approved by the Insurance Risk Committee (IRC). The counterparty exposure is monitored against these mandates to take corrective actions should the creditworthiness of a counterparty deteriorate or if the relative nature of the exposure changes materially.

| Standard and Poor's rating <sup>1</sup> | Description | Group                |                         | 2024                 | Total premiums ceded Rm |
|-----------------------------------------|-------------|----------------------|-------------------------|----------------------|-------------------------|
|                                         |             | 2025                 |                         |                      |                         |
|                                         |             | Number of reinsurers | Total premiums ceded Rm | Number of reinsurers | Total premiums ceded Rm |
| AA- and above                           | Very Strong | 5                    | 485                     | 7                    | 570                     |
| A-                                      | Strong      | 1                    | 91                      | 1                    | 181                     |
| BBB+                                    | Good        | 4                    | 51                      | 6                    | 89                      |
| Unrated <sup>2</sup>                    | N/A         | 1                    | 29                      | 3                    | 47                      |
| <b>Total</b>                            |             | <b>11</b>            | <b>656</b>              | <b>17</b>            | <b>887</b>              |

<sup>1</sup> Long Term Financial Strength International Scale Local Currency Ratings.

<sup>2</sup> The unrated counterparties are in respect of an arrangement closed to new business which will soon run off

The individual ratings of the various reinsurers, knowledge of disputes and collection experience are used to determine the non-performance risk associated with the recognised reinsurance assets.

The reduction in the number of reinsurers and the reduction in total premiums ceded is due to ALB, ALZ and GAM being excluded in the current year as a result of the sale of these entities.

## Notes to the consolidated financial statements

For the year ended 31 December

### 57. Risk management

#### 57.7 Insurance risk management

##### 57.7.7 Life insurance risks (continued)

###### 57.7.7.3 Reserving risk

Reserving risk arises from weaknesses in the actuarial processes of quantifying reserves, for example inappropriate assumptions, methodology, data, or approximations.

###### 57.7.7.4 Assumption risk

Assumption risk is the risk that the assumptions used in the most recent valuation are not appropriate. Best estimate assumptions are derived from investigations (at least annual) into the demographic experience of the business and economic assumptions are based on observable, actual, consistent economic indicators. Judgement is applied by the first line actuarial team in instances where it is deemed that past experience may not be a fair reflection of future experience. The Head of the Actuarial Function will assess the reasonability of such judgement.

Sensitivity analysis of mortality, morbidity, lapse, and expense assumptions are included in the Sensitivity analysis on assumptions section in note 57.7: 'Insurance risk management'.

###### 57.7.7.5 Mortality risk

The life business is exposed to mortality risk if an inappropriate allowance has been made for mortality in the pricing and valuation bases. The premiums may then be insufficient to meet claims as they fall due.

###### 57.7.7.6 Pandemic Risk

The life insurance business is exposed to pandemic risk from unforeseen extreme mortality events such as the HIV and COVID-19 experience in the pricing and valuation bases. The potential future risk is managed by including a mortality uncertainty loading on the mortality assumptions.

In the prior year, a mortality uncertainty loading was included in the long-term mortality assumptions for Absa Life and ALAK to allow for higher rates of future mortality due to direct and indirect impacts of COVID-19, as well as to include an allowance for future pandemics. The portion related to the direct and indirect impacts of COVID-19 has been released so only an allowance for future pandemics remains.

###### 57.7.7.7 Lapse risk

Lapse risk is the risk of not recouping expenses such as commission and/or underwriting costs generally incurred at the inception of the policy or not generating the anticipated profit margins, because of adverse lapse experience. In such instances, a loss is incurred if the policy lapses before the costs have been recouped. This risk is managed by entering clawback arrangements with financial advisers, whereby at least a portion of the commission is recouped. Investigations of lapse experience are performed to ensure pricing and valuation assumptions are appropriate, relevant and in line with experience. Further allowance may be made for adverse deterioration through a judgemental loading in challenging economic environments.

###### 57.7.7.8 Expense risk

Expense risk refers to the risk of variations in the expenses incurred relative to those allowed for in pricing and reserving bases in servicing insurance obligations, including the risk from the growth in expenses over and above that of inflation. An allowance for future expenses, inflated at the assumed expense inflation rate, is included in liability calculations based on the current level of expenses per policy. The risk of understating and pricing insufficiently for this risk is managed by:

- Conducting expense investigations (at least annual) based on the most recent operating expenditure incurred;
- Monitoring costs monthly to ensure they remain within anticipated levels and identifying trends at an early stage; and
- Basing the assumed future inflation rate on observable economic indicators and experience.

Where actual business volumes are lower than those that inform expenses assumptions in pricing and reserving exercises, further expense risk may be introduced.

###### 57.7.7.9 Retrenchment risk

The life business is exposed to retrenchment risk if an inappropriate allowance has been made for retrenchment inception rates in the pricing and valuation bases.

## Notes to the consolidated financial statements

For the year ended 31 December

### 57. Risk management

#### 57.7 Insurance risk management

##### 57.7.7 Life insurance risks (continued)

##### 57.7.7.10 Concentration risk

The risk of several claims arising simultaneously ('concentration risk') on individual lives is small, while the retained exposure per life is relatively low. The table below shows the value of benefits insured by benefit band before and after reinsurance for individual insurance business.

| Benefit band<br>per life assured | 2025                   |                         |     |                       |     | 2024                   |                         |     |                       |     |
|----------------------------------|------------------------|-------------------------|-----|-----------------------|-----|------------------------|-------------------------|-----|-----------------------|-----|
|                                  | Total benefits assured |                         |     |                       |     | Total benefits assured |                         |     |                       |     |
|                                  | Number of<br>policies  | Gross of<br>reinsurance |     | Net of<br>reinsurance |     | Number of<br>policies  | Gross of<br>reinsurance |     | Net of<br>reinsurance |     |
| ('000)                           |                        | Rm                      | %   | Rm                    | %   |                        | Rm                      | %   | Rm                    | %   |
| 0 - 250 <sup>2</sup>             | 3 929 125              | 131 695                 | 25  | 121 683               | 34  | 3 730 229              | 113 710                 | 31  | 103 897               | 35  |
| 250 - 500                        | 102 085                | 37 377                  | 7   | 31 099                | 9   | 97 257                 | 36 123                  | 10  | 31 568                | 11  |
| 500+                             | 195 659                | 359 726                 | 68  | 209 832               | 57  | 127 721                | 214 752                 | 59  | 161 670               | 54  |
|                                  | 4 226 869              | 528 798                 | 100 | 362 614               | 100 | 3 955 207              | 364 585                 | 100 | 297 135               | 100 |

<sup>2</sup> Active book volumes increased by 198 896 (5.3%) policies YoY, driven mainly by the inclusion of the Life policies measured under PAA.

In the case of the Group Life business, geographic concentration of risk exists. The largest concentration risk is in Johannesburg and is introduced by the Absa Life Staff Group Life Scheme. In addition to comprehensive quota share reinsurance, the Company has catastrophe reinsurance in place across its Group Life portfolio to provide protection against an accumulation of losses in respect of risk retained.

##### 57.7.8 Asset-Liability mismatch risk

Mismatch risk refers to cashflow matching as well as assets backing liabilities in the balance sheet moving differently from each other.

Mismatch risk is managed through setting asset allocations which appropriately match assets to underlying liabilities.

Using asset-liability modelling, appropriate investment strategies for the assets backing policyholder liabilities are determined to mitigate mismatch risk as far as possible. These investment strategies are reviewed annually, and the asset manager mandates amended accordingly. Quarterly meetings are held with asset managers to monitor adherence to the mandated asset durations and targeted levels.

##### 57.7.9 Longevity risk

Longevity risk arises from claims on Group Life products such as pensions and disability income benefit where there is a guarantee to make payments in the event of the survival and/or continued disability, sickness, or injury of the policyholder. It is the risk of loss or adverse change in the value of insurance obligations resulting from a decrease in mortality rates. The management of longevity risk includes the monitoring of experience and annual experience investigations; pricing philosophy; and reinsurance. The risk management process is similar to the process covered under underwriting risk.

## Notes to the consolidated financial statements

For the year ended 31 December

### 57. Risk management

#### 57.7 Insurance risk management

##### 57.7.10 Non-life insurance risks

Non-life insurance underwriting activities are undertaken by Absa Insurance Company Limited (AIC), Absa Risk Transfer Insurance Company Limited (ARTIC) and First Assurance Kenya (FAK). The Absa Insurance Risk Management Services Limited (AIRMS) insurance licence was closed by the Prudential Authority during the financial year.

The table below summarises the main risk exposures per non-life insurance product line and entity.

| Product lines    | Description                                                                                                                        | AIC | ARTIC | FAK | Main risk exposures                                          |
|------------------|------------------------------------------------------------------------------------------------------------------------------------|-----|-------|-----|--------------------------------------------------------------|
| Personal lines   | Protects families or individuals against financial losses. This includes motor and home cover as well as personal liability cover. | ✓   | ✓     | ✓   | Underwriting <sup>3</sup> ; Concentration; Reinsurer default |
| Commercial lines | A subset of property and liability type insurance that covers businesses, rather than property belonging to an individual.         | ✓   | ✓     | ✓   | Underwriting <sup>3</sup> ; Concentration; Reinsurer default |
| Specialist lines | Two types of products: unusual or non-traditional insurance and higher risk accounts.                                              | ✗   | ✗     | ✓   | Underwriting; Investment; Reinsurer default                  |

<sup>3</sup> The anticipated impact of climate change and extreme weather events is broad and influences various risks in the insurance risk taxonomy, including those listed as main risk exposures.

##### 57.7.10.1 Underwriting risk

Underwriting risk refers to the risk that the premiums charged for insurance contracts are insufficient to cover the frequency and severity of future claims, expenses and associated obligations. This risk arises from potential adverse deviations in pricing assumptions, policyholder behaviour and exposure mix relative to expected experience. Given the short-term nature of the non-life insurance products, underwriting risk is primarily influenced by changes in claim trends, weather-related events and shifts in portfolio composition. The entity manages this risk through disciplined pricing practices, ongoing monitoring of loss ratios and regular reviews of underwriting guidelines to ensure that premiums remain adequate and aligned with the underlying risk profile.

Management monitors loss ratios on a regular basis and identifies areas of the business where claims experience deviates from expectations; corrective actions are implemented where necessary. The non-life business adopts an agile pricing methodology, enabling pricing and product changes to occur as and when the need arises. In addition, policy conditions are reviewed, when necessary, to determine if any changes are required. New business volumes and strike rates are monitored for any deviations from expectations. There are extensive measures in place to control claims, which include assessing the validity and quantum of claims and the management of service providers through the claims procurement and cost control teams.

Non-life insurance underwriting risk is managed in line with the Insurance Underwriting Policy through underwriting authority mandates and with oversight from the Underwriting Review Forum, as and when required. A subset of the Underwriting Review Forum is the Pricing Forum, which has representation from Risk, Business, Analytics and Actuarial. This forum ensures that all pricing model monitoring occurs timeously and rigorously, and the actions that follow are commensurate with the risk. This forum monitors lapses, cancellations, new business rates, strike rates, renewal rates and the business risk profile as measured by claim frequency and claim severity.

##### 57.7.10.2 Reinsurance and reinsurance credit risk

Reinsurance risk refers to the risk that the company may be exposed to financial loss if its reinsurance counterparties fail to fulfil their contractual obligations or if the reinsurance arrangements prove inadequate in mitigating retained underwriting exposures. This may arise from reinsurer default, disputes, delayed recoveries or mismatches between the company's underlying risk profile and the structure of its reinsurance programme.

The impact of large individual non-life insurance claims is limited through the purchase of reinsurance that reduces the exposure to large individual claims and large events impacting multiple policyholders. The Company has a comprehensive reinsurance programme in place, which includes the following key elements:

- Automatic surplus reinsurance cover which provides protection against significant property related claims. The surplus treaty reinsurance provides security to the company's equity and solvency position when unusual or major events occur at a large individual risk level.
- Further large loss cover is purchased in the form of risk excess-of-loss cover to protect our net retention.
- Facultative reinsurance cover is purchased when a risk exceeds the set underwriting limits included in the reinsurance contracts.
- Catastrophe Cover is purchased to protect the net retention (after surplus reinsurance) following a catastrophe event. The treaty covers various perils (including Hail and Earthquake), protection is in line with the output from catastrophe models that analyse risks at a location level.

Reinsurance risk is managed through oversight from the Reinsurance Forum which includes representation from business and relevant subject matter experts. All structural changes to the reinsurance programme (e.g. change in treaty type, attachment points or cover limits) are formally approved by the Reinsurance Forum, Executive Committee, as well as the Non-Life Financial Risk Committee.

The credit risk in respect of reinsurance partners is managed by ensuring the Company transacts with reinsurers that are within the approved credit risk mandate approved on an annual basis. The creditworthiness of reinsurers is regularly monitored. To qualify as a reinsurance partner, reinsurers must be assigned a minimum 'A-' rating (international scale, long-term) by the Standard & Poor's (or equivalent) rating agency. An

## Notes to the consolidated financial statements

For the year ended 31 December

agreement with a reinsurer with a lower credit rating can qualify provided sufficient reasoning and approval has been obtained from the Insurance Risk Committee. Consideration is also given to equivalent foreign jurisdictions pertaining to section 65 of the Insurance Act 2017 where foreign jurisdictions whose laws, supervisory and information sharing frameworks are determined by the Prudential Authority to meet the objectives of the Insurance Act.

## Notes to the consolidated financial statements

For the year ended 31 December

### 57. Risk Management

#### 57.7 Insurance risk management

##### 57.7.10 Non-life insurance risks (continued)

##### 57.7.10.2 Reinsurance and reinsurance credit risk (continued)

| Standard and Poor's rating <sup>4</sup> | Description | Group                |                         | 2024                 | Total premiums ceded |
|-----------------------------------------|-------------|----------------------|-------------------------|----------------------|----------------------|
|                                         |             | 2025                 |                         |                      |                      |
|                                         |             | Number of reinsurers | Total premiums ceded Rm | Number of reinsurers | Rm                   |
| AA- and above                           | Very Strong | 9                    | 109                     | 7                    | 103                  |
| A-                                      | Strong      | 11                   | 92                      | 15                   | 65                   |
| BBB+                                    | Good        | 2                    | 32                      | 3                    | 31                   |
| Unrated                                 | N/A         | -                    | -                       | -                    | -                    |
| <b>Total</b>                            |             | <b>22</b>            | <b>233</b>              | <b>25</b>            | <b>199</b>           |

<sup>4</sup> Long Term Financial Strength International Scale Local Currency Ratings.

##### 57.7.10.3 Reserving risk

Reserving risk refers to the risk of fluctuations in the timing and amount of claim settlements which may result in the estimates of insurance contract liabilities being insufficient. Given the short-term nature of the liabilities, the Absa Group non-life entities typically settle claims within a period of one year.

The liability for incurred claims LIC includes outstanding claims reserves (OCR), held for claims which have been notified but which have not been fully settled and Incurred But Not Reported (IBNR) claim provision, held for claims that have already occurred as at the valuation date but have not yet been reported to the company. The best estimate cash flows of the future claim payments, salvages and recoveries receivable and claims handling expenses are projected. Historical claims triangulation, using well-known reserving techniques such as basic chain ladder and the Bornhuetter-Ferguson (BF) Method, are applied to calculate the expected claims liabilities.

The best estimate liabilities are discounted back to the reporting date to reflect the time value of money. A risk adjustment for non-financial risk is added to reflect the compensation required for bearing the uncertainty of the amount and timing of the claims liability cash flows. The risk adjustment for non-life insurance entities is calculated using the confidence interval approach, targeting the 75th percentile. The risk adjustment for non-financial risk is determined by applying bootstrapping techniques on the claim fulfilment cashflows gross of salvages and recoveries. This corresponds to a 75th percentile confidence level. Refer to note 8: Insurance and reinsurance contracts.

The impact of climate change and the associated increase in extreme weather events results in greater uncertainty in the estimation of insurance contract liabilities. In 2025, South Africa experienced fewer severe weather events than initially anticipated. The expected La Niña-related impacts (above-normal rainfall and increased flood risks) were delayed. This resulted in a relatively calm year until late November/ early December, where severe weather activity was experienced, particularly in the central Gauteng province. The most material impact of weather-related claims throughout the year was observed for AIC, amounting to claims of approximately **R225m** incurred in 2025. The delayed onset of extreme weather highlights the unpredictability of climate patterns and their impact on risk modelling



## Notes to the consolidated financial statements

For the year ended 31 December

### 57. Risk management

#### 57.7 Insurance risk management

##### 57.7.10 Non-life insurance risks (continued)

##### 57.7.10.4 Concentration risk (unaudited)

The main source of underwriting concentration risk is exposure to personal property, personal motor and commercial insurance business. The table below shows the geographical exposure based on the sum assured per main region.

|                           | Group          |            |                  |            |
|---------------------------|----------------|------------|------------------|------------|
|                           | 2025           |            | 2024             |            |
|                           | Rm             | %          | Rm               | %          |
| South Africa <sup>5</sup> |                |            |                  |            |
| Johannesburg              | 297 122        | 31         | 232 309          | 21         |
| Cape Town                 | 130 038        | 13         | 125 504          | 11         |
| Pretoria                  | 125 033        | 13         | 123 099          | 11         |
| KwaZulu Natal             | 91 433         | 9          | 83 870           | 7          |
| Others                    | 256 706        | 26         | 278 890          | 25         |
| <b>Total South Africa</b> | <b>900 332</b> | <b>92</b>  | <b>843 672</b>   | <b>75</b>  |
| AR                        |                |            |                  |            |
| Mozambique                | -              | -          | 223 526          | 20         |
| Kenya                     | 71 538         | 8          | 60 101           | 5          |
| <b>Total AR</b>           | <b>71 538</b>  | <b>8</b>   | <b>283 627</b>   | <b>25</b>  |
| <b>TOTAL</b>              | <b>971 870</b> | <b>100</b> | <b>1 127 299</b> | <b>100</b> |

<sup>5</sup> Exposures are categorised based on affected geographical areas, considering regions that typically experience similar risks. Geographical areas with non-concentrated risks, defined as areas with exposures comprising less than 10% of total exposure, are consolidated and grouped under the 'Other' category.

The maximum expected loss for a one in 250-year event is a loss of **R2.9bn** (2024: R2.7bn). Catastrophe Reinsurance Cover is purchased to cover losses of up to **R4.3bn** (2025/2026) (2024/2025: R4.1bn) for the reinsurance treaty which commences from 01 October 2025 to 30 September 2026. The business has purchased additional reinsurance to take into account the SAM standard formula capital requirements. The cover has been increased year-on-year to reflect business growth and manage the solvency position of the company.

## Notes to the consolidated financial statements

For the year ended 31 December

### 57. Risk management

#### 57.7 Insurance Risk Management

##### 57.7.11 Insurance risks applicable to both life and non-life insurance

##### 57.7.11.1 Sensitivity analyses on assumptions

The results of sensitivity analysis indicate that assumptions regarding future mortality, expenses and lapses experience have a significant impact on the quantum of the actuarial liability. Future developments in mortality and lapse experience, whether positive or negative, will impact profits in future years. The business is also sensitive to expense assumptions, including the impact of the inflation assumptions.

The table below analyses how the profit, equity and the CSM would have increased (decreased) if changes in underwriting risk exposures that were reasonably possible at the reporting date had occurred. The analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

Non-life entities' contracts are measured using the PAA, resulting in no impact on CSM.

##### 57.7.11.2 Underwriting risk

|                               | CSM         |           | 2025<br>Profit or loss |           | Equity      |           |
|-------------------------------|-------------|-----------|------------------------|-----------|-------------|-----------|
|                               | Gross<br>Rm | Net<br>Rm | Gross<br>Rm            | Net<br>Rm | Gross<br>Rm | Net<br>Rm |
| <b>Life risk</b>              |             |           |                        |           |             |           |
| Mortality rates (1% increase) | (113)       | (87)      | (22)                   | (22)      | (22)        | (22)      |
| Mortality rates (1% decrease) | 114         | 88        | 22                     | 22        | 21          | 21        |
| Morbidity rate (1% increase)  | (12)        | (8)       | (3)                    | (3)       | (3)         | (3)       |
| Morbidity rates (1% decrease) | 12          | 8         | 3                      | 3         | 3           | 3         |
| Expenses (5% increase)        | (109)       | (108)     | (26)                   | (26)      | (24)        | (24)      |
| Expenses (5% decrease)        | 109         | 109       | 26                     | 26        | 23          | 23        |
| Lapse rates (5% increase)     | (204)       | (208)     | 19                     | 19        | 14          | 14        |
| Lapse rates (5% decrease)     | 213         | 216       | (24)                   | (24)      | (16)        | (16)      |
| <b>Non - life</b>             |             |           |                        |           |             |           |
| Ultimate claims (5% increase) | N/A         | N/A       | (34)                   | (29)      | (27)        | (25)      |
| Ultimate claims (5% decrease) | N/A         | N/A       | 34                     | 29        | 27          | 25        |

|                               | CSM         |           | 2024<br>Profit or loss |           | Equity      |           |
|-------------------------------|-------------|-----------|------------------------|-----------|-------------|-----------|
|                               | Gross<br>Rm | Net<br>Rm | Gross<br>Rm            | Net<br>Rm | Gross<br>Rm | Net<br>Rm |
| <b>Life risk</b>              |             |           |                        |           |             |           |
| Mortality rates (1% increase) | (101)       | (73)      | (20)                   | (20)      | (20)        | (20)      |
| Mortality rates (1% decrease) | 102         | 72        | 19                     | 19        | 19          | 19        |
| Morbidity rate (1% increase)  | (10)        | (7)       | (3)                    | (3)       | (3)         | (3)       |
| Morbidity rates (1% decrease) | 10          | 7         | 3                      | 3         | 3           | 3         |
| Expenses (5% increase)        | (97)        | (96)      | (30)                   | (30)      | (30)        | (30)      |
| Expenses (5% decrease)        | 97          | 97        | 30                     | 30        | 30          | 30        |
| Lapse rates (5% increase)     | (193)       | (185)     | 9                      | 9         | 9           | 9         |
| Lapse rates (5% decrease)     | 205         | 197       | (10)                   | (10)      | (10)        | (10)      |
| <b>Non - life</b>             |             |           |                        |           |             |           |
| Ultimate claims (5% increase) | N/A         | N/A       | (39)                   | (31)      | (39)        | (31)      |
| Ultimate claims (5% decrease) | N/A         | N/A       | 39                     | 31        | 39          | 31        |

## Notes to the consolidated financial statements

For the year ended 31 December

### 57. Risk management

#### 57.7 Insurance risk management

57.7.11 Insurance risks applicable to both life and non-life insurance (continued)

##### 57.7.11.3 Interest Rate Risk

##### 57.7.11.3.1 Sensitivity analysis

The Group applies the bottom-up approach in determining the discount rate for both life and non-life insurance contracts. This approach involves an entity determining the discount rates by adjusting a liquid risk-free yield curve to reflect the differences between the liquidity characteristics of the financial instruments that underpin the rates observed in the market and the liquidity characteristics of the insurance contracts.

The South African entities apply a discount rate that is derived from an internally calculated swap curves whilst the Group's African regional operations apply a yield curve derived from bond yields of different durations.

Refer to the Group accounting policies, note 1.2.9: 'Insurance and reinsurance contracts', for more detail regarding the derivation of the interest rate assumptions.

An analysis of the Absa Group's sensitivity to a 0.5% parallel increase or decrease in market interest rates at the reporting date, assuming that all other variables remain constant, is presented below. The table below includes both insurance and reinsurance, Life and Non-Life contracts.

|                                      | CSM      |          | 2025<br>Profit or loss |          | Equity   |          |
|--------------------------------------|----------|----------|------------------------|----------|----------|----------|
|                                      | Increase | Decrease | Increase               | Decrease | Increase | Decrease |
|                                      | Rm       | Rm       | Rm                     | Rm       | Rm       | Rm       |
| Interest rates (0.5% parallel shift) | (72)     | 81       | (6)                    | 7        | 253      | (260)    |

|                                      | CSM      |          | 2024<br>Profit or loss |          | Equity   |          |
|--------------------------------------|----------|----------|------------------------|----------|----------|----------|
|                                      | Increase | Decrease | Increase               | Decrease | Increase | Decrease |
|                                      | Rm       | Rm       | Rm                     | Rm       | Rm       | Rm       |
| Interest rates (0.5% parallel shift) | (45)     | 49       | (2)                    | 2        | 210      | (211)    |

##### 57.7.11.3.2 Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The life insurance businesses are less exposed to liquidity risks due to the low risk of large cumulative claims. Liquidity risk is managed through close management of potential cash outflow in discussion with asset managers, as well as the use of a liquidity fund consisting of cash and money market investments – set aside to meet large outflows. Excess liquid assets are tracked for all insurance entities, against appetite set based on normal and stressed conditions.

Liquidity risk is managed in the non-life insurance businesses by investing in short-dated interest-earning assets, with limits on investments in less liquid assets such as preference shares, corporate bonds and equities.

## Notes to the consolidated financial statements

For the year ended 31 December

### 57. Risk management

#### 57.7 Insurance risk management

57.7.11 Insurance risks applicable to both life and non-life insurance (continued)

##### 57.7.11.3.2 Liquidity risk (continued)

##### 57.7.11.3.2.1 Maturity analyses

The following table provides a maturity analysis of the group's insurance and reinsurance contracts, which reflects the dates on which the cash flows are expected to occur.

Liabilities for remaining coverage measured under the PAA have been excluded from the analysis.

|                              | Group<br>2025                                   |                 |                   |                   |                   |                            |             |
|------------------------------|-------------------------------------------------|-----------------|-------------------|-------------------|-------------------|----------------------------|-------------|
|                              | Estimates of present value of future cash flows |                 |                   |                   |                   |                            | Total<br>Rm |
|                              | 1 year or less<br>Rm                            | 1-2 years<br>Rm | 2 - 3 years<br>Rm | 3 - 4 years<br>Rm | 4 - 5 years<br>Rm | More than 5<br>years<br>Rm |             |
| <b>Insurance Contracts</b>   |                                                 |                 |                   |                   |                   |                            |             |
| Assets                       | 1 116                                           | 1 026           | 815               | 650               | 531               | 3 076                      | 7 214       |
| Liabilities                  | (854)                                           | 645             | 526               | 427               | 341               | 186                        | 1 270       |
|                              | 262                                             | 1 671           | 1 341             | 1 077             | 872               | 3 262                      | 8 484       |
| <b>Reinsurance contracts</b> |                                                 |                 |                   |                   |                   |                            |             |
| Assets                       | ( 424)                                          | ( 9)            | ( 5)              | ( 2)              | 0                 | 57                         | (383)       |
| Liabilities                  | 502                                             | (60)            | (51)              | (43)              | (38)              | (325)                      | ( 16)       |
|                              | 78                                              | (69)            | (56)              | (45)              | (37)              | ( 268)                     | ( 399)      |

|                              | Group<br>2024                                   |                 |                   |                   |                   |                            |             |
|------------------------------|-------------------------------------------------|-----------------|-------------------|-------------------|-------------------|----------------------------|-------------|
|                              | Estimates of present value of future cash flows |                 |                   |                   |                   |                            |             |
|                              | 1 year or less<br>Rm                            | 1-2 years<br>Rm | 2 - 3 years<br>Rm | 3 - 4 years<br>Rm | 4 - 5 years<br>Rm | More than 5<br>years<br>Rm | Total<br>Rm |
| <b>Insurance Contracts</b>   |                                                 |                 |                   |                   |                   |                            |             |
| Assets                       | 829                                             | 773             | 609               | 499               | 403               | 2 502                      | 5 614       |
| Liabilities                  | (1 501)                                         | 706             | 500               | (91)              | (269)             | 631                        | (24)        |
|                              | (672)                                           | 1 479           | 1 109             | 408               | 134               | 3 133                      | 5 590       |
| <b>Reinsurance contracts</b> |                                                 |                 |                   |                   |                   |                            |             |
| Assets                       | 247                                             | 5               | (2)               | (16)              | (14)              | (159)                      | 61          |
| Liabilities                  | (74)                                            | (37)            | (29)              | (24)              | (19)              | (143)                      | (326)       |
|                              | 173                                             | (32)            | (31)              | (40)              | (33)              | (302)                      | (265)       |

The amounts from insurance contract liabilities that are payable on demand are set out below.

|                        | Group<br>2025                      |                          | Group<br>2024                     |                          |
|------------------------|------------------------------------|--------------------------|-----------------------------------|--------------------------|
|                        | Amounts payable<br>on demand<br>Rm | Carrying<br>amount<br>Rm | Amount payable<br>on demand<br>Rm | Carrying<br>amount<br>Rm |
| Life savings contracts | 2 218                              | 3 040                    | 2 265                             | 2 506                    |

## Notes to the consolidated financial statements

For the year ended 31 December

### 57. Risk management

#### 57.7 Insurance risk management

57.7.7.11 Insurance risks applicable to both life and non-life insurance (continued)

##### 57.7.11.4 Sovereign risk

Sovereign risk refers to the potential for financial loss arising from a government's inability or unwillingness to meet its debt obligations or from adverse policy actions that impact economic stability. This includes risks associated with political instability, currency controls, and deteriorating creditworthiness.

The life and non-life businesses are exposed to sovereign risk, particularly the ALAK entity, where political and economic instability may impact financial markets and government obligations. An increase in sovereign risk could lead to impairments in investments held by both life and non-life entities, adversely affecting financial performance and capital adequacy.

The level of sovereign risk is closely monitored through relevant governance committees and forums, with regular assessments of country-specific exposures. Where sovereign risk is deemed elevated and beyond the established risk appetite, appropriate risk mitigation actions are undertaken to safeguard the financial position of the business. These measures may include adjustments to investment allocations, stress testing for potential adverse scenarios, and engagement with relevant stakeholders to ensure proactive risk management.

##### 57.7.11.5 Insurance-related investment risks

Investment risk relates to the variability in the value of life and non-life shareholder assets and of assets backing policyholder liabilities. Interest rate/equity risk relates to the change in investment value of assets due to a change in market interest rates/equity performance. Foreign exchange risk is the risk that a change in the exchange rate could affect the financial results of the insurance entity. Investment risk is mitigated through diversified asset allocations and investment mandates.

For entities outside of South Africa, the shareholder funds are invested in property, money market type instruments and government bonds.

The Life insurance shareholders' funds in South Africa are invested predominantly in domestic cash investments.

Counterparty credit risk in respect of investments is managed by investing with a spread of issuers as required by the IPRMF.

Non-life investment assets are invested in short-dated interest-earning assets. The duration of interest-earning assets is monitored against a maximum effective duration.

##### 57.7.11.6 Absa Vehicle Management Solutions

The interest rate sensitivity analyses, liquidity maturity analyses and liquidity on demand disclosures include figures from Absa Vehicle Management Solutions (AVMS) in line with the requirements of the International Financial Reporting Standard 17 (IFRS17), which may include non-insurance operations in line with the definitions set out in the Standard.

AVMS is not a regulated insurer, falls outside the scope of the Insurance Principal Risk Management Framework (IPRMF) requirements, and does not manage its risks in alignment with the practices of regulated insurance entities within the group.

While AVMS is not subject to the IPRMF or regulatory requirements for insurers, it has established processes to effectively manage capital, market, interest rate, credit and liquidity risk in line with Absa Group Limited's Enterprise Risk Management Framework.

#### 57.7.12 Capital management for regulated insurance entities

##### 57.7.12.1 Regulatory capital

The Solvency Assessment Management (SAM) regime is a risk-based regulatory and solvency regime, prescribed by the Insurance Act of 2017, and applies to regulated insurance entities and insurance groups. Absa Financial Services entities' liabilities, capital and solvency positions will continue to be reported under parallel processes accordingly.

## Notes to the consolidated financial statements

For the year ended 31 December

The Solvency Capital Requirement (SCR) under SAM is determined using prescribed South African Prudential Standards Financial Soundness Standards for Insurers (FSI) methodology which is calibrated to correspond to the value-at-risk of an insurer's basic own funds at a confidence level of 99.5% over a one-year period (1-in-200 year event). The in-country solo capital requirements for AR insurance entities are based on relevant local regulatory requirements.

The AFS insurance group SCR is aggregated using SAM Deduction and Aggregation approach and is based on the Financial Soundness Standards for Insurance Groups (FSG). For aggregation into the insurance group, all solo insurance entities, including AR insurance entities, must apply the FSI methodology.

Current target capital levels and dividend policies for South African entities are set with reference to the SAM regulatory reporting regime, and for AR entities with reference to relevant local regulatory requirements.

### 57.7.12.2 Solvency position (unaudited)

The table below shows the regulatory capital position for the solo insurance entities as at 31 December 2025. The regulatory capital cover of South African entities pre-foreseeable dividends.

| Entity    | Country      | Type                | Solo in-country regulatory capital cover 2025 | Solo in-country regulatory capital cover 2024 |
|-----------|--------------|---------------------|-----------------------------------------------|-----------------------------------------------|
| Absa Life | South Africa | Life Insurance      | 1.51                                          | 1.42                                          |
| AIC       | South Africa | Non-life Insurance  | 1.81                                          | 1.52                                          |
| ARTIC     | South Africa | Non-life Insurance  | 2.11                                          | 1.57                                          |
| ALAK      | Kenya        | Life Insurance      | 1.18                                          | 1.41                                          |
| FAK       | Kenya        | Non-life Insurance  | 1.75                                          | 1.03                                          |
| AIRMS     | South Africa | Non-life Insurance  | N/A <sup>6</sup>                              | 2.57                                          |
| ALB       | Botswana     | Life Insurance      | N/A <sup>6</sup>                              | 3.95                                          |
| ALZ       | Zambia       | Life Insurance      | N/A <sup>6</sup>                              | 2.68                                          |
| GAM       | Mozambique   | Composite insurance | N/A <sup>6</sup>                              | 4.10                                          |

<sup>6</sup> This refers to the cover ratios of entities that were disposed of during FY2025.

The audited SAM solvency position for AFS as an insurance group as at 31 December 2025 will be submitted to the regulator by 30 April 2026. AFS is solvent as at 31 December 2025, with an unaudited capital cover of **1.49** before foreseeable dividends (31 December 2024: 1.33 pre dividend).

## Notes to the consolidated financial statements

For the year ended 31 December

### 57.8 Foreign Exchange and Inflation Risk

#### 57.8.1 Foreign exchange risk

The Group is exposed to two sources of foreign exchange risk, namely, transactional and translational risk.

##### Transactional foreign exchange risk

Transactional foreign exchange risk arises when the banking assets and liabilities are not denominated in the functional currency of the transacting entity. The Group's policy is for transactional foreign exchange risk to be concentrated and managed within the trading book. In accordance with the Group's policy, there were no significant net open currency positions outside the trading book at the reporting date that would give rise to material foreign exchange gains and losses being recognised in the statement of comprehensive income or in equity as a result of a foreign exchange rate shock.

##### Foreign currency translation sensitivity analysis

The following table depicts the carrying value of foreign currency net investments and the pre-tax impact on equity of a 5% change in the exchange rate between the ZAR and the relevant functional foreign currencies.

##### Functional foreign currency

|                      | Group                                 |                                                           |                                       |                                                           |
|----------------------|---------------------------------------|-----------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|
|                      | 2025                                  |                                                           | 2024                                  |                                                           |
|                      | Foreign currency net investment<br>Rm | Impact on equity from 5% currency translation shock<br>Rm | Foreign currency net investment<br>Rm | Impact on equity from 5% currency translation shock<br>Rm |
| Botswana pula        | 4 255                                 | 213                                                       | 4 510                                 | 226                                                       |
| Ghana cedi           | 9 383                                 | 469                                                       | 5 734                                 | 287                                                       |
| Kenya shilling       | 12 909                                | 645                                                       | 12 385                                | 619                                                       |
| Mauritian rupee      | 1 696                                 | 85                                                        | 1 684                                 | 84                                                        |
| Mozambican metical   | 3 221                                 | 161                                                       | 3 440                                 | 172                                                       |
| Namibian dollar      | 2                                     | -                                                         | 2                                     | -                                                         |
| Nigerian naira       | 46                                    | 2                                                         | 33                                    | 2                                                         |
| Seychelles rupee     | 1 118                                 | 56                                                        | 1 131                                 | 57                                                        |
| Pound sterling       | 1 119                                 | 56                                                        | 1 079                                 | 54                                                        |
| Tanzanian shilling   | 6 519                                 | 326                                                       | 6 068                                 | 303                                                       |
| Uganda shilling      | 4 363                                 | 218                                                       | 4 323                                 | 216                                                       |
| United States dollar | 8 479                                 | 424                                                       | 8 400                                 | 420                                                       |
| Zambia kwacha        | 4 699                                 | 235                                                       | 3 566                                 | 178                                                       |
|                      | <b>57 809</b>                         | <b>2 890</b>                                              | <b>52 355</b>                         | <b>2 618</b>                                              |

The exchange rate used to convert Absa Bank of Ghana balances at year end was **1.57GHS** (2024: 1.24GHS) as this was determined to be the rate the Group would be able to access on repatriation of funds to South Africa.

#### 57.8.2.1 Impact of hyperinflation during the current reporting period

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

#### 57.8.2.2 Impact of hyperinflation during the previous reporting period

The Ghanaian economy was assessed to be hyperinflationary for the period ending 31 December 2024, and hyperinflation accounting has been applied for the period. Accordingly, the results, cash flows and financial position of the Group's subsidiary, Absa Bank Ghana have been expressed in terms of the measuring unit at the previous reporting date.

The hyperinflation impact reduced the Group's profit after tax by R653m. The consumer price indices (which represent the general price indices), as published by the Ghana Statistical Services, were used in adjusting the historic cost local currency results and financial positions of the Group's Ghanaian subsidiary. The consumer price index for the previous year was 248.34. A movement in CPI for the previous reporting period of 23.9% was applied to restate the results of Absa Bank Ghana. As at 31 December 2024, the cumulative three-year inflation rate was 135%.

## Notes to the consolidated financial statements

For the year ended 31 December

### 58. Going concern

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

### 59. Events after the reporting period

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

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

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

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

### 60. Reportable Irregularity

In December 2025, the joint auditors reported a suspected reportable irregularity to IRBA in accordance with the provisions of section 45 of the Auditing Profession Act. They filed their second report in January 2026 confirming that, in their opinion, the reportable irregularity was no longer taking place.

This related to a former non-executive director who failed to disclose information that was relevant to the director's appointment. This director is no longer with the Group. This matter is now closed.

### 61. Directors' and prescribed officers' remuneration

The Group's Remuneration Committee's (RemCo) mandate includes ensuring that reward practices are aligned with shareholder interests, both in the performance of our employees and the values they uphold. The Group strives to promote reward practices that foster sustainable high performance and accordingly, the Group rewards both short and longer term performance. All elements of remuneration are benchmarked against the market, as well as local and international best practice. The RemCo reviews executive director and prescribed officer performance against a balanced scorecard of objectives, which ensures rigorous focus on business imperatives including, importantly, financial performance. The outcomes of this are a primary input to variable remuneration decisions. Risk management is carefully considered. The Group's remuneration approach complies with the regulatory and statutory provisions relating to remuneration governance, in all the countries where the Group operates and in accordance with relevant requirements in Africa and other relevant jurisdictions in which we conduct business operations.



## Notes to the consolidated financial statements

for the reporting period ended 31 December

61. Directors' and prescribed officers' remuneration *continued*

## Combined tables for 2025 total remuneration

## Executive directors

|                                                                  | Kenny Fihla        |            | Deon Raju         |            | Arrie Rautenbach |           |
|------------------------------------------------------------------|--------------------|------------|-------------------|------------|------------------|-----------|
|                                                                  | 2025<br>R          | 2024<br>R  | 2025<br>R         | 2024<br>R  | 2025<br>R        | 2024<br>R |
| <b>Awarded Remuneration</b>                                      |                    |            |                   |            |                  |           |
| Salary                                                           | 5 700 814          |            | 6 801 443         | 4 314 159  |                  | 8 048 346 |
| Medical Aid                                                      | 53 628             |            | 160 591           | 88 935     |                  | 155 450   |
| Retirement benefits                                              | 496 914            |            | 195 791           | 133 016    |                  | 149 164   |
| Other employee benefits                                          | 34 433             |            | 79 675            | 49 546     |                  | 91 170    |
| <b>Total fixed remuneration</b>                                  | <b>6 285 789</b>   |            | <b>7 237 500</b>  | 4 585 656  |                  | 8 444 130 |
| Cash award                                                       | 12 150 000         |            | 6 187 500         | 3 750 000  |                  |           |
| Deferred share award                                             | 11 150 000         |            | 5 187 500         | 2 750 000  |                  |           |
| <b>Total short-term incentives</b>                               | <b>23 300 000</b>  |            | <b>11 375 000</b> | 6 500 000  |                  |           |
| <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 |                  |           |
| <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 |
| <b>Cash-based buyout award</b>                                   | <b>20 721 416</b>  |            |                   |            |                  |           |
| <b>Share-based buyout award (face value)</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 |

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 with our disclosure approach. The share-based awards were communicated in a SENS announcement on 16 September 2025.

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued*

| Christopher Snyman |            | Total              |            |
|--------------------|------------|--------------------|------------|
| 2025<br>R          | 2024<br>R  | 2025<br>R          | 2024<br>R  |
|                    | 1 098 179  | <b>12 502 257</b>  | 13 460 684 |
|                    | 42 108     | <b>214 219</b>     | 286 493    |
|                    | 65 682     | <b>692 705</b>     | 347 862    |
|                    | 13 198     | <b>114 108</b>     | 153 914    |
|                    | 1 219 167  | <b>13 523 289</b>  | 14 248 953 |
|                    | 2 900 000  | <b>18 337 500</b>  | 6 650 000  |
|                    | 1 900 000  | <b>16 337 500</b>  | 4 650 000  |
|                    | 4 800 000  | <b>34 675 000</b>  | 11 300 000 |
|                    | 5 000 000  | <b>34 000 000</b>  | 35 999 913 |
|                    | 11 019 167 | <b>82 198 289</b>  | 61 548 866 |
|                    |            | <b>20 721 416</b>  |            |
|                    |            | <b>77 733 872</b>  |            |
|                    | 11 019 167 | <b>180 653 577</b> | 61 548 866 |

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.

## Notes to the consolidated financial statements

for the reporting period ended 31 December

61. Directors' and prescribed officers' remuneration *continued*

## Prescribed officers

Combined tables for 2025 total remuneration

|                                                           | Charles Russon    |                   | Christine Wu      |                   | Faisal Mkhize     |                   | Geoffrey Lee      |                   |
|-----------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Awarded Remuneration                                      | 2025<br>R         | 2024              | 2025<br>R         | 2024              | 2025<br>R         | 2024              | 2025<br>R         | 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         |
| Medical Aid                                               | 212 984           | 245 940           |                   |                   | 205 284           | 162 101           | 325 893           | 270 360           |
| Retirement benefits                                       | 154 665           | 196 856           | 402 547           | 255 463           | 423 616           | 405 801           | 198 591           | 199 160           |
| Other employee benefits                                   | 69 596            | 72 606            | 74 017            | 46 640            | 68 070            | 64 012            | 68 070            | 64 012            |
| <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>  |
| 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         |
| 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         |
| <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>  |
| 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         |
| <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> |

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.

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued*

| Saviour Chibiya   |            | Yasmin Masithela  |            | Mike Harvey       |      | Cowyk Fox |           | Total              |             |
|-------------------|------------|-------------------|------------|-------------------|------|-----------|-----------|--------------------|-------------|
| 2025<br>R         | 2024       | 2025<br>R         | 2024       | 2025<br>R         | 2024 | 2025<br>R | 2024      | 2025<br>R          | 2024        |
| <b>2 751 099</b>  | 3 403 037  | <b>4 500 856</b>  | 1 320 277  | <b>1 641 966</b>  |      |           | 1 573 564 | <b>31 269 902</b>  | 26 865 888  |
| <b>351 228</b>    | 463 636    | <b>133 538</b>    | 36 585     | <b>100 582</b>    |      |           | 30 613    | <b>1 329 509</b>   | 1 209 235   |
| <b>440 176</b>    | 486 264    | <b>140 290</b>    | 41 957     | <b>57 296</b>     |      |           | 62 078    | <b>1 817 181</b>   | 1 647 579   |
| <b>1 432 231</b>  | 1 757 638  | <b>46 426</b>     | 13 414     | <b>20 156</b>     |      |           | 19 339    | <b>1 778 566</b>   | 2 037 661   |
| <b>4 974 734</b>  | 6 110 576  | <b>4 821 110</b>  | 1 412 233  | <b>1 820 000</b>  |      |           | 1 685 594 | <b>36 195 158</b>  | 31 760 364  |
| <b>5 000 000</b>  | 3 250 000  | <b>6 000 000</b>  | 6 600 000  | <b>8 750 000</b>  |      |           |           | <b>40 500 000</b>  | 26 185 000  |
| <b>4 000 000</b>  | 2 250 000  | <b>5 000 000</b>  | 5 600 000  | <b>7 750 000</b>  |      |           |           | <b>33 500 000</b>  | 20 185 000  |
| <b>9 000 000</b>  | 5 500 000  | <b>11 000 000</b> | 12 200 000 | <b>16 500 000</b> |      |           |           | <b>74 000 000</b>  | 46 370 000  |
| <b>8 200 000</b>  | 8 500 000  | <b>8 700 000</b>  | 6 500 000  | <b>6 500 000</b>  |      |           |           | <b>64 900 000</b>  | 55 500 000  |
| <b>22 174 734</b> | 20 110 576 | <b>24 521 110</b> | 20 112 233 | <b>24 820 000</b> |      |           | 1 685 594 | <b>175 095 158</b> | 133 630 364 |

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.

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued***Outstanding share-based long-term incentives**

The table below outlines share-based and long-term incentive awards (awarded in respect of performance in a prior period).

|                                                | Group<br>2025                                                 |                                                                  |                                             |
|------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------|
|                                                | Number<br>of shares<br>under<br>award at<br>1 January<br>2025 | Number<br>of shares/<br>Trust units<br>awarded<br>during<br>2025 | Share price/<br>Unit value<br>on award<br>R |
| <b>Executive directors</b>                     |                                                               |                                                                  |                                             |
| <b>Kenny Fihla</b>                             |                                                               |                                                                  |                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 |                                                               | 1 032                                                            | 100.17                                      |
| Share incentive plan deferral 2025 – 2028      |                                                               | 79 357                                                           | 186.16                                      |
| Share incentive plan performance 2025          |                                                               | 107 434                                                          | 186.16                                      |
| Share Incentive Plan Retention Buyout award    |                                                               | 364 272                                                          | 172.84                                      |
| <b>Total</b>                                   | –                                                             | 552 095                                                          | –                                           |
| <b>Deon Raju</b>                               |                                                               |                                                                  |                                             |
| Share incentive plan deferral 2022 – 2025      | 5 189                                                         |                                                                  | 5 189                                       |
| Share incentive plan performance 2022          | 44 483                                                        |                                                                  | 30 114                                      |
| Share incentive plan deferral 2023 – 2026      | 11 034                                                        |                                                                  | 5 517                                       |
| Share incentive plan performance 2023          | 46 896                                                        |                                                                  |                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 1 032                                                         |                                                                  |                                             |
| Share incentive plan deferral 2024 – 2027      | 12 807                                                        |                                                                  | 4 269                                       |
| Share incentive plan performance (Apr) 2024    | 55 023                                                        |                                                                  |                                             |
| Share incentive plan performance (Sept) 2024   | 12 421                                                        |                                                                  |                                             |
| Share incentive plan deferral 2025 – 2028      |                                                               | 14 772                                                           | 186.16                                      |
| Share incentive plan performance 2025          |                                                               | 59 088                                                           | 186.16                                      |
| <b>Total</b>                                   | 188 885                                                       | 73 860                                                           | 45 089                                      |

Kenny Fihla's outstanding share-based long-term incentive awards include Share Incentive Plan Retention Buyout awards received as part of his appointment as Group Chief Executive Officer and an executive director on 17 June 2025.

Deon Raju's outstanding share-based long-term incentive awards include awards received prior to his appointment as Group Financial Director and an executive director on 26 April 2024.

The number of shares that vested for the 2022 Share Incentive Plan Performance awards was based on the measurement of the predetermined performance conditions linked to these awards.

On 1 September 2023, Absa implemented a B-BBEE transaction and staff incentivisation scheme, the Absa eKhaya Colleague Share Scheme, with awards in the form of Trust units (and corresponding Allocated Scheme Shares) made to eligible employees. The scheme will run over a period of five years.

The fair value of the awards is calculated based on the number of shares multiplied by the closing share price (R239.36), or the Trust Unit value (R148.20) in the case of eKhaya, on 31 December 2025. For the 2023 to 2025 Share Incentive Plan Performance awards, the fair value is calculated prior to the application of Group performance conditions, which will be tested at the end of the relevant performance period to determine the vesting outcome. Dividend equivalents may apply at the time of vesting on the number of shares that vest.

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued*

|                                         |                                       |                                                    | Group<br>2025                                                       |                                                                                         |                                 |                                   | Fair Value<br>of unvested<br>awards at<br>31 December<br>2025<br>R |
|-----------------------------------------|---------------------------------------|----------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|--------------------------------------------------------------------|
| Market price<br>on release<br>date<br>R | Value of<br>release<br>(pre-tax)<br>R | Value<br>of dividend<br>released<br>(pre-tax)<br>R | Number<br>of shares/<br>options<br>lapsed<br>(forfeited)<br>in 2025 | Number<br>of shares/<br>Trust units<br>under award/<br>option at<br>31 December<br>2025 | End of<br>performance<br>period | Last<br>scheduled<br>vesting date |                                                                    |
| –                                       | –                                     | –                                                  | –                                                                   | <b>1 032</b>                                                                            | 2028/09/01                      | 2028/09/01                        | 152 942                                                            |
| –                                       | –                                     | –                                                  | –                                                                   | <b>79 357</b>                                                                           | 2028/09/01                      | 2028/09/01                        | 18 994 892                                                         |
| –                                       | –                                     | –                                                  | –                                                                   | <b>107 434</b>                                                                          | 2028/09/01                      | 2028/09/01                        | 25 715 402                                                         |
| –                                       | –                                     | –                                                  | –                                                                   | <b>364 272</b>                                                                          | 2027/09/01                      | 2027/09/01                        | 87 192 146                                                         |
|                                         | –                                     | –                                                  | –                                                                   | <b>552 095</b>                                                                          |                                 |                                   | 132 055 382                                                        |
| 178.72                                  | 927 378                               | 236 268                                            | –                                                                   | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 5 381 974                             | 1 371 319                                          | <b>14 369</b>                                                       | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 985 998                               | 175 146                                            | –                                                                   | <b>5 517</b>                                                                            | 2026/04/01                      | 2026/04/01                        | 1 320 549                                                          |
|                                         |                                       |                                                    |                                                                     | <b>46 896</b>                                                                           | 2026/04/01                      | 2026/04/01                        | 11 225 027                                                         |
|                                         |                                       |                                                    |                                                                     | <b>1 032</b>                                                                            | 2028/09/01                      | 2028/09/01                        | 152 942                                                            |
| 178.72                                  | 762 956                               | 70 237                                             |                                                                     | <b>8 538</b>                                                                            | 2027/04/01                      | 2027/04/01                        | 2 043 656                                                          |
|                                         |                                       |                                                    |                                                                     | <b>55 023</b>                                                                           | 2027/04/01                      | 2027/04/01                        | 13 170 305                                                         |
|                                         |                                       |                                                    |                                                                     | <b>12 421</b>                                                                           | 2027/09/01                      | 2027/09/01                        | 2 973 091                                                          |
|                                         |                                       |                                                    |                                                                     | <b>14 772</b>                                                                           | 2028/04/03                      | 2028/04/03                        | 3 535 826                                                          |
|                                         |                                       |                                                    |                                                                     | <b>59 088</b>                                                                           | 2028/04/03                      | 2028/04/03                        | 14 143 304                                                         |
|                                         | 8 058 306                             | 1 852 970                                          | <b>14 369</b>                                                       | <b>203 287</b>                                                                          |                                 |                                   | 48 564 700                                                         |

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued***Outstanding share-based long-term incentives**

|                                                | Group<br>2025                                                 |                                                                  |                                             |
|------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------|
|                                                | Number<br>of shares<br>under<br>award at<br>1 January<br>2025 | Number<br>of shares/<br>Trust units<br>awarded<br>during<br>2025 | Share price/<br>Unit value<br>on award<br>R |
| <b>Prescribed officers</b>                     |                                                               |                                                                  |                                             |
| <b>Charles Russon</b>                          |                                                               |                                                                  |                                             |
| Share incentive plan performance 2020          | 22 686                                                        |                                                                  |                                             |
| Share incentive plan performance 2021          | 34 384                                                        |                                                                  |                                             |
| Share incentive plan deferral 2022 – 2025      | 10 658                                                        |                                                                  |                                             |
| Share incentive plan performance 2022          | 55 604                                                        |                                                                  |                                             |
| Share incentive plan deferral 2023 – 2026      | 23 908                                                        |                                                                  |                                             |
| Share incentive plan performance 2023          | 60 689                                                        |                                                                  |                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 860                                                           |                                                                  |                                             |
| Share incentive plan deferral 2024 – 2027      | 38 839                                                        |                                                                  |                                             |
| Share incentive plan performance 2024          | 77 679                                                        |                                                                  |                                             |
| Share incentive plan deferral 2025 – 2028      |                                                               | 33 573                                                           | 186.16                                      |
| Share incentive plan performance 2025          |                                                               | 80 575                                                           | 186.16                                      |
| <b>Total</b>                                   | <b>325 307</b>                                                | <b>114 148</b>                                                   |                                             |
| <b>Christine Wu</b>                            |                                                               |                                                                  |                                             |
| Share incentive plan deferral 2022 – 2025      | 2 659                                                         |                                                                  |                                             |
| Share incentive plan performance 2022          | 22 241                                                        |                                                                  |                                             |
| Share incentive plan deferral 2023 – 2026      | 5 989                                                         |                                                                  |                                             |
| Share incentive plan performance 2023          | 22 344                                                        |                                                                  |                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 1 032                                                         |                                                                  |                                             |
| Share incentive plan deferral 2024 – 2027      | 5 858                                                         |                                                                  |                                             |
| Share incentive plan performance (April) 2024  | 29 129                                                        |                                                                  |                                             |
| Share incentive plan performance (Sept) 2024   | 24 843                                                        |                                                                  |                                             |
| Share incentive plan deferral 2025 – 2028      |                                                               | 8 594                                                            | 186.16                                      |
| Share incentive plan performance 2025          |                                                               | 45 659                                                           | 186.16                                      |
| <b>Total</b>                                   | <b>114 095</b>                                                | <b>54 253</b>                                                    |                                             |
| <b>Faisal Mkhize</b>                           |                                                               |                                                                  |                                             |
| Share incentive plan deferral 2022– 2025       | 2 780                                                         |                                                                  |                                             |
| Share incentive plan performance (April) 2022  | 22 241                                                        |                                                                  |                                             |
| Share incentive plan performance (Sept) 2022   | 24 536                                                        |                                                                  |                                             |
| Share incentive plan deferral 2023 – 2026      | 11 034                                                        |                                                                  |                                             |
| Share incentive plan performance 2023          | 46 896                                                        |                                                                  |                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 1 032                                                         |                                                                  |                                             |
| Share incentive plan deferral 2024 – 2027      | 12 137                                                        |                                                                  |                                             |
| Share incentive plan performance 2024          | 48 549                                                        |                                                                  |                                             |
| Share incentive plan deferral 2025 – 2028      |                                                               | 10 071                                                           | 186.16                                      |
| Share incentive plan performance 2025          |                                                               | 45 659                                                           | 186.16                                      |
| <b>Total</b>                                   | <b>169 205</b>                                                | <b>55 730</b>                                                    |                                             |



## Notes to the consolidated financial statements

for the reporting period ended 31 December

61. Directors' and prescribed officers' remuneration *continued*

| Market price<br>on release<br>date<br>R | Value of<br>release<br>(pre-tax)<br>R | Value<br>of dividend<br>released<br>(pre-tax)<br>R | Group<br>2025                                                       |                                                                                         | End of<br>performance<br>period | Last<br>scheduled<br>vesting date | Fair Value<br>of unvested<br>awards at<br>31 December<br>2025<br>R |
|-----------------------------------------|---------------------------------------|----------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|--------------------------------------------------------------------|
|                                         |                                       |                                                    | Number<br>of shares/<br>options<br>lapsed<br>(forfeited)<br>in 2025 | Number<br>of shares/<br>Trust units<br>under award/<br>option at<br>31 December<br>2025 |                                 |                                   |                                                                    |
| 178.72                                  | 4 054 442                             | 1 529 664                                          | 17 961                                                              | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 3 072 554                             | 866 077                                            |                                                                     | 17 192                                                                                  | 2026/04/01                      | 2026/04/01                        | 4 115 077                                                          |
| 178.72                                  | 1 904 798                             | 485 225                                            |                                                                     | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 6 727 557                             | 1 714 104                                          |                                                                     | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 2 136 419                             | 379 423                                            |                                                                     | 11 954                                                                                  | 2026/04/01                      | 2026/04/01                        | 2 861 309                                                          |
|                                         |                                       |                                                    |                                                                     | 60 689                                                                                  | 2026/04/01                      | 2026/04/01                        | 14 526 519                                                         |
|                                         |                                       |                                                    |                                                                     | 860                                                                                     | 2028/09/01                      | 2028/09/01                        | 127 452                                                            |
| 178.72                                  | 2 313 709                             | 213 213                                            |                                                                     | 25 893                                                                                  | 2027/04/01                      | 2027/04/01                        | 6 197 748                                                          |
|                                         |                                       |                                                    |                                                                     | 77 679                                                                                  | 2027/04/01                      | 2027/04/01                        | 18 593 245                                                         |
|                                         |                                       |                                                    |                                                                     | 33 573                                                                                  | 2028/04/03                      | 2028/04/03                        | 8 036 033                                                          |
|                                         |                                       |                                                    |                                                                     | 80 575                                                                                  | 2028/04/03                      | 2028/04/03                        | 19 286 432                                                         |
|                                         | 20 209 479                            | 5 187 706                                          | 17 961                                                              | 308 415                                                                                 |                                 |                                   | 73 743 815                                                         |
| 178.72                                  | 475 216                               | 120 993                                            | –                                                                   | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 2 690 987                             | 685 570                                            | 7 184                                                               | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 535 266                               | 95 079                                             | –                                                                   | 2 994                                                                                   | 2026/04/01                      | 2026/04/01                        | 716 644                                                            |
|                                         |                                       |                                                    |                                                                     | 22 344                                                                                  | 2026/04/01                      | 2026/04/01                        | 5 348 260                                                          |
|                                         |                                       |                                                    |                                                                     | 1 032                                                                                   | 2028/09/01                      | 2028/09/01                        | 152 942                                                            |
| 178.72                                  | 349 040                               | 31 991                                             |                                                                     | 3 905                                                                                   | 2027/04/01                      | 2027/04/01                        | 934 701                                                            |
|                                         |                                       |                                                    |                                                                     | 29 129                                                                                  | 2027/04/01                      | 2027/04/01                        | 6 972 317                                                          |
|                                         |                                       |                                                    |                                                                     | 24 843                                                                                  | 2027/09/01                      | 2027/09/01                        | 5 946 420                                                          |
|                                         |                                       |                                                    |                                                                     | 8 594                                                                                   | 2028/04/03                      | 2028/04/03                        | 2 057 060                                                          |
|                                         |                                       |                                                    |                                                                     | 45 659                                                                                  | 2028/04/03                      | 2028/04/03                        | 10 928 938                                                         |
|                                         | 4 050 509                             | 933 633                                            | 7 184                                                               | 138 500                                                                                 |                                 |                                   | 33 057 282                                                         |
| 178.72                                  | 496 842                               | 126 534                                            | 7 184<br>7 926                                                      | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 2 690 987                             | 685 570                                            |                                                                     | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 188.59                                  | 3 132 480                             | 864 874                                            |                                                                     | –                                                                                       | 2025/09/01                      | 2025/09/01                        | –                                                                  |
| 178.72                                  | 985 998                               | 175 146                                            |                                                                     | 5 517                                                                                   | 2026/04/01                      | 2026/04/01                        | 1 320 549                                                          |
|                                         |                                       |                                                    |                                                                     | 46 896                                                                                  | 2026/04/01                      | 2026/04/01                        | 11 225 027                                                         |
|                                         |                                       |                                                    |                                                                     | 1 032                                                                                   | 2028/09/01                      | 2028/09/01                        | 152 942                                                            |
| 178.72                                  | 723 101                               | 66 484                                             |                                                                     | 8 091                                                                                   | 2027/04/01                      | 2027/04/01                        | 1 936 662                                                          |
|                                         |                                       |                                                    |                                                                     | 48 549                                                                                  | 2027/04/01                      | 2027/04/01                        | 11 620 689                                                         |
|                                         |                                       |                                                    |                                                                     | 10 071                                                                                  | 2028/04/03                      | 2028/04/03                        | 2 410 595                                                          |
|                                         |                                       |                                                    |                                                                     | 45 659                                                                                  | 2028/04/03                      | 2028/04/03                        | 10 928 938                                                         |
|                                         | 8 029 408                             | 1 918 608                                          | 15 110                                                              | 165 815                                                                                 |                                 |                                   | 39 595 402                                                         |



**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued***Outstanding share-based long-term incentives**

|                                                                        | Group<br>2025                                                 |                                                                  |                                             |
|------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------|
|                                                                        | Number<br>of shares<br>under<br>award at<br>1 January<br>2025 | Number<br>of shares/<br>Trust units<br>awarded<br>during<br>2025 | Share price/<br>Unit value<br>on award<br>R |
| <b>Prescribed officers</b>                                             |                                                               |                                                                  |                                             |
| <b>Geoffrey Lee</b>                                                    |                                                               |                                                                  |                                             |
| Share incentive plan deferral 2022 – 2025                              | 3 244                                                         |                                                                  |                                             |
| Share incentive plan performance (April) 2022                          | 22 241                                                        |                                                                  |                                             |
| Share incentive plan performance (Sept) 2022                           | 24 536                                                        |                                                                  |                                             |
| Share incentive plan deferral 2023 – 2026                              | 11 034                                                        |                                                                  |                                             |
| Share incentive plan performance 2023                                  | 46 896                                                        |                                                                  |                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028                         | 860                                                           |                                                                  |                                             |
| Share incentive plan deferral 2024 – 2027                              | 13 848                                                        |                                                                  |                                             |
| Share incentive plan performance (Apr) 2024                            | 61 496                                                        |                                                                  |                                             |
| Share incentive plan deferral 2025 – 2028                              |                                                               | 14 020                                                           | 186.16                                      |
| Share incentive plan performance 2025                                  |                                                               | 45 659                                                           | 186.16                                      |
| <b>Total</b>                                                           | <b>184 155</b>                                                | <b>59 679</b>                                                    |                                             |
| <b>Saviour Chibiya</b>                                                 |                                                               |                                                                  |                                             |
| Share incentive plan notional deferral 2022 – 2025                     | 3 706                                                         |                                                                  |                                             |
| Share incentive plan notional performance 2022                         | 33 362                                                        |                                                                  |                                             |
| Share incentive plan notional deferral 2023 – 2026                     | 11 034                                                        |                                                                  |                                             |
| Share incentive plan notional performance 2023                         | 46 896                                                        |                                                                  |                                             |
| Absa eKhaya Colleague Share Scheme: Phantom award (Zambia) 2023 – 2028 | 860                                                           |                                                                  |                                             |
| Share incentive plan notional deferral 2024 – 2027                     | 14 564                                                        |                                                                  |                                             |
| Share incentive plan notional performance (Apr) 2024                   | 29 129                                                        |                                                                  |                                             |
| Share incentive plan notional performance (Sept) 2024                  | 24 843                                                        |                                                                  |                                             |
| Share incentive plan deferral 2025 – 2028                              |                                                               | 12 086                                                           | 186.16                                      |
| Share incentive plan performance 2025                                  |                                                               | 45 659                                                           | 186.16                                      |
| <b>Total</b>                                                           | <b>164 394</b>                                                | <b>57 745</b>                                                    |                                             |

## Notes to the consolidated financial statements

for the reporting period ended 31 December

61. Directors' and prescribed officers' remuneration *continued*

| Market price<br>on release<br>date<br>R | Value of<br>release<br>(pre-tax)<br>R | Value<br>of dividend<br>released<br>(pre-tax)<br>R | Group<br>2025                                                       |                                                                                         | End of<br>performance<br>period | Last<br>scheduled<br>vesting date | Fair Value<br>of unvested<br>awards at<br>31 December<br>2025<br>R |
|-----------------------------------------|---------------------------------------|----------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|--------------------------------------------------------------------|
|                                         |                                       |                                                    | Number<br>of shares/<br>options<br>lapsed<br>(forfeited)<br>in 2025 | Number<br>of shares/<br>Trust units<br>under award/<br>option at<br>31 December<br>2025 |                                 |                                   |                                                                    |
| 178.72                                  | 579 768                               | 147 623                                            |                                                                     | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 2 690 987                             | 685 570                                            | 7 184                                                               | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 188.59                                  | 3 132 480                             | 864 874                                            | 7 926                                                               | –                                                                                       | 2025/09/01                      | 2025/09/01                        | –                                                                  |
| 178.72                                  | 985 998                               | 175 146                                            |                                                                     | 5 517                                                                                   | 2026/04/01                      | 2026/04/01                        | 1 320 549                                                          |
|                                         |                                       |                                                    |                                                                     | 46 896                                                                                  | 2026/04/01                      | 2026/04/01                        | 11 225 027                                                         |
|                                         |                                       |                                                    |                                                                     | 860                                                                                     | 2028/09/01                      | 2028/09/01                        | 127 452                                                            |
| 178.72                                  | 824 972                               | 75 956                                             |                                                                     | 9 232                                                                                   | 2027/04/01                      | 2027/04/01                        | 2 209 772                                                          |
|                                         |                                       |                                                    |                                                                     | 61 496                                                                                  | 2027/04/01                      | 2027/04/01                        | 14 719 683                                                         |
|                                         |                                       |                                                    |                                                                     | 14 020                                                                                  | 2028/04/03                      | 2028/04/03                        | 3 355 827                                                          |
|                                         |                                       |                                                    |                                                                     | 45 659                                                                                  | 2028/04/03                      | 2028/04/03                        | 10 928 938                                                         |
|                                         | 8 214 205                             | 1 949 169                                          | 15 110                                                              | 183 680                                                                                 |                                 |                                   | 43 887 248                                                         |
| 178.72                                  | 662 336                               | 168 712                                            | –                                                                   | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 4 036 570                             | 1 028 355                                          | 10 776                                                              | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 985 998                               | 175 146                                            | –                                                                   | 5 517                                                                                   | 2026/04/01                      | 2026/04/01                        | 1 320 549                                                          |
|                                         |                                       |                                                    |                                                                     | 46 896                                                                                  | 2026/04/01                      | 2026/04/01                        | 11 225 027                                                         |
|                                         |                                       |                                                    |                                                                     | 860                                                                                     | 2028/09/01                      | 2028/09/01                        | 127 452                                                            |
| 178.72                                  | 867 686                               | 79 888                                             |                                                                     | 9 709                                                                                   | 2027/04/01                      | 2027/04/01                        | 2 323 946                                                          |
|                                         |                                       |                                                    |                                                                     | 29 129                                                                                  | 2027/04/01                      | 2027/04/01                        | 6 972 317                                                          |
|                                         |                                       |                                                    |                                                                     | 24 843                                                                                  | 2027/09/01                      | 2027/09/01                        | 5 946 420                                                          |
|                                         |                                       |                                                    |                                                                     | 12 086                                                                                  | 2028/04/03                      | 2028/04/03                        | 2 892 905                                                          |
|                                         |                                       |                                                    |                                                                     | 45 659                                                                                  | 2028/04/03                      | 2028/04/03                        | 10 928 938                                                         |
|                                         | 6 552 590                             | 1 452 101                                          | 10 776                                                              | 174 699                                                                                 |                                 |                                   | 41 737 554                                                         |

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued***Outstanding share-based long-term incentives**

|                                                | Group<br>2025                                                 |                                                                  |                                             |
|------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------|
|                                                | Number<br>of shares<br>under<br>award at<br>1 January<br>2025 | Number<br>of shares/<br>Trust units<br>awarded<br>during<br>2025 | Share price/<br>Unit value<br>on award<br>R |
| <b>Prescribed officers</b>                     |                                                               |                                                                  |                                             |
| <b>Yasmin Masithela</b>                        |                                                               |                                                                  |                                             |
| Share incentive plan deferral 2022 – 2025      | 7 600                                                         |                                                                  |                                             |
| Share incentive plan performance 2022          | 22 241                                                        |                                                                  |                                             |
| Share incentive plan deferral 2023 – 2026      | 17 655                                                        |                                                                  |                                             |
| Share incentive plan performance 2023          | 24 827                                                        |                                                                  |                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 1 032                                                         |                                                                  |                                             |
| Share incentive plan deferral 2024 – 2027      | 33 661                                                        |                                                                  |                                             |
| Share incentive plan performance 2024          | 29 129                                                        |                                                                  |                                             |
| Share incentive plan deferral 2025 – 2028      |                                                               | 30 081                                                           | 186.16                                      |
| Share incentive plan performance 2025          |                                                               | 34 916                                                           | 186.16                                      |
| <b>Total</b>                                   | <b>136 145</b>                                                | <b>64 997</b>                                                    |                                             |
| <b>Mike Harvey</b>                             |                                                               |                                                                  |                                             |
| Share incentive plan deferral 2022 – 2025      | 12 233                                                        |                                                                  |                                             |
| Share incentive plan performance 2022          | 22 241                                                        |                                                                  |                                             |
| Share incentive plan deferral 2023 – 2026      | 24 827                                                        |                                                                  |                                             |
| Share incentive plan performance 2023          | 24 827                                                        |                                                                  |                                             |
| Share incentive plan deferral 2024 – 2027      | 37 221                                                        |                                                                  |                                             |
| Share incentive plan performance 2024          | 38 839                                                        |                                                                  |                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 860                                                           |                                                                  |                                             |
| Share incentive plan deferral 2025 – 2028      |                                                               | 37 602                                                           | 186.16                                      |
| Share incentive plan performance 2025          |                                                               | 34 916                                                           | 186.16                                      |
| <b>Total</b>                                   | <b>161 048</b>                                                | <b>72 518</b>                                                    |                                             |

The number of shares that vested for the 2022 Share Incentive Plan Performance awards was based on the measurement of the predetermined performance conditions linked to these awards.

Charles Russon's outstanding share-based long-term incentive awards include awards received prior to his appointment as Interim Group Chief Executive Officer and executive director for the period 15 October 2024 to 16 June 2025, prior to which he was a prescribed officer from 1 January to 14 October 2024. The last tranche of his 2021 share-based long-term incentive award is due to vest in 2026.

Charles Russon was a member of the Group Executive Committee at the time that the 2020 and 2021 Share Incentive Plan Performance awards were granted – these awards vest over a five year period. The 2020 awards vested during 2025 – the number of shares that vested was based on the measurement of the predetermined performance conditions linked to the Performance awards.

Faisal Mkhize's and Geoffrey Lee's outstanding share-based long-term incentive awards include awards received prior to becoming prescribed officers on 1 July 2022.

Christine Wu's outstanding share-based long-term incentive awards include awards received prior to her appointment as Chief Executive: Everyday Banking and a prescribed officer on 26 April 2024.

Yasmin Masithela's outstanding share-based long-term incentive awards include awards received prior to her appointment as Interim Chief Executive: Corporate and Investment Banking and a prescribed officer on 15 October 2024.

Mike Harvey's outstanding share-based long-term incentive awards include awards received prior to his appointment as Interim Chief Executive: Corporate and Investment Banking and a prescribed officer for the period 17 April 2025 to 31 July 2025.



## Notes to the consolidated financial statements

for the reporting period ended 31 December

### 61. Directors' and prescribed officers' remuneration *continued*

|                                         |                                       |                                                    | Group<br>2025                                                       |                                                                                         |                                 |                                   | Fair Value<br>of unvested<br>awards at<br>31 December<br>2025<br>R |
|-----------------------------------------|---------------------------------------|----------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|--------------------------------------------------------------------|
| Market price<br>on release<br>date<br>R | Value of<br>release<br>(pre-tax)<br>R | Value<br>of dividend<br>released<br>(pre-tax)<br>R | Number<br>of shares/<br>options<br>lapsed<br>(forfeited)<br>in 2025 | Number<br>of shares/<br>Trust units<br>under award/<br>option at<br>31 December<br>2025 | End of<br>performance<br>period | Last<br>scheduled<br>vesting date |                                                                    |
| 178.72                                  | 1 358 272                             | 346 002                                            | –                                                                   | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 2 690 987                             | 685 570                                            | <b>7 184</b>                                                        | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 1 577 561                             | 280 054                                            | –                                                                   | <b>8 828</b>                                                                            | 2026/04/01                      | 2026/04/01                        | 2 113 070                                                          |
|                                         |                                       |                                                    |                                                                     | <b>24 827</b>                                                                           | 2026/04/01                      | 2026/04/01                        | 5 942 591                                                          |
|                                         |                                       |                                                    |                                                                     | <b>1 032</b>                                                                            | 2028/09/01                      | 2028/09/01                        | 152 942                                                            |
| 178.72                                  | 2 005 238                             | 184 796                                            |                                                                     | <b>22 441</b>                                                                           | 2027/04/01                      | 2027/04/01                        | 5 371 478                                                          |
|                                         |                                       |                                                    |                                                                     | <b>29 129</b>                                                                           | 2027/04/01                      | 2027/04/01                        | 6 972 317                                                          |
|                                         |                                       |                                                    |                                                                     | <b>30 081</b>                                                                           | 2028/04/03                      | 2028/04/03                        | 7 200 188                                                          |
|                                         |                                       |                                                    |                                                                     | <b>34 916</b>                                                                           | 2028/04/03                      | 2028/04/03                        | 8 357 494                                                          |
|                                         | 7 632 058                             | 1 496 422                                          | <b>7 184</b>                                                        | <b>151 254</b>                                                                          |                                 |                                   | 36 110 080                                                         |
| 178.72                                  | 2 186 282                             | 556 892                                            |                                                                     | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 2 690 987                             | 685 570                                            | <b>7 184</b>                                                        | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
| 178.72                                  | 2 218 630                             | 394 078                                            |                                                                     | <b>12 413</b>                                                                           | 2026/04/01                      | 2026/04/01                        | 2 971 176                                                          |
|                                         |                                       |                                                    |                                                                     | <b>24 827</b>                                                                           | 2026/04/01                      | 2026/04/01                        | 5 942 591                                                          |
| 178.72                                  | 2 217 379                             | 204 277                                            |                                                                     | <b>24 814</b>                                                                           | 2027/04/01                      | 2027/04/01                        | 5 939 479                                                          |
|                                         |                                       |                                                    |                                                                     | <b>38 839</b>                                                                           | 2027/04/01                      | 2027/04/01                        | 9 296 503                                                          |
|                                         |                                       |                                                    |                                                                     | <b>860</b>                                                                              | 2028/09/01                      | 2028/09/01                        | 127 452                                                            |
|                                         |                                       |                                                    |                                                                     | <b>37 602</b>                                                                           | 2028/04/03                      | 2028/04/03                        | 9 000 415                                                          |
|                                         |                                       |                                                    |                                                                     | <b>34 916</b>                                                                           | 2028/04/03                      | 2028/04/03                        | 8 357 494                                                          |
|                                         | 9 313 278                             | 1 840 817                                          | <b>7 184</b>                                                        | <b>174 271</b>                                                                          |                                 |                                   | 41 635 110                                                         |

On 1 September 2023, Absa implemented a B-BBEE transaction and staff incentivisation scheme, the Absa eKhaya Colleague Share Scheme, with awards in the form of Trust units (and corresponding Allocated Scheme Shares) made to eligible employees. The scheme will run over a period of five years.

The fair value of the awards is calculated based on the number of shares multiplied by the closing share price (R239.36), or the Trust Unit value (R148.20) in the case of eKhaya, on 31 December 2025. For the 2023 to 2025 Share Incentive Plan Performance awards, the fair value is calculated prior to the application of Group performance conditions, which will be tested at the end of the relevant performance period to determine the vesting outcome. Dividend equivalents may apply at the time of vesting on the number of shares that vest.

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued***Outstanding share-based long-term incentives**

The table below outlines share-based and long-term incentive awards (awarded in respect of performance in a prior period).

|                                                | Group<br>2024                                                 |                                                                  |                                             |                                                             |
|------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|
|                                                | Number<br>of shares<br>under<br>award at<br>1 January<br>2024 | Number<br>of shares/<br>Trust units<br>awarded<br>during<br>2024 | Share price/<br>Unit value<br>on award<br>R | Number<br>of shares/<br>cash<br>released/<br>during<br>2024 |
| <b>Executive directors</b>                     |                                                               |                                                                  |                                             |                                                             |
| <b>Charles Russon</b>                          |                                                               |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2021 – 2024      | 10 463                                                        |                                                                  |                                             | 10 463                                                      |
| Long-term incentive award 2019                 | 4 187                                                         |                                                                  |                                             | 4 187                                                       |
| Share incentive plan performance 2020          | 45 371                                                        |                                                                  |                                             | 22 685                                                      |
| Share incentive plan performance 2021          | 54 927                                                        |                                                                  |                                             | 17 192                                                      |
| Share incentive plan deferral 2022 – 2025      | 21 315                                                        |                                                                  |                                             | 10 657                                                      |
| Share incentive plan performance 2022          | 55 604                                                        |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2023 – 2026      | 35 862                                                        |                                                                  |                                             | 11 954                                                      |
| Share incentive plan performance 2023          | 60 689                                                        |                                                                  |                                             |                                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 860                                                           |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2024 – 2027      |                                                               | 38 839                                                           | 154.48                                      |                                                             |
| Share incentive plan performance 2024          |                                                               | 77 679                                                           | 154.48                                      |                                                             |
| <b>Total</b>                                   | <b>289 278</b>                                                | <b>116 518</b>                                                   |                                             | <b>77 138</b>                                               |
| <b>Deon Raju</b>                               |                                                               |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2021 – 2024      | 980                                                           |                                                                  |                                             | 980                                                         |
| Share incentive plan performance 2021          | 31 387                                                        |                                                                  |                                             | 29 472                                                      |
| Share incentive plan deferral 2022 – 2025      | 10 379                                                        |                                                                  |                                             | 5 190                                                       |
| Share incentive plan performance 2022          | 44 483                                                        |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2023 – 2026      | 16 551                                                        |                                                                  |                                             | 5 517                                                       |
| Share incentive plan performance 2023          | 46 896                                                        |                                                                  |                                             |                                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 1 032                                                         |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2024 – 2027      |                                                               | 12 807                                                           | 154.48                                      |                                                             |
| Share incentive plan performance (Apr) 2024    |                                                               | 55 023                                                           | 154.48                                      |                                                             |
| Share incentive plan performance (Sept) 2024   |                                                               | 12 421                                                           | 161.01                                      |                                                             |
| <b>Total</b>                                   | <b>151 708</b>                                                | <b>80 251</b>                                                    |                                             | <b>41 159</b>                                               |

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued*

| Group<br>2024                           |                                       |                                                    |                                                                     |                                                                                         |                                 |                                   |                                                                    |
|-----------------------------------------|---------------------------------------|----------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|--------------------------------------------------------------------|
| Market price<br>on release<br>date<br>R | Value of<br>release<br>(pre-tax)<br>R | Value<br>of dividend<br>released<br>(pre-tax)<br>R | Number<br>of shares/<br>options<br>lapsed<br>(forfeited)<br>in 2024 | Number<br>of shares/<br>Trust units<br>under award/<br>option at<br>31 December<br>2024 | End of<br>performance<br>period | Last<br>scheduled<br>vesting date | Fair Value<br>of unvested<br>awards at<br>31 December<br>2024<br>R |
| 145.68                                  | 1 524 250                             | 264 701                                            | –                                                                   | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 153.07                                  | 640 904                               | 224 248                                            | –                                                                   | –                                                                                       | 2024/03/18                      | 2024/03/18                        | –                                                                  |
| 145.68                                  | 3 304 751                             | 862 717                                            | –                                                                   | 22 686                                                                                  | 2025/04/01                      | 2025/04/01                        | 4 304 669                                                          |
| 145.68                                  | 2 504 531                             | 435 000                                            | 3 351                                                               | 34 384                                                                                  | 2026/04/01                      | 2026/04/01                        | 6 524 364                                                          |
| 145.68                                  | 1 552 512                             | 231 194                                            | –                                                                   | 10 658                                                                                  | 2025/04/01                      | 2025/04/01                        | 2 022 356                                                          |
|                                         |                                       |                                                    |                                                                     | 55 604                                                                                  | 2025/04/01                      | 2025/04/01                        | 10 550 859                                                         |
| 145.68                                  | 1 741 459                             | 136 211                                            | –                                                                   | 23 908                                                                                  | 2026/04/01                      | 2026/04/01                        | 4 536 543                                                          |
|                                         |                                       |                                                    |                                                                     | 60 689                                                                                  | 2026/04/01                      | 2026/04/01                        | 11 515 738                                                         |
|                                         |                                       |                                                    |                                                                     | 860                                                                                     | 2028/09/01                      | 2028/09/01                        | 81 511                                                             |
|                                         |                                       |                                                    |                                                                     | 38 839                                                                                  | 2027/04/01                      | 2027/04/01                        | 7 369 700                                                          |
|                                         |                                       |                                                    |                                                                     | 77 679                                                                                  | 2027/04/01                      | 2027/04/01                        | 14 739 590                                                         |
|                                         | 11 268 407                            | 2 154 071                                          | 3 351                                                               | 325 307                                                                                 |                                 |                                   | 61 645 330                                                         |
| 145.68                                  | 142 766                               | 24 766                                             | –                                                                   | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 4 293 481                             | 745 736                                            | 1 915                                                               | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 756 079                               | 112 465                                            | –                                                                   | 5 189                                                                                   | 2025/04/01                      | 2025/04/01                        | 984 613                                                            |
|                                         |                                       |                                                    |                                                                     | 44 483                                                                                  | 2025/04/01                      | 2025/04/01                        | 8 440 649                                                          |
| 145.68                                  | 803 717                               | 62 788                                             | –                                                                   | 11 034                                                                                  | 2026/04/01                      | 2026/04/01                        | 2 093 702                                                          |
|                                         |                                       |                                                    |                                                                     | 46 896                                                                                  | 2026/04/01                      | 2026/04/01                        | 8 898 516                                                          |
|                                         |                                       |                                                    |                                                                     | 1 032                                                                                   | 2028/09/01                      | 2028/09/01                        | 97 813                                                             |
|                                         |                                       |                                                    |                                                                     | 12 807                                                                                  | 2027/04/01                      | 2027/04/01                        | 2 430 128                                                          |
|                                         |                                       |                                                    |                                                                     | 55 023                                                                                  | 2027/04/01                      | 2027/04/01                        | 10 440 614                                                         |
|                                         |                                       |                                                    |                                                                     | 12 421                                                                                  | 2027/09/01                      | 2027/09/01                        | 2 356 885                                                          |
|                                         | 5 996 043                             | 945 755                                            | 1 915                                                               | 188 885                                                                                 |                                 |                                   | 35 742 920                                                         |

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued***Outstanding share-based long-term incentives**

The table below outlines share-based and long-term incentive awards (awarded in respect of performance in a prior period).

|                                                | Group<br>2024                                                 |                                                                  |                                             |                                                             |
|------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|
|                                                | Number<br>of shares<br>under<br>award at<br>1 January<br>2024 | Number<br>of shares/<br>Trust units<br>awarded<br>during<br>2024 | Share price/<br>Unit value<br>on award<br>R | Number<br>of shares/<br>cash<br>released/<br>during<br>2024 |
| <b>Executive directors</b>                     |                                                               |                                                                  |                                             |                                                             |
| <b>Arrie Rautenbach</b>                        |                                                               |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2021 – 2024      | 12 554                                                        | –                                                                | –                                           | 12 554                                                      |
| Long-term incentive award 2019                 | 6 131                                                         | –                                                                | –                                           | 6 131                                                       |
| Share incentive plan performance 2020          | 59 503                                                        | –                                                                | –                                           | 29 751                                                      |
| Share incentive plan performance 2021          | 80 430                                                        | –                                                                | –                                           | 25 174                                                      |
| Share incentive plan deferral 2022 – 2025      | 21 315                                                        | –                                                                | –                                           | 10 657                                                      |
| Share incentive plan performance 2022          | 94 528                                                        | –                                                                | –                                           |                                                             |
| Share incentive plan deferral 2023 – 2026      | 48 275                                                        | –                                                                | –                                           | 16 092                                                      |
| Share incentive plan performance 2023          | 93 793                                                        | –                                                                | –                                           |                                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 860                                                           | –                                                                | –                                           |                                                             |
| Share incentive plan deferral 2024 – 2027      |                                                               | 37 545                                                           | 154.48                                      |                                                             |
| Share incentive plan performance 2024          |                                                               | 110 046                                                          | 154.48                                      |                                                             |
| <b>Total</b>                                   | <b>417 389</b>                                                | <b>147 591</b>                                                   |                                             | <b>100 359</b>                                              |
| <b>Christopher Snyman</b>                      |                                                               |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2021 – 2024      | 393                                                           |                                                                  |                                             | 393                                                         |
| Share incentive plan performance 2021          | 25 894                                                        |                                                                  |                                             | 24 314                                                      |
| Share incentive plan deferral 2022 – 2025      | 4 448                                                         |                                                                  |                                             | 2 224                                                       |
| Share incentive plan performance 2022          | 18 271                                                        |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2023 – 2026      | 8 275                                                         |                                                                  |                                             | 2 758                                                       |
| Share incentive plan performance 2023          | 19 304                                                        |                                                                  |                                             |                                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 860                                                           |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2024 – 2027      |                                                               | 10 519                                                           | 154.48                                      |                                                             |
| Share incentive plan performance 2024          |                                                               | 32 366                                                           | 154.48                                      |                                                             |
| <b>Total</b>                                   | <b>77 445</b>                                                 | <b>42 885</b>                                                    |                                             | <b>29 689</b>                                               |

Charles Russon's outstanding share-based long-term awards include awards received prior to his appointment as Interim Group Chief Executive Officer and executive director on 15 October 2024, prior to which he was a prescribed officer for 2023 and from 1 January to 14 October 2024. The last tranche of his 2021 share-based long-term incentive award is due to vest in 2026.

Deon Raju's outstanding share-based long-term incentive awards include awards received prior to his appointment as Group Financial Director and executive director on 26 April 2024.

Arrie Rautenbach's outstanding share-based long-term awards include awards received prior to his appointment as Group Chief Executive Officer and executive director on 29 March 2022.

Christopher Snyman's outstanding share-based long-term incentive awards include awards received prior to his appointment as Interim Group Financial Director and executive director between 22 November 2023 to 26 April 2024.

Christopher Snyman's and Deon Raju's 2021 to 2024 Share Incentive Plan Performance awards will vest after a period of three years. The number of shares to vest will be based on the measurement of the predetermined performance conditions linked to the Performance awards.

The number of shares that vested was based on the measurement of the predetermined performance conditions linked to the Share Incentive Plan Performance awards.



## Notes to the consolidated financial statements

for the reporting period ended 31 December

### 61. Directors' and prescribed officers' remuneration *continued*

| Group<br>2024                           |                                       |                                                    |                                                                     |                                                                                         |                                 |                                   |                                                                    |
|-----------------------------------------|---------------------------------------|----------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|--------------------------------------------------------------------|
| Market price<br>on release<br>date<br>R | Value of<br>release<br>(pre-tax)<br>R | Value<br>of dividend<br>released<br>(pre-tax)<br>R | Number<br>of shares/<br>options<br>lapsed<br>(forfeited)<br>in 2024 | Number<br>of shares/<br>Trust units<br>under award/<br>option at<br>31 December<br>2024 | End of<br>performance<br>period | Last<br>scheduled<br>vesting date | Fair Value<br>of unvested<br>awards at<br>31 December<br>2024<br>R |
| 145.68                                  | 1 828 867                             | 317 582                                            | –                                                                   | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 153.07                                  | 938 472                               | 328 335                                            | –                                                                   | –                                                                                       | 2024/03/18                      | 2024/03/18                        | –                                                                  |
| 145.68                                  | 4 334 126                             | 1 131 497                                          | –                                                                   | 29 752                                                                                  | 2025/04/01                      | 2025/04/01                        | 5 645 442                                                          |
| 145.68                                  | 3 667 348                             | 637 059                                            | 4 908                                                               | 50 348                                                                                  | 2026/04/01                      | 2026/04/01                        | 9 553 533                                                          |
| 145.68                                  | 1 552 512                             | 231 194                                            | –                                                                   | 10 658                                                                                  | 2025/04/01                      | 2025/04/01                        | 2 022 356                                                          |
|                                         |                                       |                                                    | –                                                                   | 94 528                                                                                  | 2025/04/01                      | 2025/04/01                        | 17 936 688                                                         |
| 145.68                                  | 2 344 283                             | 183 411                                            | –                                                                   | 32 183                                                                                  | 2026/04/01                      | 2026/04/01                        | 6 106 724                                                          |
|                                         |                                       |                                                    |                                                                     | 93 793                                                                                  | 2026/04/01                      | 2026/04/01                        | 17 797 222                                                         |
|                                         |                                       |                                                    |                                                                     | 860                                                                                     | 2028/09/01                      | 2028/09/01                        | 81 511                                                             |
|                                         |                                       |                                                    |                                                                     | 37 545                                                                                  | 2027/04/01                      | 2027/04/01                        | 7 124 164                                                          |
|                                         |                                       |                                                    |                                                                     | 110 046                                                                                 | 2027/04/01                      | 2027/04/01                        | 20 881 229                                                         |
|                                         | 14 665 608                            | 2 829 078                                          | 4 908                                                               | 459 713                                                                                 |                                 |                                   | 87 148 869                                                         |
| 145.68                                  | 57 252                                | 9 906                                              | –                                                                   | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 3 542 064                             | 615 207                                            | 1 580                                                               | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 323 992                               | 48 220                                             | –                                                                   | 2 224                                                                                   | 2025/04/01                      | 2025/04/01                        | 422 004                                                            |
|                                         |                                       |                                                    |                                                                     | 18 271                                                                                  | 2025/04/01                      | 2025/04/01                        | 3 466 922                                                          |
| 145.68                                  | 401 785                               | 31 321                                             | –                                                                   | 5 517                                                                                   | 2026/04/01                      | 2026/04/01                        | 1 046 851                                                          |
|                                         |                                       |                                                    |                                                                     | 19 304                                                                                  | 2026/04/01                      | 2026/04/01                        | 3 662 934                                                          |
|                                         |                                       |                                                    |                                                                     | 860                                                                                     | 2028/09/01                      | 2028/09/01                        | 81 511                                                             |
|                                         |                                       |                                                    |                                                                     | 10 519                                                                                  | 2027/04/01                      | 2027/04/01                        | 1 995 980                                                          |
|                                         |                                       |                                                    |                                                                     | 32 366                                                                                  | 2027/04/01                      | 2027/04/01                        | 6 141 449                                                          |
|                                         | 4 325 093                             | 704 654                                            | 1 580                                                               | 89 061                                                                                  |                                 |                                   | 16 817 651                                                         |

For all individuals who were executive directors at the time of granting the 2020 and 2021 Share Incentive Plan Performance awards, the awards vested over a five year period. The number of shares that vested was based on the measurement of the predetermined performance conditions linked to the Performance awards. For all executive directors, the 2022, 2023 and 2024 Share Incentive Plan Performance awards will vest over a three year period. This is aligned to a RemCo-approved amendment to the remuneration framework for improved alignment to market practice.

On 1 September 2023, Absa implemented a B-BBEE transaction and staff incentivisation scheme, the Absa eKhaya Colleague Share Scheme, with awards in the form

of Trust units (and corresponding Allocated Scheme Shares) made to eligible employees. The scheme will run over a period of five years.

The fair value of the awards is calculated based on the number of shares multiplied by the closing share price (R189.75), or the Trust Unit value (R94.78) in the case of eKhaya, on 31 December 2024. For the 2022 to 2024 Share Incentive Plan Performance awards, the fair value is calculated prior to the application of Group performance conditions, which will be tested at the end of the relevant performance period to determine the vesting outcome. Dividend equivalents may apply at the time of vesting on the number of shares that vest.



**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued***Outstanding share-based long-term incentives**

|                                                | Group<br>2024                                                 |                                                                  |                                             |                                                             |
|------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|
|                                                | Number<br>of shares<br>under<br>award at<br>1 January<br>2024 | Number<br>of shares/<br>Trust units<br>awarded<br>during<br>2024 | Share price/<br>Unit value<br>on award<br>R | Number<br>of shares/<br>cash<br>released/<br>during<br>2024 |
| <b>Prescribed officers</b>                     |                                                               |                                                                  |                                             |                                                             |
| <b>Christine Wu</b>                            |                                                               |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2021 – 2024      | 1 307                                                         |                                                                  |                                             | 1 307                                                       |
| Share incentive plan performance 2021          | 30 602                                                        |                                                                  |                                             | 28 735                                                      |
| Share incentive plan deferral 2022 – 2025      | 5 319                                                         |                                                                  |                                             | 2 660                                                       |
| Share incentive plan performance 2022          | 22 241                                                        |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2023 – 2026      | 8 984                                                         |                                                                  |                                             | 2 995                                                       |
| Share incentive plan performance 2023          | 22 344                                                        |                                                                  |                                             |                                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 1 032                                                         |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2024 – 2027      |                                                               | 5 858                                                            | 154.48                                      |                                                             |
| Share incentive plan performance (April) 2024  |                                                               | 29 129                                                           | 154.48                                      |                                                             |
| Share incentive plan performance (Sept) 2024   |                                                               | 24 843                                                           | 161.01                                      |                                                             |
| <b>Total</b>                                   | <b>91 829</b>                                                 | <b>59 830</b>                                                    |                                             | <b>35 697</b>                                               |
| <b>Faisal Mkhize</b>                           |                                                               |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2021 – 2024      | 1 046                                                         |                                                                  |                                             | 1 046                                                       |
| Share incentive plan performance 2021          | 26 679                                                        |                                                                  |                                             | 25 051                                                      |
| Share incentive plan deferral 2022 – 2025      | 5 560                                                         |                                                                  |                                             | 2 780                                                       |
| Share incentive plan performance (April) 2022  | 22 241                                                        |                                                                  |                                             |                                                             |
| Share incentive plan performance (Sept) 2022   | 24 536                                                        |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2023 – 2026      | 16 551                                                        |                                                                  |                                             | 5 517                                                       |
| Share incentive plan performance 2023          | 46 896                                                        |                                                                  |                                             |                                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 1 032                                                         |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2024 – 2027      |                                                               | 12 137                                                           | 154.48                                      |                                                             |
| Share incentive plan performance 2024          |                                                               | 48 549                                                           | 154.48                                      |                                                             |
| <b>Total</b>                                   | <b>144 541</b>                                                | <b>60 686</b>                                                    |                                             | <b>34 394</b>                                               |



## Notes to the consolidated financial statements

for the reporting period ended 31 December

### 61. Directors' and prescribed officers' remuneration *continued*

| Group<br>2024                           |                                       |                                                    |                                                                     |                                                                                         |                                 |                                   |                                                                    |
|-----------------------------------------|---------------------------------------|----------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|--------------------------------------------------------------------|
| Market price<br>on release<br>date<br>R | Value of<br>release<br>(pre-tax)<br>R | Value<br>of dividend<br>released<br>(pre-tax)<br>R | Number<br>of shares/<br>options<br>lapsed<br>(forfeited)<br>in 2024 | Number<br>of shares/<br>Trust units<br>under award/<br>option at<br>31 December<br>2024 | End of<br>performance<br>period | Last<br>scheduled<br>vesting date | Fair Value<br>of unvested<br>awards at<br>31 December<br>2024<br>R |
| 145.68                                  | 190 404                               | 33 069                                             | –                                                                   | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 4 186 115                             | 727 089                                            | 1 867                                                               | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 387 509                               | 57 689                                             | –                                                                   | 2 659                                                                                   | 2025/04/01                      | 2025/04/01                        | 504 545                                                            |
|                                         |                                       |                                                    |                                                                     | 22 241                                                                                  | 2025/04/01                      | 2025/04/01                        | 4 220 230                                                          |
| 145.68                                  | 436 312                               | 34 089                                             | –                                                                   | 5 989                                                                                   | 2026/04/01                      | 2026/04/01                        | 1 136 413                                                          |
|                                         |                                       |                                                    |                                                                     | 22 344                                                                                  | 2026/04/01                      | 2026/04/01                        | 4 239 774                                                          |
|                                         |                                       |                                                    |                                                                     | 1 032                                                                                   | 2028/09/01                      | 2028/09/01                        | 97 813                                                             |
|                                         |                                       |                                                    |                                                                     | 5 858                                                                                   | 2027/04/01                      | 2027/04/01                        | 1 111 556                                                          |
|                                         |                                       |                                                    |                                                                     | 29 129                                                                                  | 2027/04/01                      | 2027/04/01                        | 5 527 228                                                          |
|                                         |                                       |                                                    |                                                                     | 24 843                                                                                  | 2027/09/01                      | 2027/09/01                        | 4 713 959                                                          |
|                                         | 5 200 340                             | 851 936                                            | 1 867                                                               | 114 095                                                                                 |                                 |                                   | 21 551 518                                                         |
| 145.68                                  | 152 381                               | 26 368                                             | –                                                                   | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 3 649 430                             | 633 854                                            | 1 628                                                               | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 404 990                               | 60 166                                             | –                                                                   | 2 780                                                                                   | 2025/04/01                      | 2025/04/01                        | 527 505                                                            |
|                                         |                                       |                                                    |                                                                     | 22 241                                                                                  | 2025/04/01                      | 2025/04/01                        | 4 220 230                                                          |
|                                         |                                       |                                                    |                                                                     | 24 536                                                                                  | 2025/09/01                      | 2025/09/01                        | 4 655 706                                                          |
| 145.68                                  | 803 717                               | 62 788                                             |                                                                     | 11 034                                                                                  | 2026/04/01                      | 2026/04/01                        | 2 093 702                                                          |
|                                         |                                       |                                                    |                                                                     | 46 896                                                                                  | 2026/04/01                      | 2026/04/01                        | 8 898 516                                                          |
|                                         |                                       |                                                    |                                                                     | 1 032                                                                                   | 2028/09/01                      | 2028/09/01                        | 97 813                                                             |
|                                         |                                       |                                                    |                                                                     | 12 137                                                                                  | 2027/04/01                      | 2027/04/01                        | 2 302 996                                                          |
|                                         |                                       |                                                    |                                                                     | 48 549                                                                                  | 2027/04/01                      | 2027/04/01                        | 9 212 173                                                          |
|                                         | 5 010 518                             | 783 176                                            | 1 628                                                               | 169 205                                                                                 |                                 |                                   | 32 008 641                                                         |

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued***Outstanding share-based long-term incentives**

|                                                                        | Group<br>2024                                                 |                                                                  |                                             |                                                             |
|------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|
|                                                                        | Number<br>of shares<br>under<br>award at<br>1 January<br>2024 | Number<br>of shares/<br>Trust units<br>awarded<br>during<br>2024 | Share price/<br>Unit value<br>on award<br>R | Number<br>of shares/<br>cash<br>released/<br>during<br>2024 |
| <b>Prescribed officers</b>                                             |                                                               |                                                                  |                                             |                                                             |
| <b>Geoffrey Lee</b>                                                    |                                                               |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2021 – 2024                              | 1 307                                                         |                                                                  |                                             | 1 307                                                       |
| Share incentive plan performance 2021                                  | 26 679                                                        |                                                                  |                                             | 25 051                                                      |
| Share incentive plan deferral 2022 – 2025                              | 6 487                                                         |                                                                  |                                             | 3 243                                                       |
| Share incentive plan performance (April) 2022                          | 22 241                                                        |                                                                  |                                             |                                                             |
| Share incentive plan performance (Sept) 2022                           | 24 536                                                        |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2023 – 2026                              | 16 551                                                        |                                                                  |                                             | 5 517                                                       |
| Share incentive plan performance 2023                                  | 46 896                                                        |                                                                  |                                             |                                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028                         | 860                                                           |                                                                  |                                             |                                                             |
| Share incentive plan deferral 2024 – 2027                              |                                                               | 13 848                                                           | 154.48                                      |                                                             |
| Share incentive plan performance (Apr) 2024                            |                                                               | 61 496                                                           | 154.48                                      |                                                             |
| <b>Total</b>                                                           | <b>145 557</b>                                                | <b>75 344</b>                                                    |                                             | <b>35 118</b>                                               |
| <b>Saviour Chibiya</b>                                                 |                                                               |                                                                  |                                             |                                                             |
| Share incentive plan notional deferral 2021 – 2024                     | 1 439                                                         |                                                                  |                                             | 1 439                                                       |
| Share incentive plan notional performance 2021                         | 30 602                                                        |                                                                  |                                             | 28 735                                                      |
| Share incentive plan notional deferral 2022 – 2025                     | 7 413                                                         |                                                                  |                                             | 3 707                                                       |
| Share incentive plan notional performance 2022                         | 33 362                                                        |                                                                  |                                             |                                                             |
| Share incentive plan notional deferral 2023 – 2026                     | 16 551                                                        |                                                                  |                                             | 5 517                                                       |
| Share incentive plan notional performance 2023                         | 46 896                                                        |                                                                  |                                             |                                                             |
| Absa eKhaya Colleague Share Scheme: Phantom award (Zambia) 2023 – 2028 | 860                                                           |                                                                  |                                             |                                                             |
| Share incentive plan notional deferral 2024 – 2027                     | –                                                             | 14 564                                                           | 154.48                                      |                                                             |
| Share incentive plan notional performance (Apr) 2024                   | –                                                             | 29 129                                                           | 154.48                                      |                                                             |
| Share incentive plan notional performance (Sept) 2024                  | –                                                             | 24 843                                                           | 161.01                                      |                                                             |
| <b>Total</b>                                                           | <b>137 123</b>                                                | <b>68 536</b>                                                    |                                             | <b>39 398</b>                                               |

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

| Group<br>2024                           |                                       |                                                    |                                                                     |                                                                                         |                                 |                                   |                                                                    |
|-----------------------------------------|---------------------------------------|----------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|--------------------------------------------------------------------|
| Market price<br>on release<br>date<br>R | Value of<br>release<br>(pre-tax)<br>R | Value<br>of dividend<br>released<br>(pre-tax)<br>R | Number<br>of shares/<br>options<br>lapsed<br>(forfeited)<br>in 2024 | Number<br>of shares/<br>Trust units<br>under award/<br>option at<br>31 December<br>2024 | End of<br>performance<br>period | Last<br>scheduled<br>vesting date | Fair Value<br>of unvested<br>awards at<br>31 December<br>2024<br>R |
| 145.68                                  | 190 404                               | 33 069                                             | –                                                                   | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 3 649 430                             | 633 854                                            | 1 628                                                               | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 472 440                               | 70 218                                             | –                                                                   | 3 244                                                                                   | 2025/04/01                      | 2025/04/01                        | 615 549                                                            |
|                                         |                                       |                                                    |                                                                     | 22 241                                                                                  | 2025/04/01                      | 2025/04/01                        | 4 220 230                                                          |
|                                         |                                       |                                                    |                                                                     | 24 536                                                                                  | 2025/09/01                      | 2025/09/01                        | 4 655 706                                                          |
| 145.68                                  | 803 717                               | 62 788                                             | –                                                                   | 11 034                                                                                  | 2026/04/01                      | 2026/04/01                        | 2 093 702                                                          |
|                                         |                                       |                                                    |                                                                     | 46 896                                                                                  | 2026/04/01                      | 2026/04/01                        | 8 898 516                                                          |
|                                         |                                       |                                                    |                                                                     | 860                                                                                     | 2028/09/01                      | 2028/09/01                        | 81 511                                                             |
|                                         |                                       |                                                    |                                                                     | 13 848                                                                                  | 2027/04/01                      | 2027/04/01                        | 2 627 658                                                          |
|                                         |                                       |                                                    |                                                                     | 61 496                                                                                  | 2027/04/01                      | 2027/04/01                        | 11 668 866                                                         |
|                                         | 5 115 991                             | 799 929                                            | 1 628                                                               | 184 155                                                                                 |                                 |                                   | 34 861 738                                                         |
| 145.68                                  | 209 634                               | 36 274                                             | –                                                                   | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 4 186 115                             | 727 089                                            | 1 867                                                               | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 540 036                               | 80 415                                             | –                                                                   | 3 706                                                                                   | 2025/04/01                      | 2025/04/01                        | 703 214                                                            |
|                                         |                                       |                                                    |                                                                     | 33 362                                                                                  | 2025/04/01                      | 2025/04/01                        | 6 330 440                                                          |
| 145.68                                  | 803 717                               | 62 788                                             | –                                                                   | 11 034                                                                                  | 2026/04/01                      | 2026/04/01                        | 2 093 702                                                          |
|                                         |                                       |                                                    |                                                                     | 46 896                                                                                  | 2026/04/01                      | 2026/04/01                        | 8 898 516                                                          |
|                                         |                                       |                                                    |                                                                     | 860                                                                                     | 2028/09/01                      | 2028/09/01                        | 81 511                                                             |
|                                         |                                       |                                                    |                                                                     | 14 564                                                                                  | 2027/04/01                      | 2027/04/01                        | 2 763 519                                                          |
|                                         |                                       |                                                    |                                                                     | 29 129                                                                                  | 2027/04/01                      | 2027/04/01                        | 5 527 228                                                          |
|                                         |                                       |                                                    |                                                                     | 24 843                                                                                  | 2027/09/01                      | 2027/09/01                        | 4 713 959                                                          |
|                                         | 5 739 502                             | 906 566                                            | 1 867                                                               | 164 394                                                                                 |                                 |                                   | 31 112 089                                                         |

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

**61. Directors' and prescribed officers' remuneration** *continued***Outstanding share-based long-term incentives**

|                                                | Group<br>2024                                                 |                                                                  |                                             |
|------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------|
|                                                | Number<br>of shares<br>under<br>award at<br>1 January<br>2024 | Number<br>of shares/<br>Trust units<br>awarded<br>during<br>2024 | Share price/<br>Unit value<br>on award<br>R |
| <b>Prescribed officers</b>                     |                                                               |                                                                  |                                             |
| <b>Yasmin Masithela</b>                        |                                                               |                                                                  |                                             |
| Share incentive plan deferral 2021 – 2024      | 850                                                           |                                                                  |                                             |
| Share incentive plan performance 2021          | 31 387                                                        |                                                                  |                                             |
| Share incentive plan deferral 2022 – 2025      | 15 199                                                        |                                                                  |                                             |
| Share incentive plan performance 2022          | 22 241                                                        |                                                                  |                                             |
| Share incentive plan deferral 2023 – 2026      | 26 482                                                        |                                                                  |                                             |
| Share incentive plan performance 2023          | 24 827                                                        |                                                                  |                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 1 032                                                         |                                                                  |                                             |
| Share incentive plan deferral 2024 – 2027      |                                                               | 33 661                                                           | 154.48                                      |
| Share incentive plan performance 2024          |                                                               | 29 129                                                           | 154.48                                      |
| <b>Total</b>                                   | <b>122 018</b>                                                | <b>62 790</b>                                                    | <b>46 748</b>                               |
| <b>Cowyk Fox</b>                               |                                                               |                                                                  |                                             |
| Share incentive plan deferral 2021 – 2024      | 1 307                                                         |                                                                  |                                             |
| Share incentive plan performance 2021          | 29 817                                                        |                                                                  |                                             |
| Share incentive plan deferral 2022 – 2025      | 6 023                                                         |                                                                  |                                             |
| Share incentive plan performance (April) 2022  | 22 241                                                        |                                                                  |                                             |
| Share incentive plan performance (Sept) 2022   | 24 536                                                        |                                                                  |                                             |
| Share incentive plan deferral 2023 – 2026      | 16 551                                                        |                                                                  |                                             |
| Share incentive plan performance 2023          | 46 896                                                        |                                                                  |                                             |
| Absa eKhaya Colleague Share Scheme 2023 – 2028 | 860                                                           |                                                                  |                                             |
| Share incentive plan deferral 2024 – 2027      |                                                               | 9 813                                                            | 154.48                                      |
| Share incentive plan performance 2024          |                                                               | 29 129                                                           | 154.48                                      |
| <b>Total</b>                                   | <b>148 231</b>                                                | <b>38 942</b>                                                    | <b>37 834</b>                               |

The number of shares that vested was based on the measurement of the predetermined performance conditions linked to the Share Incentive Plan Performance awards.

Faisal Mkhize's, Cowyk Fox' and Geoffrey Lee's outstanding share-based long-term awards include awards received prior to becoming prescribed officers on 1 July 2022. Cowyk Fox ceased to be a prescribed officer on 22 April 2024.

Cowyk Fox' Share Incentive Plan awards were forfeited in full upon his notice of resignation on 22 April 2024.

Christine Wu's outstanding share-based long-term awards include awards received prior to her appointment as a prescribed officer on 26 April 2024.

Yasmin Masithela's outstanding share-based long-term awards include awards received prior to her appointment as a prescribed officer on 15 October 2024.

On 1 September 2023, Absa implemented a B-BBEE transaction and staff incentivisation scheme, the Absa eKhaya Colleague Share Scheme, with awards in the form of Trust units (and corresponding Allocated Scheme Shares) made to eligible employees. The scheme will run over a period of five years.

The fair value of the awards is calculated based on the number of shares multiplied by the closing share price (R189.75), or the Trust Unit value (R94.78) in the case of eKhaya, on 31 December 2024. For the 2022 to 2024 Share Incentive Plan Performance awards, the fair value is calculated prior to the application of Group performance conditions, which will be tested at the end of the relevant performance period to determine the vesting outcome. Dividend equivalents may apply at the time of vesting on the number of shares that vest.

**Notes to the consolidated financial statements**

for the reporting period ended 31 December

| Group<br>2024                           |                                       |                                                    |                                                                     |                                                                                         |                                 |                                   |                                                                    |
|-----------------------------------------|---------------------------------------|----------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|--------------------------------------------------------------------|
| Market price<br>on release<br>date<br>R | Value of<br>release<br>(pre-tax)<br>R | Value<br>of dividend<br>released<br>(pre-tax)<br>R | Number<br>of shares/<br>options<br>lapsed<br>(forfeited)<br>in 2024 | Number<br>of shares/<br>Trust units<br>under award/<br>option at<br>31 December<br>2024 | End of<br>performance<br>period | Last<br>scheduled<br>vesting date | Fair Value<br>of unvested<br>awards at<br>31 December<br>2024<br>R |
| 145.68                                  | 123 828                               | 21 415                                             | –                                                                   | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 4 293 481                             | 745 736                                            | 1 915                                                               | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 1 107 022                             | 164 764                                            | –                                                                   | 7 600                                                                                   | 2025/04/01                      | 2025/04/01                        | 1 442 100                                                          |
|                                         |                                       |                                                    |                                                                     | 22 241                                                                                  | 2025/04/01                      | 2025/04/01                        | 4 220 230                                                          |
| 145.68                                  | 1 285 917                             | 100 519                                            | –                                                                   | 17 655                                                                                  | 2026/04/01                      | 2026/04/01                        | 3 350 036                                                          |
|                                         |                                       |                                                    |                                                                     | 24 827                                                                                  | 2026/04/01                      | 2026/04/01                        | 4 710 923                                                          |
|                                         |                                       |                                                    |                                                                     | 1 032                                                                                   | 2028/09/01                      | 2028/09/01                        | 97 813                                                             |
|                                         |                                       |                                                    |                                                                     | 33 661                                                                                  | 2027/04/01                      | 2027/04/01                        | 6 387 175                                                          |
|                                         |                                       |                                                    |                                                                     | 29 129                                                                                  | 2027/04/01                      | 2027/04/01                        | 5 527 228                                                          |
|                                         | 6 810 248                             | 1 032 434                                          | 1 915                                                               | 136 145                                                                                 |                                 |                                   | 25 735 505                                                         |
| 145.68                                  | 190 404                               | 33 069                                             | –                                                                   | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 4 078 749                             | 708 442                                            | 1 819                                                               | –                                                                                       | 2024/04/02                      | 2024/04/02                        | –                                                                  |
| 145.68                                  | 438 788                               | 65 265                                             | 3 011                                                               | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
|                                         |                                       |                                                    | 22 241                                                              | –                                                                                       | 2025/04/01                      | 2025/04/01                        | –                                                                  |
|                                         |                                       |                                                    | 24 536                                                              | –                                                                                       | 2025/09/01                      | 2025/09/01                        | –                                                                  |
| 145.68                                  | 803 717                               | 62 788                                             | 11 034                                                              | –                                                                                       | 2026/04/01                      | 2026/04/01                        | –                                                                  |
|                                         |                                       |                                                    | 46 896                                                              | –                                                                                       | 2026/04/01                      | 2026/04/01                        | –                                                                  |
|                                         |                                       |                                                    | 860                                                                 | –                                                                                       | 2028/09/01                      | 2028/09/01                        | –                                                                  |
|                                         |                                       |                                                    | 9 813                                                               | –                                                                                       | 2027/04/01                      | 2027/04/01                        | –                                                                  |
|                                         |                                       |                                                    | 29 129                                                              | –                                                                                       | 2027/04/01                      | 2027/04/01                        | –                                                                  |
|                                         | 5 511 658                             | 869 564                                            | 149 339                                                             | –                                                                                       |                                 |                                   | –                                                                  |



## Notes to the consolidated financial statements

for the reporting period ended 31 December

### 61. Directors' and prescribed officers' remuneration *continued*

#### Group Chairman and Non-executive directors' fees

##### Non-executive directors' fees paid during 2025

| Directors             | Group Board<br>R  | Group Board committees<br>R | Absa Bank<br>R | Absa Financial Services<br>R | Other<br>R       | 2025 Total<br>R   | 2024 Total<br>R   |
|-----------------------|-------------------|-----------------------------|----------------|------------------------------|------------------|-------------------|-------------------|
| Alison Beck           | 884 985           | 940 028                     | –              | –                            | –                | 1 825 013         | 1 693 338         |
| Alpheus Mangale       | 869 527           | 936 784                     | –              | –                            | –                | 1 806 311         | 1 559 104         |
| Daisy Naidoo          | –                 | –                           | –              | –                            | –                | –                 | 1 375 578         |
| Fulvio Tonelli        | 979 835           | 1 527 994                   | –              | –                            | 675 979          | 3 183 808         | 2 668 940         |
| Ihron Rensburg        | 607 420           | 742 377                     | 61 240         | –                            | 265 200          | 1 676 237         | 2 150 914         |
| John Cummins          | 668 889           | 732 169                     | –              | –                            | –                | 1 401 058         | 1 822 227         |
| Luisa Diogo           | 880 347           | 649 779                     | –              | –                            | 350 986          | 1 881 112         | 3 757 194         |
| Nhlanhla Mjoli-Mncube | 1 258 620         | 1 033 742                   | 129 568        | –                            | 36 400           | 2 458 330         | 2 280 996         |
| Peter Mageza          | 975 506           | 1 645 467                   | 101 098        | –                            | –                | 2 722 071         | 2 474 422         |
| René van Wyk          | 4 087 177         | 1 161 450                   | 74 763         | –                            | –                | 5 323 390         | 3 074 177         |
| Rose Keanly           | 979 835           | 1 517 640                   | 129 568        | 1 108 908                    | –                | 3 735 951         | 3 254 691         |
| Sello Moloko          | 4 056 923         | –                           | –              | –                            | –                | 4 056 923         | 7 285 611         |
| Sindi Zilwa           | 608 102           | 909 501                     | –              | –                            | –                | 1 517 603         | –                 |
| Swithin Munyantwali   | –                 | –                           | –              | –                            | –                | –                 | 301 608           |
| Tasneem Abdool-Samad  | 986 327           | 2 084 313                   | 129 568        | 405 236                      | 805 752          | 4 411 196         | 3 971 848         |
| Zarina Bassa          | 608 102           | 649 799                     | –              | –                            | –                | 1 257 901         | –                 |
| <b>Total</b>          | <b>18 451 595</b> | <b>14 531 043</b>           | <b>625 805</b> | <b>1 514 144</b>             | <b>2 134 317</b> | <b>37 256 904</b> | <b>37 670 648</b> |

The Group Audit and Compliance Committee (GACC), Group Risk and Capital Management Committee (GRCMC), Group Remuneration Committee (RemCo) and Group Social, Sustainability and Ethics Committee (SSEC) chairmen received fees equal to two-and-a-half times, and the Information Technology Committee (ITC) chairman receives two-and-a-quarter times, the fee payable to the members of these committees. The chairmen of the remaining Board committees receive fees equal to twice the fee payable to the members of these committees.

Fulvio Tonelli is also a director on Absa Bank Kenya PLC board and member of their Audit and Risk Committee, and Strategy Committee (reported under Other). He was appointed as interim chairman of GRCMC and GCRC on 15 July 2025.

Ihron Rensburg was appointed as member of Absa Bank Board on 1 April 2025. He resigned from the Absa Group and Absa Bank boards on 31 August 2025. He was a member of RemCo, SSEC and Directors Affairs Committee (DAC) until the date of resignation. Ihron was the chairman of SSEC until the date of resignation.

John Cummins resigned from the Absa Group Board on 30 September 2025. He was a member of GRCMC, Group Credit Risk Committee (GCRC) and Models Committee (MC) until the date of resignation. John was the chairman of MC until the date of resignation.

Luisa Diogo also served as chairman of Global Alliance Seguros, S.A. until 1 April 2025, being the date of disposal of the company by Absa Group (reported under Other). She passed away on 16 January 2026.

Peter Mageza was appointed as member of Absa Bank Board on 1 April 2025.

René van Wyk was appointed as Chairman of Absa Group and Absa Bank boards on 15 July 2025. The fees applicable to René, as the

Group Chairman, cover chairmanship of the Absa Group and Absa Bank boards as well as membership of any board committees. He ceased to be a member of GACC, stepped down as chairman of GRCMC and GCRC (remained a member) and became a member of RemCo on this date.

Rose Keanly was appointed as chairman of Absa Financial Services Limited on 1 April 2025. She also joined the Absa Financial Services Africa Holdings Proprietary Limited board (a subsidiary of Absa Financial Services Limited) on the same date.

Sello Moloko resigned as Chairman of Absa Group and Absa Bank boards on 15 July 2025. He was a member of GRCMC, RemCo, SSEC and DAC until the date of resignation. The fees applicable to Sello, as the Group Chairman, covered chairmanship of the Absa Group and Absa Bank boards as well as membership of any board committees.

Sindi Zilwa was appointed to the Absa Group Board on 1 April 2025. She became a member of GACC, GRCMC, SSEC and ITC on this date.

Tasneem Abdool-Samad retired as chairman and member of Absa Financial Services Limited on 1 April 2025. She joined the Absa Financial Services Africa Holdings Proprietary Limited board (a subsidiary of Absa Financial Services Limited) as member and chairman on the same date. Tasneem is also the chairman of Absa Securities U. S. Inc. (reported under Other).

Zarina Bassa was appointed to the Absa Group Board on 1 April 2025. She became a member of GACC, GCRC and RemCo on this date.

The fees indicated above are exclusive of VAT. Where applicable, VAT has been levied by the non-executive directors and such fees plus VAT were paid to the non-executive directors concerned (subject to the issue of a valid tax invoice reflecting fees plus VAT).

# Company financial statements

|                                                 |     |
|-------------------------------------------------|-----|
| Company statement of financial position         | 279 |
| Company statement of comprehensive income       | 280 |
| Company statement of changes in equity          | 281 |
| Company statement of cash flows                 | 283 |
| Company summary of material accounting policies | 284 |
| Notes to the Company financial statements       | 286 |



## Company statement of financial position

as at 31 December

|                                          |      | Company       |               |                 |
|------------------------------------------|------|---------------|---------------|-----------------|
|                                          |      |               | Restated      |                 |
|                                          | Note | 2025<br>Rm    | 2024<br>Rm    | 1 January<br>Rm |
| <b>Assets</b>                            |      |               |               |                 |
| Trading portfolio assets                 |      | 2             | 1             | 4               |
| Other assets                             | 2    | 306           | 64            | 30              |
| Current tax assets                       |      | 24            | 2             | -               |
| Loans and advances                       | 3    | 828           | 533           | 3 378           |
| Subsidiaries                             | 4    | 98 187        | 97 464        | 93 023          |
| Deferred tax assets                      | 5    | 1             | 7             | 9               |
| <b>Total assets</b>                      |      | <b>99 348</b> | <b>98 071</b> | <b>96 444</b>   |
| <b>Liabilities</b>                       |      |               |               |                 |
| Other liabilities                        | 6    | 287           | 281           | 310             |
| Current tax liabilities                  |      | 298           | -             | 22              |
| Loans from Absa Group Companies          | 7    | 3 333         | 4 771         | 4 428           |
| Subordinated debt                        | 8    | 22 668        | 21 528        | 19 057          |
| <b>Total liabilities</b>                 |      | <b>26 586</b> | <b>26 580</b> | <b>23 817</b>   |
| <b>Equity</b>                            |      |               |               |                 |
| <b>Capital and reserves</b>              |      |               |               |                 |
| Attributable to ordinary equity holders: |      |               |               |                 |
| Share capital                            | 9    | 1 789         | 1 789         | 1 789           |
| Share premium                            | 9    | 32 092        | 31 785        | 31 616          |
| Retained earnings                        |      | 27 107        | 26 953        | 29 845          |
| Other reserves                           |      | 1 676         | 1 290         | 1 115           |
|                                          |      | 62 664        | 61 817        | 64 365          |
| Other equity: Additional Tier 1 capital  | 10   | 10 098        | 9 674         | 8 262           |
| <b>Total equity</b>                      |      | <b>72 762</b> | <b>71 491</b> | <b>72 627</b>   |
| <b>Total liabilities and equity</b>      |      | <b>99 348</b> | <b>98 071</b> | <b>96 444</b>   |

The Company Statement of financial position has been restated. Refer to the accounting policies, in note 1.2.1 for further information.

## Company statement of comprehensive income

for the reporting period ended 31 December

|                                                                             | Note | Company<br>2025<br>Rm | 2024<br>Rm    |
|-----------------------------------------------------------------------------|------|-----------------------|---------------|
| Interest income                                                             |      | 1 922                 | 2 455         |
| Interest expense                                                            |      | (1 303)               | (1 687)       |
| Non-interest income                                                         |      | 15 067                | 10 185        |
| Gains and losses from investment activities                                 | 11   | 14 153                | 9 124         |
| Other operating income                                                      | 12   | 914                   | 1 061         |
| <b>Total income</b>                                                         |      | <b>15 686</b>         | <b>10 953</b> |
| Credit impairment charges                                                   |      | (8)                   | 14            |
| <b>Operating income before operating expenditure</b>                        |      | <b>15 678</b>         | <b>10 967</b> |
| Operating expenditure                                                       |      | 202                   | (69)          |
| Operating expenses                                                          | 13   | (79)                  | (56)          |
| (Other impairments)/reversal of impairments                                 | 14   | 281                   | (13)          |
| <b>Operating profit before income tax</b>                                   |      | <b>15 880</b>         | <b>10 898</b> |
| Taxation expense                                                            | 15   | (722)                 | (438)         |
| <b>Profit for the reporting period</b>                                      |      | <b>15 158</b>         | <b>10 460</b> |
| <b>Profit attributable to:</b>                                              |      |                       |               |
| Ordinary equity holders                                                     |      | 14 107                | 9 361         |
| Other equity: Additional Tier 1 capital                                     |      | 1 051                 | 1 099         |
| <b>Profit for the reporting period</b>                                      |      | <b>15 158</b>         | <b>10 460</b> |
| <b>Profit for the reporting period</b>                                      |      | <b>15 158</b>         | <b>10 460</b> |
| <b>Other comprehensive income</b>                                           |      |                       |               |
| <b>Items that are or may be subsequently reclassified to profit or loss</b> |      | <b>122</b>            | <b>(4)</b>    |
| Movement in cash flow hedging reserve                                       |      | 122                   | (4)           |
| Fair value movements                                                        |      | 122                   | (4)           |
| <b>Total comprehensive income for the reporting period</b>                  |      | <b>15 280</b>         | <b>10 456</b> |
| <b>Total comprehensive income attributable to:</b>                          |      |                       |               |
| Ordinary equity holders                                                     |      | 14 229                | 9 357         |
| Other equity: Additional Tier 1 capital                                     |      | 1 051                 | 1 099         |
|                                                                             |      | <b>15 280</b>         | <b>10 456</b> |

Interest income and interest expense are recognised as a result of the application of the effective interest method to the Company's amortised cost financial instruments.

Gains or losses from investment activities, which includes dividends received, and interest income is considered revenue.

## Company statement of changes in equity

for the reporting period ended 31 December

|                                                                                        | Company                        |                  |                  |                      |                         |                              |                                |                                                                 |                                            |                 |
|----------------------------------------------------------------------------------------|--------------------------------|------------------|------------------|----------------------|-------------------------|------------------------------|--------------------------------|-----------------------------------------------------------------|--------------------------------------------|-----------------|
|                                                                                        | 2025                           |                  |                  |                      |                         |                              |                                |                                                                 |                                            |                 |
|                                                                                        | Number of ordinary shares '000 | Share capital Rm | Share premium Rm | Retained earnings Rm | Total other reserves Rm | Cash flow hedging reserve Rm | Share-based payment reserve Rm | Capital and reserves attributable to ordinary equity holders Rm | Other equity: Additional Tier 1 Capital Rm | Total equity Rm |
| <b>Balance at the beginning of the reporting period</b>                                | <b>894 376</b>                 | <b>1 789</b>     | <b>31 785</b>    | <b>26 953</b>        | <b>1 290</b>            | <b>8</b>                     | <b>1 282</b>                   | <b>61 817</b>                                                   | <b>9 674</b>                               | <b>71 491</b>   |
| Total comprehensive income                                                             | -                              | -                | -                | <b>14 107</b>        | <b>122</b>              | <b>122</b>                   | -                              | <b>14 229</b>                                                   | <b>1 051</b>                               | <b>15 280</b>   |
| Profit for the period                                                                  | -                              | -                | -                | <b>14 107</b>        | -                       | -                            | -                              | <b>14 107</b>                                                   | <b>1 051</b>                               | <b>15 158</b>   |
| Other comprehensive income                                                             | -                              | -                | -                | -                    | <b>122</b>              | <b>122</b>                   | -                              | <b>122</b>                                                      | -                                          | <b>122</b>      |
| Dividends paid during the reporting period                                             | -                              | -                | -                | <b>(13 953)</b>      | -                       | -                            | -                              | <b>(13 953)</b>                                                 | -                                          | <b>(13 953)</b> |
| Distributions paid during the reporting period                                         | -                              | -                | -                | -                    | -                       | -                            | -                              | -                                                               | <b>(1 051)</b>                             | <b>(1 051)</b>  |
| Issuance of Additional Tier 1 capital                                                  | -                              | -                | -                | -                    | -                       | -                            | -                              | -                                                               | <b>3 009</b>                               | <b>3 009</b>    |
| Redemption of Additional Tier 1 capital                                                | -                              | -                | -                | -                    | -                       | -                            | -                              | -                                                               | <b>(2 585)</b>                             | <b>(2 585)</b>  |
| Purchase of Group shares in respect of equity-settled share based payment arrangements | -                              | -                | <b>307</b>       | -                    | -                       | -                            | -                              | <b>307</b>                                                      | -                                          | <b>307</b>      |
| Movement in share-based payment reserve                                                | -                              | -                | -                | -                    | <b>264</b>              | -                            | <b>264</b>                     | <b>264</b>                                                      | -                                          | <b>264</b>      |
| Value of employee services                                                             | -                              | -                | -                | -                    | <b>264</b>              | -                            | <b>264</b>                     | <b>264</b>                                                      | -                                          | <b>264</b>      |
| <b>Balance at the end of the reporting period</b>                                      | <b>894 376</b>                 | <b>1 789</b>     | <b>32 092</b>    | <b>27 107</b>        | <b>1 676</b>            | <b>130</b>                   | <b>1 546</b>                   | <b>62 664</b>                                                   | <b>10 098</b>                              | <b>72 762</b>   |
| Note                                                                                   | 9                              | 9                | 9                |                      |                         |                              |                                |                                                                 | 10                                         |                 |

## Company statement of changes in equity

for the reporting period ended 31 December

Company

2024

|                                                                                              | Number of<br>ordinary<br>shares<br>'000 | Share<br>capital<br>Rm | Share<br>premium<br>Rm | Retained<br>earnings<br>Rm | Total<br>other<br>reserves<br>Rm | Cash flow<br>hedging<br>reserve<br>Rm | Share-<br>based<br>payment<br>reserve<br>Rm | Capital and<br>reserves<br>attributable<br>to ordinary<br>equity<br>holders<br>Rm | Other<br>equity:<br>Additional<br>Tier 1<br>Capital<br>Rm | Total<br>equity<br>Rm |
|----------------------------------------------------------------------------------------------|-----------------------------------------|------------------------|------------------------|----------------------------|----------------------------------|---------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------|
| <b>Balance as reported at the end of<br/>the previous reporting period</b>                   | 894 376                                 | 1 789                  | 31 616                 | 29 845                     | 1 115                            | 12                                    | 1 103                                       | 64 365                                                                            | 8 262                                                     | 72 627                |
| Total comprehensive income                                                                   | -                                       | -                      | -                      | 9 361                      | (4)                              | (4)                                   | -                                           | 9 357                                                                             | 1 099                                                     | 10 456                |
| Profit for the period                                                                        | -                                       | -                      | -                      | 9 361                      | -                                | -                                     | -                                           | 9 361                                                                             | 1 099                                                     | 10 460                |
| Other comprehensive income                                                                   | -                                       | -                      | -                      | -                          | (4)                              | (4)                                   | -                                           | (4)                                                                               | -                                                         | (4)                   |
| Dividends paid during the reporting<br>period                                                | -                                       | -                      | -                      | (12 253)                   | -                                | -                                     | -                                           | (12 253)                                                                          | -                                                         | (12 253)              |
| Distributions paid during the<br>reporting period                                            | -                                       | -                      | -                      | -                          | -                                | -                                     | -                                           | -                                                                                 | (1 099)                                                   | (1 099)               |
| Issuance of Additional Tier 1 capital                                                        | -                                       | -                      | -                      | -                          | -                                | -                                     | -                                           | -                                                                                 | 3 090                                                     | 3 090                 |
| Redemption of Additional Tier 1                                                              | -                                       | -                      | -                      | -                          | -                                | -                                     | -                                           | -                                                                                 | (1 678)                                                   | (1 678)               |
| Purchase of Group shares in respect<br>of equity-settled share based<br>payment arrangements | -                                       | -                      | 169                    | -                          | -                                | -                                     | -                                           | 169                                                                               | -                                                         | 169                   |
| Movement in share-based payment<br>reserve                                                   | -                                       | -                      | -                      | -                          | 179                              | -                                     | 179                                         | 179                                                                               | -                                                         | 179                   |
| Value of employee services                                                                   | -                                       | -                      | -                      | -                          | 179                              | -                                     | 179                                         | 179                                                                               | -                                                         | 179                   |
| <b>Balance at the end of the reporting<br/>period</b>                                        | <b>894 376</b>                          | <b>1 789</b>           | <b>31 785</b>          | <b>26 953</b>              | <b>1 290</b>                     | <b>8</b>                              | <b>1 282</b>                                | <b>61 817</b>                                                                     | <b>9 674</b>                                              | <b>71 491</b>         |
| Note                                                                                         | 9                                       | 9                      | 9                      |                            |                                  |                                       |                                             |                                                                                   | 10                                                        |                       |

## Company statement of cash flows

|                                                                                        | Note | Company<br>2025<br>Rm | 2024<br>Rm     |
|----------------------------------------------------------------------------------------|------|-----------------------|----------------|
| <b>Cash flow from operating activities</b>                                             |      |                       |                |
| Profit before tax                                                                      |      | 15 880                | 10 898         |
| <b>Adjustment of non-cash items</b>                                                    |      |                       |                |
| Interest income                                                                        |      | (1 922)               | (2 455)        |
| Interest expense                                                                       |      | 1 303                 | 1 687          |
| Foreign exchange movements                                                             |      | 137                   | 39             |
| Dividend income                                                                        |      | (15 205)              | (10 224)       |
| Impairment/(Reversal) of impairment of subsidiary                                      |      | (281)                 | 13             |
| Other non-cash items                                                                   |      | 10                    | -              |
| Cash flow from operating activities before changes in operating assets and liabilities |      | (78)                  | (42)           |
| Net (increase) in other assets                                                         |      | -                     | (21)           |
| Interest received                                                                      |      | 2 186                 | 2 422          |
| Dividends received                                                                     |      | 14 679                | 9 851          |
| Interest paid                                                                          |      | (1 601)               | (1 688)        |
| Income taxes paid                                                                      |      | (149)                 | (72)           |
| <b>Net cash generated from operating activities</b>                                    |      | <b>15 037</b>         | <b>10 450</b>  |
| <b>Cash flow from investing activities</b>                                             |      |                       |                |
| Debt instruments issued by subsidiaries                                                |      | (6 151)               | (5 409)        |
| Proceeds from the repayment of debt instruments issued by subsidiaries                 |      | 4 939                 | 3 075          |
| Additional Tier 1 Capital issued by subsidiaries                                       |      | (3 009)               | (3 090)        |
| Redemption of Additional Tier 1 Capital issued by subsidiaries                         |      | 2 585                 | 1 678          |
| Acquisition of investment in subsidiaries                                              |      | -                     | (18)           |
| <b>Net cash utilised in investing activities</b>                                       |      | <b>(1 636)</b>        | <b>(3 764)</b> |
| <b>Cash flow from financing activities</b>                                             |      |                       |                |
| Dividends paid                                                                         |      | (13 940)              | (12 273)       |
| Issue of Additional Tier 1 capital                                                     |      | 3 009                 | 3 090          |
| Redemption of Additional Tier 1 capital                                                |      | (2 585)               | (1 678)        |
| Proceeds from subordinated and non-subordinated debt                                   |      | 6 155                 | 5 605          |
| Repayment of subordinated and non-subordinated debt                                    |      | (4 694)               | (3 181)        |
| Distribution to Tier 1 capital holders                                                 |      | (1 051)               | (1 099)        |
| <b>Net cash utilised in financing activities</b>                                       |      | <b>(13 106)</b>       | <b>(9 536)</b> |
| Net increase/(decrease) in cash and cash equivalents                                   |      | 295                   | (2 850)        |
| Cash and cash equivalents at the beginning of the reporting period                     |      | 533                   | 3 383          |
| <b>Cash and cash equivalents at the end of the reporting period</b>                    |      | <b>828</b>            | <b>533</b>     |

Borrowed funds has been renamed as 'subordinated and non-subordinated debt' to improve clarity.

The repayment of subordinated and non-subordinated debt of **R4 694m** (2024: R3 181m) above includes the redemption amount referred to in the subordinated and non-subordinated debt of **R4 378m** (2024: R3 181m) and realised foreign exchange of R316m, which is included in the current year foreign exchange movements of **R1 959m** (2024: R351m)

## 1. Summary of material accounting policies

### 1. Accounting policies

The financial statements of the Company are prepared according to the same accounting principles used in preparing the consolidated financial statements of the Group. For detailed accounting policies, refer to the Group's financial statements.

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

#### 1.1 Change in presentation

##### 1.1.1 Restatements to the Statement of financial position

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

During the current financial year, the Group refined the naming conventions used for labelling borrowed funds in the financial statements to enhance clarity and align with market practice. As part of this update, the line item previously presented as 'Borrowed funds' has been renamed 'Subordinated debt'. This represents a change in presentation in accordance with IAS 1 *Presentation of Financial Statements* and does not constitute a change in accounting policy. The amendment resulted in the non-subordinated debt instruments previously disclosed under borrowed funds to now be presented under 'Loans from group companies', to present all quasi equity instruments within a single line item, providing a more appropriate and meaningful classification. The change has no impact on the recognition and measurement of the underlying financial liabilities, nor on the amounts reported in the current or prior periods. Comparative information has been represented to ensure consistency.

The impact of the change in presentation on the Company statement of financial position is as follows:

| 31 December 2024                       |                         |                      |          |
|----------------------------------------|-------------------------|----------------------|----------|
| Company                                |                         |                      |          |
|                                        | As previously published | Presentation changes | Restated |
|                                        | Rm                      | Rm                   | Rm       |
| <b>Statement of financial position</b> |                         |                      |          |
| <b>Liabilities</b>                     |                         |                      |          |
| Loans from Absa Group Companies        | 103                     | 4 668                | 4 771    |
| Subordinated debt                      | 26 196                  | (4 668)              | 21 528   |

| 1 January 2024                         |                         |                      |          |
|----------------------------------------|-------------------------|----------------------|----------|
| Company                                |                         |                      |          |
|                                        | As previously published | Presentation changes | Restated |
|                                        | Rm                      | Rm                   | Rm       |
| <b>Statement of financial position</b> |                         |                      |          |
| <b>Liabilities</b>                     |                         |                      |          |
| Loans from Absa Group Companies        | 47                      | 4 381                | 4 428    |
| Subordinated debt                      | 23 438                  | (4 381)              | 19 057   |

#### 1.2. Accounting policy change

##### 1.2.1 Presentation refinement – Investment in Additional Tier 1 instruments

The Group has amended its accounting policy for the presentation of its investment in subsidiary Additional Tier 1 (AT1) debt instruments. In line with the principle of presenting items in accordance with their nature and relationship to the Group, the AT1 instruments have been reclassified from Investment securities to Subsidiaries. In accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the comparative financial information has been restated. This represents a presentation change within Asset lines and does not impact on measurement or previously reported total assets, total liabilities, profit or loss, or equity.

## 1. Summary of material accounting policies

The impact of the change in presentation on the Company Statement of financial position is as follows:

| Statement of financial position | 31 December 2024<br>Company        |                               |                |
|---------------------------------|------------------------------------|-------------------------------|----------------|
|                                 | As<br>previously<br>reported<br>Rm | Presentation<br>changes<br>Rm | Restated<br>Rm |
| <b>Assets</b>                   |                                    |                               |                |
| Investment securities           | 9,681                              | (9,681)                       | -              |
| Subsidiaries                    | 87,783                             | 9,681                         | 97,464         |
| <b>Total assets</b>             | <b>98,071</b>                      | <b>-</b>                      | <b>98,071</b>  |

| Statement of financial position | 01 January 2024<br>Company         |                               |                |
|---------------------------------|------------------------------------|-------------------------------|----------------|
|                                 | As<br>previously<br>reported<br>Rm | Presentation<br>changes<br>Rm | Restated<br>Rm |
| <b>Assets</b>                   |                                    |                               |                |
| Investment securities           | 9 418                              | (9,418)                       | -              |
| Subsidiaries                    | 83 604                             | 9,418                         | 93,022         |
| <b>Total assets</b>             | <b>98,071</b>                      | <b>-</b>                      | <b>93,022</b>  |

Notes to the Company financial statements

for the reporting period ended 31 December

2. Other assets

|                     | Company |      |
|---------------------|---------|------|
|                     | 2025    | 2024 |
|                     | Rm      | Rm   |
| Accounts receivable | 242     | 1    |
| Prepayments         | 64      | 63   |
|                     | 306     | 64   |

3. Loans and advances

|                                   | Company |      |
|-----------------------------------|---------|------|
|                                   | 2025    | 2024 |
|                                   | Rm      | Rm   |
| Gross loans and advances to banks | 828     | 533  |
|                                   | 828     | 533  |

The gross loans and advances balance fully comprise of cash and cash equivalents. The ECL has been assessed as immaterial as these loans have a low probability of default, due to their short term nature, coupled with historical experience and available forward looking information.



## Notes to the Company financial statements

for the reporting period ended 31 December

### 4. Subsidiaries

|                    | Company<br>2025<br>Rm | 2024<br>Rm |
|--------------------|-----------------------|------------|
| Equity investments | 66 527                | 65 048     |
| Debt instruments   | 31 660                | 32 416     |
|                    | 98 187                | 97 464     |

Refer to note 45.4 of the Group's financial statements for a list of significant subsidiaries. The debt instruments comprises of loans to subsidiaries, preference shares held in Newshelf 1405 (RF) Proprietary Limited, which were acquired as part of the Group's B-BBEE transaction and additional Tier 2 capital issued by Absa Bank. Refer to note 8 for the terms and conditions. These instruments are measured at amortised cost. The balance is secured and classified as stage 1 (DG1-9 bucketing). The ECL allowance is **R47m** (2024: R39m).

Equity investments consists of investment in subsidiaries that are measured at cost less accumulated impairment and the additional Tier 1 capital issued by Absa Bank. Refer to note 10 for the terms and conditions.

Debt instruments have been restated. Refer to note 1.2.1 for further details.

### 5. Deferred tax

|                                                                      | Company<br>2025<br>Rm | 2024<br>Rm |
|----------------------------------------------------------------------|-----------------------|------------|
| <b>5.1 Reconciliation of net deferred tax (liability)/asset</b>      |                       |            |
| Balance at the beginning of the reporting period                     | 7                     | 9          |
| Charge to profit or loss (refer to note 15)                          | (6)                   | (2)        |
| <b>Balance at the end of the year</b>                                | <b>1</b>              | <b>7</b>   |
| <b>5.2 Deferred tax (liability)/asset</b>                            |                       |            |
| Tax effects of temporary differences between tax and book value for: |                       |            |
| Deferred income                                                      | 1                     | 7          |
| <b>Net deferred tax (liability)/asset</b>                            | <b>1</b>              | <b>7</b>   |

### 6. Other liabilities

|                     | Company<br>2025<br>Rm | 2024<br>Rm |
|---------------------|-----------------------|------------|
| Unclaimed dividends | 271                   | 258        |
| Deferred income     | 16                    | 23         |
|                     | 287                   | 281        |

## Notes to the Company financial statements

for the reporting period ended 31 December

### 7. Loans from Group Companies

|                                                      | Company |       |
|------------------------------------------------------|---------|-------|
|                                                      | 2025    | 2024  |
|                                                      | Rm      | Rm    |
| Non-subordinated debt extended by Absa Group Limited | 3 331   | 4 668 |
| Other loans from Group companies                     | 2       | 103   |
|                                                      | 3 333   | 4 771 |

#### Non-subordinated debt extended by Absa Group Limited

|                            |                  |       |       |       |
|----------------------------|------------------|-------|-------|-------|
| Three-month JIBAR + 1.20%  | 30 April 2026    | i.    | 58    | 58    |
| Three-month JIBAR + 1.075% | 21 January 2032  | ii.   | 301   | 301   |
| Three-month JIBAR + 1.24%  | 29 January 2029  | iii.  | 197   | 197   |
| Three-month SOFR + 2.11%   | 26 March 2025    | iv.   | -     | 758   |
| Three-month SOFR + 1.37%   | 23 November 2026 | v.    | 149   | 149   |
| Three-month SOFR + 1.36%   | 15 January 2025  | vi.   | -     | 456   |
| Three-month SOFR + 1.83%   | 18 October 2029  | vii.  | 222   | 371   |
| Three-month SOFR + 1.80%   | 18 March 2025    | viii. | -     | 339   |
| Three-month SOFR + 1.46%   | 25 February 2026 | ix.   | 74    | 74    |
| Three-month SOFR + 1.99%   | 21 December 2027 | x.    | 847   | 847   |
| Three-month SOFR + 1.75%   | 28 December 2026 | xi.   | 271   | 271   |
| Three-month SOFR + 1.93%   | 08 February 2029 | xii.  | 189   | 189   |
| Three-month SOFR + 1.80%   | 26 March 2030    | xiii. | 737   |       |
| Three-month SOFR + 1.83%   | 15 January 2030  | xiv.  | 373   | -     |
| <b>Other</b>               |                  |       |       |       |
| Accrued interest           |                  |       | 24    | 33    |
| Foreign exchange movements |                  |       | (111) | 625   |
|                            |                  |       | 3 331 | 4 668 |

|                                                | Company  |       |
|------------------------------------------------|----------|-------|
|                                                | December | 2024  |
|                                                | 2025     | Rm    |
|                                                | Rm       | Rm    |
| <b>Reconciliation of non-subordinated debt</b> |          |       |
| Opening balance                                | 4 668    | 4 379 |
| Changes arising from cash movements:           | (614)    | 165   |
| Non-subordinated debt issuances                | 1 110    | 386   |
| Non-subordinated debt redemptions              | (1 702)  | (197) |
| Interest paid                                  | (22)     | (24)  |
| Changes arising from non-cash movements:       | (723)    | 124   |
| Interest accrued                               | 13       | 23    |
| Foreign exchange movements                     | (736)    | 101   |
| <b>Closing balance</b>                         | 3 331    | 4 668 |

## Notes to the Company financial statements

for the reporting period ended 31 December

As a result of the restatements arising from the updates to the naming conventions outlined in note 1.1.1, the non-subordinated debt is now been presented under 'Loans from group companies'.

At 31 December 2025, non-derivative financial liabilities of **R568m** (2024: R569m) have yet to transition to an alternate benchmark rate. Refer to note 53.8 of the group financial statements for more information relating to the interest rate reform.

- i. The three-month JIBAR plus 1.20% floating rate notes should be redeemed in full by Group on 30 April 2026. Interest is paid quarterly in arrears on 11 March, 11 June, 11 September and 11 December. Group may redeem a portion (being a minimum of R7m) or full amount on any interest payment date, by giving the lender not less than 20 business days prior notice.
- ii. The three-month JIBAR plus 1.075% floating rate notes should be redeemed in full by Group on 21 January 2032. Interest is paid quarterly in arrears on 30 January, 30 April, 30 July and 30 October. Group may redeem a portion (being a minimum of R100m) or full amount on any interest payment date, by giving the lender not less than 5 business days prior notice.
- iii. The three-month JIBAR plus 1.24% floating rate notes should be redeemed in full by Group on 29 January 2029. Interest is paid quarterly in arrears on 29 January, 29 April, 29 July and 29 October. Group may redeem a portion (being a minimum of R50m) or full amount on any interest payment date, by giving the lender not less than 20 business days prior notice.
- iv. The three-month SOFR plus 2.11% floating rate notes were redeemed in full on 26 March 2025.
- v. The three-month SOFR plus 1.37% floating rate notes should be redeemed in full by Group on 23 November 2026. Interest is paid quarterly in arrears. The borrower will repay the loan together with any accrued, but unpaid interest and all other amounts accrued under this agreement by way of a single repayment, on the repayment date.
- vi. The three-month SOFR plus 1.36% floating rate notes were redeemed in full on 15 January 2025.
- vii. The three-month SOFR plus 1.83% floating rate notes should be redeemed by Group on 18 October 2029. Interest is paid quarterly in arrears on 18 January, 18 April, 18 July and 18 October. Group may redeem a portion (being a minimum of R10m) or full amount on any interest payment date, by giving the lender not less than 20 business days prior notice. The interest rate was amended from LIBOR plus 1.52% to SOFR plus 1.78% on 18 January 2023.
- viii. The three-month SOFR plus 1.80% floating rate notes were redeemed in full on 18 March 2025.
- ix. The three-month SOFR plus 1.46% floating rate notes should be redeemed by Group on 25 February 2026. Interest is paid quarterly in arrears on 25 February, 25 May, 25 August and 25 November. Group may redeem a portion (being a minimum of \$10m) or full amount on any interest payment date, by giving the lender not less than 20 business days prior notice. The interest rate was amended from LIBOR plus 1.20% to SOFR plus 1.46% effective 25 November 2023.
- x. The three-month SOFR plus 1.99% floating rate notes should be redeemed by Group on 21 December 2027. Interest is paid quarterly in arrears. The borrower will repay the loan together with any accrued, but unpaid interest and all other amounts accrued under this agreement by way of a single repayment, on the repayment date.
- xi. The three-month SOFR plus 1.75% floating rate notes should be redeemed by Group on 28 December 2026. Interest is paid quarterly in arrears. The borrower will repay the loan together with any accrued, but unpaid interest and all other amounts accrued under this agreement by way of a single repayment, on the repayment date.
- xii. The three-month SOFR plus 1.93% floating rate notes should be redeemed by Group on 08 February 2029. Interest is paid quarterly in arrears. The borrower will repay the loan together with any accrued, but unpaid interest and all other amounts accrued under this agreement by way of a single repayment, on the repayment date.
- xiii. The three-month SOFR plus 1.80% floating rate notes should be redeemed in full by Group on 26 March 2030. Interest is paid quarterly in arrears. The borrower will repay the loan together with any accrued, but unpaid interest and all other amounts accrued under this agreement by way of a single repayment, on the repayment date.
- xiv. The three-month SOFR plus 1.83% floating rate notes should be redeemed in full by Group on 15 January 2030. Interest is paid quarterly in arrears. The borrower will repay the loan together with any accrued, but unpaid interest and all other amounts accrued under this agreement by way of a single repayment, on the repayment date.

Notes i to xiv have been issued to Absa Group subsidiaries.

In accordance with its memorandum of incorporation, the borrowing powers of Group are unlimited.

## Notes to the Company financial statements

for the reporting period ended 31 December

### 8. Subordinated debt

|                                                                 |                            |             | Company       |               |
|-----------------------------------------------------------------|----------------------------|-------------|---------------|---------------|
|                                                                 |                            |             | 2025          | 2024          |
|                                                                 |                            |             | Rm            | Rm            |
| <b>Subordinated callable notes issued by Absa Group Limited</b> |                            |             |               |               |
| <b>Interest rate</b>                                            | <b>Final Maturity date</b> | <b>Note</b> |               |               |
| Three-month JIBAR + 2.13%                                       | 17 May 2030                | i.          | -             | 2 676         |
| Three-month JIBAR + 2.10%                                       | 16 September 2032          | ii.         | 1 916         | 1 916         |
| Three-month JIBAR + 1.72%                                       | 26 August 2033             | iii.        | 2 158         | 2 158         |
| Three-month JIBAR + 1.72%                                       | 06 August 2034             | iv.         | 1 000         | 1 000         |
| Three-month JIBAR + 1.75%                                       | 21 September 2034          | v.          | 2 019         | 2 019         |
| Three-month JIBAR + 1.70%                                       | 16 October 2034            | vi.         | 500           | 500           |
| Three-month JIBAR + 1.62%                                       | 12 October 2034            | vii.        | 1 700         | 1 700         |
| Three-month JIBAR + 1.58%                                       | 10 September 2035          | viii.       | 2 500         |               |
| <b>Foreign currency denominated notes</b>                       |                            |             |               |               |
| USD 6.375%                                                      | n/a                        | ix.         | 6 866         | 6 866         |
| USD 6.625%                                                      | 08 June 2036               | x           | 2 545         |               |
| <b>Other</b>                                                    |                            |             |               |               |
| Accrued interest                                                |                            |             | 113           | 119           |
| Foreign exchange movements                                      |                            |             | 1 351         | 2 574         |
|                                                                 |                            |             | <b>22 668</b> | <b>21 528</b> |

|                                                 |  |  | Company       |               |
|-------------------------------------------------|--|--|---------------|---------------|
|                                                 |  |  | 2025          | 2024          |
|                                                 |  |  | Rm            | Rm            |
| <b>Reconciliation of Subordinated debt</b>      |  |  |               |               |
| <b>Opening balance</b>                          |  |  | 21 528        | 19 059        |
| <b>Changes arising from cash movements:</b>     |  |  | 790           | 555           |
| Subordinated debt issuances                     |  |  | 5 045         | 5 219         |
| Subordinated debt redemptions                   |  |  | (2 676)       | (2 984)       |
| Interest paid                                   |  |  | (1 579)       | (1 680)       |
| <b>Changes arising from non-cash movements:</b> |  |  | 350           | 1 914         |
| Interest accrued                                |  |  | 1 573         | 1 664         |
| Foreign exchange movements                      |  |  | (1 223)       | 250           |
| <b>Closing balance</b>                          |  |  | <b>22 668</b> | <b>21 528</b> |

As a result of the restatements arising from the updates to the naming conventions outlined in note 1.1.1, the carrying amount of subordinated debt has been restated from R26 196m to the amount reflected in the table above.

At 31 December 2025, non-derivative financial liabilities of **R11 850m** (2024: R12 051m) have yet to transition to an alternate benchmark rate. Refer to note 53.8 of the Group financial statements for more information relating to the interest rate reform.

- i. The three-month JIBAR plus 2.13% floating rate notes were redeemed in full on 17 May 2025.
- ii. The three-month JIBAR plus 2.10% floating rate notes with a nominal amount of ZAR 1.9bn may be redeemed in full at the option of Group on 16 September 2032, with the first optional redemption date being 16 September 2027. The interest is paid quarterly in arrears on 16 March, 16 June, 16 September and 16 December each year until the maturity date, with the first interest determination date being 12 September 2022. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- iii. The three-month JIBAR plus 1.72% floating rate notes may be redeemed in full at the option of Group on 26 August 2033. Interest is paid quarterly in arrears on 26 February, 26 May, 26 August and 26 November each year until the maturity date. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- iv. The three-month JIBAR plus 1.72% floating rate notes may be redeemed in full at the option of Group on 06 August 2034. Interest is paid quarterly in arrears on 06 February, 06 May, 06 August and 06 November. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- v. The three-month JIBAR plus 1.75% floating rate notes may be redeemed in full at the option of Group on 21 September 2034. Interest is paid quarterly in arrears on 21 March, 21 June, 21 September and 21 December. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- vi. The three-month JIBAR plus 1.70% floating rate notes may be redeemed in full at the option of Group on 16 October 2034. Interest is paid quarterly in arrears on 16 January, 16 April, 16 July and 16 October. No step-up will apply on the coupon rate, should Group not exercise the redemption option.

## Notes to the Company financial statements

for the reporting period ended 31 December

- vii. The three-month JIBAR plus 1.62% floating rate notes may be redeemed in full at the option of Group on 12 October 2034. Interest is paid quarterly in arrears on 12 January, 12 April, 12 July and 12 October. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- viii. The three-month JIBAR plus 1.58% floating rate notes may be redeemed in full at the option of Group on 10 September 2035. Interest is paid quarterly in arrears on 10 March, 10 June, 10 September and 10 December. No step-up will apply on the coupon rate, should Group not exercise the redemption option.
- ix. The 6.375% fixed rate reset unsecured and perpetual notes with a nominal amount of USD 500m have no fixed redemption date. The notes qualify as additional Tier 1 capital for the Group. The Group is obliged to pay interest on each Interest Payment Date unless: (a) it elects not to pay the relevant interest amount on such Interest Payment Date in whole or in part and for any reason; (b) it is in breach of either (i) the Capital Regulations or (ii) the Solvency Condition on the business day prior to such Interest Payment Date or would be in breach of the Capital Regulations or the Solvency Condition if the relevant interest amount were paid on such Interest Payment Date; or (c) at any time the Prudential Authority imposes a mandatory prohibition on the payment by the Issuer of such interest amount. The interest is payable semi-annually in arrears on 27 May and 27 November each year, commencing on 27 November 2021. The reset dates are every 5 years. The interest rate is 6.375% from the issue date to (but excluding) the first reset date, 27 November 2026. Thereafter, the interest rate will be reset to an interest applicable to the relevant reset period. The terms of the Additional Tier 1 capital notes include a regulatory requirement which provides for the write off, in whole or in part, in the case of a disqualifying event. In addition, interest payments are mandatorily payable if, for any reason, the instrument no longer meets the criteria of AT1 Capital in terms of Regulation 38(11).
- x. The 6.625% fixed rate reset callable subordinated Tier 2 notes with a nominal amount of USD 150m may be redeemed in full at the option of Group on 8 June 2036. Group has the option to exercise the redemption on 08 June 2031. From 08 December 2025 to 8 June 2031, the interest rate on the notes will be 6.625%. From 08 June 2031, the applicable interest rate per annum will be equal to the reset interest Rate which shall be determined by the calculation agent on reset determination date. The reset margin is 2.92% per annum. The interest rate following 08 June 2031 may be less than the initial rate of interest. Interest is payable semi-annually in arrears on 8 June and 8 December, commencing on 8 June 2026.

Notes i to viii are listed on the Johannesburg Stock Exchange Debt Market.

Note ix and x are listed on the London Stock Exchange.

In accordance with its memorandum of incorporation, the borrowing powers of Group are unlimited.

## 9. Share capital and premium

### Ordinary share capital

|                                                                      | Company       |            |
|----------------------------------------------------------------------|---------------|------------|
|                                                                      | 2025<br>Rm    | 2024<br>Rm |
| <b>Authorised</b>                                                    |               |            |
| <b>950 000 000</b> (2024: 950 000 000) ordinary shares of R2.00 each | <b>1 900</b>  | 1 900      |
| <b>Issued</b>                                                        |               |            |
| <b>894 376 907</b> (2024: 894 376 907) ordinary shares of R2.00      | <b>1 789</b>  | 1 789      |
| <b>Total Issued capital</b>                                          |               |            |
| Share capital                                                        | <b>1 789</b>  | 1 789      |
| Share premium                                                        | <b>32 092</b> | 31 785     |
|                                                                      | <b>33 881</b> | 33 574     |

#### Authorised shares

During the current reporting period, the authorised share capital remained unchanged with par value of R2 each.

#### Unissued shares

The unissued shares are under the control of the directors, subject to a limit of 5% of issued ordinary share capital as at the reporting date, in terms of a general authority to allot and issue them on such terms and conditions and at such times as they deem fit. This authority expires at the forthcoming annual general meeting of the Company.

Ordinary shares when issued entitles the holders to distribution of profit and the right to vote on any matter to be decided by a vote of holders of the ordinary shares of the Company.

#### Shares issued

There were no shares issued during the current and prior year reporting period.

## Notes to the Company financial statements

for the reporting period ended 31 December

### 10. Other equity: Additional Tier 1 capital

|                                                                 |                      | Company<br>2025<br>Rm | 2024<br>Rm   |
|-----------------------------------------------------------------|----------------------|-----------------------|--------------|
| <b>Subordinated callable notes issued by Absa Group Limited</b> |                      |                       |              |
| <b>Interest rate</b>                                            | <b>Date of issue</b> |                       |              |
| Three-month JIBAR + 4.25%                                       | 5 December 2019      | -                     | 1 376        |
| Three-month JIBAR + 4.55%                                       | 26 October 2020      | -                     | 1 209        |
| Three-month JIBAR + 3.58%                                       | 15 November 2022     | 1 999                 | 1 999        |
| Three-month JIBAR + 2.94%                                       | 30 October 2023      | 2 000                 | 2 000        |
| Three-month JIBAR + 2.90%                                       | 13 May 2024          | 1 511                 | 1 511        |
| Three-month JIBAR + 2.74%                                       | 28 November 2024     | 1 579                 | 1 579        |
| Three-month JIBAR + 2.57%                                       | 09 July 2025         | 3 009                 |              |
|                                                                 |                      | <b>10 098</b>         | <b>9 674</b> |

The Additional Tier 1 capital notes represent perpetual, subordinated instruments redeemable in full at the option of Absa Group Limited (the issuer) on 16 November 2027, 30 October 2028, 14 May 2029, 29 November 2029 and 09 July 2031 subject to regulatory approval. These instruments include a write-off provision which is required under Basel III. This provision is triggered by the Prudential Authority and shall be instituted at the earlier of (i) a decision that a write-off, without which the Issuer would become non-viable, is necessary; or (ii) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable. In addition, the Additional Tier 1 Notes do not have a contractual obligation to pay interest. Accordingly, the instruments are classified as equity instruments. Additional Tier 1 notes that were issued on 05 December 2019 and 26 October 2020 were redeemed on 05 June 2025 and 27 October 2025 respectively.

### 11. Gains and losses from investment activities

|                                      | Company<br>2025<br>Rm | 2024<br>Rm |
|--------------------------------------|-----------------------|------------|
| Dividends received from subsidiaries | 14 153                | 9 124      |

Dividends received by Company are considered to be revenue.

### 12. Other operating income

|                              | Company<br>2025<br>Rm | 2024<br>Rm   |
|------------------------------|-----------------------|--------------|
| Foreign exchange differences | (137)                 | (39)         |
| Dividends received           | 1 051                 | 1 100        |
|                              | <b>914</b>            | <b>1 061</b> |

The dividend received recognised relates to distributions received from the Company's investment in additional Tier 1 instruments.

### 13. Operating expense

|                     | Company<br>2025<br>Rm | 2024<br>Rm |
|---------------------|-----------------------|------------|
| Administration fees | 79                    | 56         |

## Notes to the Company financial statements

for the reporting period ended 31 December

### 14. Other impairments

|                                                      | Company<br>2025<br>Rm | 2024<br>Rm |
|------------------------------------------------------|-----------------------|------------|
| Reversal of impairment of investment in subsidiaries | 281                   | -          |
| Equity investment in subsidiaries                    | -                     | (13)       |
|                                                      | 281                   | (13)       |

Impairment losses and reversals relate to investments in subsidiaries. As Absa Group Limited is an investment holding company, the investment in subsidiaries represent the main cash generating operation of the Company.

Equity investment in subsidiaries amounting to **R0** (2024: R13m) was impaired based on a recoverable amount of **R0** (2024: R16m) which was determined with reference to expected future cash flows from the investment.

During the current year there was evidence supporting a reversal of a previously recognised impairment loss of **R281m** with a recoverable amount of **R1 192m**. The operations and net asset value of the entity showed a gradual improvement in recent years, demonstrating sustained improvement, resulting in an increase in the economic benefits expected from the investment. The value-in-use was determined using the discounted cash flow method, applying a growth rate of 7.22% (previous estimate: 7.10%) and a cost of equity of 14.50% (previous estimate: 14.50%).

### 15. Taxation expense

|                                                                                           | Company<br>2025<br>Rm | 2024<br>Rm |
|-------------------------------------------------------------------------------------------|-----------------------|------------|
| <b>Current</b>                                                                            |                       |            |
| Current tax                                                                               | 329                   | 107        |
| Current tax - previous reporting period                                                   | (2)                   | (40)       |
| Foreign tax and other taxation                                                            | 389                   | 369        |
|                                                                                           | 716                   | 436        |
| <b>Deferred (refer to note 5)</b>                                                         | 6                     | 2          |
| Deferred tax                                                                              | 6                     | 2          |
|                                                                                           | 722                   | 438        |
| <b>Reconciliation between operating profit before income tax and the taxation expense</b> |                       |            |
| Operating profit before income tax                                                        | 15 880                | 10 898     |
| Tax calculated at a tax rate of 27%                                                       | 4 288                 | 2 942      |
| Effect of different tax rates in other countries                                          | 373                   | 352        |
| Expenses not deductible for tax purposes                                                  | 39                    | 79         |
| Dividend Income                                                                           | (3 938)               | (2 596)    |
| Non-Taxable interest                                                                      | (6)                   | (4)        |
| Deductible expenditure not recognised in profit or loss                                   | (284)                 | (297)      |
| Items of a capital nature                                                                 | (51)                  | 5          |
| South African current taxation prior year                                                 | 3                     | (43)       |
| Other                                                                                     | 298                   | -          |
|                                                                                           | 722                   | 438        |

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

Deductible expenditure not recognized in profit and loss includes additional Tier 1 capital interest.

## Notes to the Company financial statements

for the reporting period ended 31 December

### 16. Dividends per share

|                                                                                               | Company       |               |
|-----------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                               | 2025<br>Rm    | 2024<br>Rm    |
| <b>Dividends declared to ordinary equity holders</b>                                          |               |               |
| Interim dividend <b>(18 August 2025: 785 Cents per share (cps))</b> (19 August 2024: 685 cps) | 7 021         | 6 126         |
| Final dividend <b>(10 March 2026: 850 cps)</b> (11 March 2025: 775 cps)                       | 7 602         | 6 931         |
|                                                                                               | <b>14 623</b> | <b>13 057</b> |
| <b>Distributions declared and paid to additional Tier 1 capital note holders</b>              |               |               |
| Distribution                                                                                  |               |               |
| <b>27 January 2025: 31 331.42 Rands per note (rpn);</b> 29 January 2024: 33 242.52 rpn        | <b>38</b>     | <b>40</b>     |
| <b>31 January 2025: 27 617.64 rpn;</b> 31 January 2024: 28 766.30 rpn                         | <b>55</b>     | <b>58</b>     |
| <b>14 February 2025: 27 305.09 rpn</b>                                                        | <b>41</b>     | <b>-</b>      |
| <b>17 February 2025: 28 703.64 rpn;</b> 16 February 2024: 30 090.30 rpn                       | <b>57</b>     | <b>60</b>     |
| <b>28 February 2025: 26 546.41 rpn;</b> 28 February 2024: 32 431.89 rpn                       | <b>41</b>     | <b>55</b>     |
| <b>5 March 2025: 29 692.60 rpn;</b> 5 March 2024: 31 476.03 rpn                               | <b>41</b>     | <b>43</b>     |
| <b>29 April 2025: 30 770.85 rpn;</b> 29 April 2024: 32 266.36 rpn                             | <b>37</b>     | <b>39</b>     |
| <b>30 April 2025: 25 597.86 rpn;</b> 30 April 2024: 27 941.92 rpn                             | <b>51</b>     | <b>56</b>     |
| <b>14 May 2025: 25 500.33 rpn</b>                                                             | <b>39</b>     | <b>-</b>      |
| <b>16 May 2025: 26 853.26 rpn;</b> 16 May 2024: 29 458.36 rpn                                 | <b>54</b>     | <b>59</b>     |
| <b>29 May 2025: 25 392.33 rpn;</b> 28 May 2024: 31 726.85 rpn                                 | <b>40</b>     | <b>53</b>     |
| <b>5 June 2025: 29 762.63 rpn;</b> 5 June 2024: 31 801.75 rpn                                 | <b>41</b>     | <b>44</b>     |
| <b>28 July 2025: 29 815.89 rpn;</b> 27 July 2024: 32 161.64 rpn                               | <b>36</b>     | <b>39</b>     |
| <b>31 July 2025: 26 420.38 rpn;</b> 31 July 2024: 28 456.99 rpn                               | <b>53</b>     | <b>57</b>     |
| <b>14 August 2025: 26 107.84 rpn;</b> 14 August 2024: 28 664.38 rpn                           | <b>39</b>     | <b>43</b>     |
| <b>18 August 2025: 28 426.63 rpn;</b> 16 August 2024: 30 070.14 rpn                           | <b>57</b>     | <b>60</b>     |
| <b>29 August 2025: 25 664.22 rpn;</b> 28 August 2024: 32 368.88 rpn                           | <b>41</b>     | <b>54</b>     |
| <b>09 October 2025: 24 814.79 rpn;</b> 5 September 2024: 31 738.74 rpn                        | <b>75</b>     | <b>44</b>     |
| <b>27 October 2025: 29 232.19 rpn;</b> 28 October 2024: 31 994.60 rpn                         | <b>35</b>     | <b>39</b>     |
| <b>31 October 2025: 25 389.48 rpn;</b> 31 October 2024: 28 288.11 rpn                         | <b>51</b>     | <b>57</b>     |
| <b>14 November 2025: 24 996.27 rpn;</b> 14 November 2024: 28 104.11 rpn                       | <b>38</b>     | <b>42</b>     |
| <b>17 November 2025: 26 419.92 rpn;</b> 18 November 2024: 30 466.30 rpn                       | <b>53</b>     | <b>61</b>     |
| <b>28 November 2025: 24 325.67 rpn;</b> 28 November 2024: 32 094.14 rpn                       | <b>38</b>     | <b>54</b>     |
| 05 December 2024: 31 122.00 rpn                                                               | -             | 43            |
|                                                                                               | <b>1 051</b>  | <b>1 100</b>  |
| <b>Dividends paid to ordinary equity holders</b>                                              |               |               |
| Final dividend <b>(29 April 2025: 775 cps)</b> (22 April 2024: 685 cps)                       | 6 931         | 6 126         |
| Interim dividend <b>(15 September 2025: 785 cps)</b> (13 September 2024: 685 cps)             | 7 021         | 6 127         |
|                                                                                               | <b>13 952</b> | <b>12 253</b> |



## Notes to the Company financial statements

for the reporting period ended 31 December

### 17. Related parties

Refer to note 45 of the Group's financial statements for the full disclosure of related-party transactions. In addition to this disclosure the following related party transactions and balances exist for the Company.

The subsidiary balance presented in the table below comprises of equity instruments (additional Tier 1 instruments) and debt instruments (additional Tier 2 instruments). The debt instruments are provided to Absa Bank Limited on the same terms as the externally issued subordinated debt of Absa Group Limited (refer to note 8), and reflect Absa Group Limited as the lender of the subordinated debt to Absa Bank Limited. The equity instruments are issued by Absa Bank Limited on the same terms as the subordinated equity instruments (refer to note 10). No guarantees or collateral are held in respect of these exposures.

For information on compensation to directors of the Company, refer to the Group's Directors' and Prescribed Officers' Remuneration note 61.

|                                                                        | 2025<br>Rm | 2024<br>Rm |
|------------------------------------------------------------------------|------------|------------|
| <b>Balances and transactions with subsidiaries</b>                     |            |            |
| Debit amounts shown as positive, credit amounts are shown as negative. |            |            |
| <b>Balances</b>                                                        |            |            |
| Loans and advances (note 3)                                            | 828        | 533        |
| Subsidiaries (note 4)                                                  | 41 758     | 42 090     |
| Loans from Group companies (note 7)                                    | (3 333)    | (4 771)    |
| <b>Transactions</b>                                                    |            |            |
| Interest income                                                        | (1 324)    | (1 811)    |
| Interest expense                                                       | 120        | -          |
| Operating income                                                       | (1 051)    | (1 100)    |
| Operating expenditure                                                  | 73         | 50         |
| Dividends received                                                     | (14 153)   | (9 124)    |

In 2024, the equity balance relating to additional Tier 1 capital instruments was incorrectly omitted from the subsidiaries balance in the table above. Consequently, there is a restatement on the subsidiaries balance amounting to R9 674m for 2024.

Absa Group Limited Company is the primary obligor for the Group's share-based payment transactions. For more information, refer to note 49 of the consolidated financial statements.

## Notes to the Company financial statements

for the reporting period ended 31 December

### 18. Risk management

In order to gain an understanding of the risk management framework applied by the Company please refer to note 57 of the Group's financial statements.

|                                        | Company                                                 |                                                         |
|----------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
|                                        | 2025<br>Gross<br>maximum<br>exposure -<br>Stage 1<br>Rm | 2024<br>Gross<br>maximum<br>exposure -<br>Stage 1<br>Rm |
| <b>Credit Risk</b>                     |                                                         |                                                         |
| <b>Maximum exposure to credit risk</b> |                                                         |                                                         |
| Loans and advances                     | 828                                                     | 533                                                     |
| Other assets                           | 306                                                     | 64                                                      |
| Subsidiaries                           | 31 707                                                  | 32 455                                                  |
|                                        | <b>32 841</b>                                           | <b>33 052</b>                                           |

Subsidiaries have been restated. Refer to note 1.2.1 for further details.

### Liquidity risk

The table below provides detail on the contractual maturity and mismatch position of all financial instruments and other assets and liabilities. Subordinated debt have been included based on contractual maturities and do not take into account the effect of early redemption features which are being exercised with the exception of the additional Tier I instrument which is bucketed according to the interest reset date as there is no contractual maturity.

Analysis of liquidity risk:

|                                                            | Company<br>2025 |                        |                                 |                           |                            |               |
|------------------------------------------------------------|-----------------|------------------------|---------------------------------|---------------------------|----------------------------|---------------|
|                                                            | On demand<br>Rm | Within<br>1 year<br>Rm | From 1 year<br>to 5 years<br>Rm | More than<br>5 year<br>Rm | Impairment<br>losses<br>Rm | Total<br>Rm   |
| <b>Discounted maturity</b>                                 |                 |                        |                                 |                           |                            |               |
| <b>Assets</b>                                              |                 |                        |                                 |                           |                            |               |
| Other financial assets                                     | -               | 242                    | -                               | -                         | -                          | 242           |
| Loans and advances                                         | 828             | -                      | -                               | -                         | -                          | 828           |
| Trading portfolio assets                                   | 2               | -                      | -                               | -                         | -                          | 2             |
| Loans to subsidiaries                                      | -               | 8 907                  | 20 007                          | 2 793                     | (47)                       | 31 660        |
| Financial assets                                           | 830             | 9 149                  | 20 007                          | 2 793                     | (47)                       | 32 732        |
| Non-financial assets                                       |                 |                        |                                 |                           |                            | 66 616        |
| <b>Total assets</b>                                        |                 |                        |                                 |                           |                            | <b>99 348</b> |
| <b>Liabilities</b>                                         |                 |                        |                                 |                           |                            |               |
| Other financial liabilities                                | 271             | -                      | -                               | -                         | -                          | 271           |
| Loans from Absa Group Companies                            | -               | 467                    | 2 565                           | 301                       | -                          | 3 333         |
| Subordinated debt                                          | -               | 8 325                  | 11 849                          | 2 494                     | -                          | 22 668        |
| Financial liabilities                                      | 271             | 8 792                  | 14 414                          | 2 795                     | -                          | 26 272        |
| Non-financial liabilities                                  |                 |                        |                                 |                           |                            | 314           |
| <b>Total liabilities</b>                                   |                 |                        |                                 |                           |                            | <b>26 586</b> |
| <b>Equity</b>                                              |                 |                        |                                 |                           |                            | <b>72 762</b> |
| <b>Total equity and liabilities</b>                        |                 |                        |                                 |                           |                            | <b>99 348</b> |
| <b>Net liquidity position of<br/>financial instruments</b> | <b>559</b>      | <b>357</b>             | <b>5 593</b>                    | <b>(2)</b>                | <b>(47)</b>                | <b>6 460</b>  |

## Notes to the Company financial statements

for the reporting period ended 31 December

### Liquidity risk (continued)

Analysis of risk:

|                                                            |                 | Company<br>2024        |                                 |                           |                            |               |
|------------------------------------------------------------|-----------------|------------------------|---------------------------------|---------------------------|----------------------------|---------------|
|                                                            | On demand<br>Rm | Within<br>1 year<br>Rm | From 1 year<br>to 5 years<br>Rm | More than<br>5 year<br>Rm | Impairment<br>losses<br>Rm | Total<br>Rm   |
| <b>Discounted maturity</b>                                 |                 |                        |                                 |                           |                            |               |
| <b>Assets</b>                                              |                 |                        |                                 |                           |                            |               |
| Other financial assets                                     | 1               | -                      | -                               | -                         | -                          | 1             |
| Loans and advances                                         | 533             | -                      | -                               | -                         | -                          | 533           |
| Trading portfolio assets                                   | 1               | -                      | -                               | -                         | -                          | 1             |
| Loans to subsidiaries                                      | -               | 3 011                  | 28 878                          | 566                       | (39)                       | 32 416        |
| Financial assets                                           | 535             | 3 011                  | 28 878                          | 566                       | (39)                       | 32 951        |
| Non-financial assets                                       |                 |                        |                                 |                           |                            | 65 120        |
| <b>Total assets</b>                                        |                 |                        |                                 |                           |                            | <b>98 071</b> |
| <b>Liabilities</b>                                         |                 |                        |                                 |                           |                            |               |
| Other financial liabilities                                | 258             | -                      | -                               | -                         | -                          | 258           |
| Loans from Absa Group Companies                            | 103             | 1 626                  | 2 735                           | 307                       | -                          | 4 771         |
| Subordinated debt                                          | -               | 2 708                  | 18 820                          | -                         | -                          | 21 528        |
| Financial liabilities                                      | 361             | 4 334                  | 21 555                          | 307                       | -                          | 26 557        |
| Non-financial liabilities                                  |                 |                        |                                 |                           |                            | 23            |
| <b>Total liabilities</b>                                   |                 |                        |                                 |                           |                            | <b>26 580</b> |
| <b>Equity</b>                                              |                 |                        |                                 |                           |                            | <b>71 491</b> |
| <b>Total equity and liabilities</b>                        |                 |                        |                                 |                           |                            | <b>98 071</b> |
| <b>Net liquidity position of<br/>financial instruments</b> | 174             | (1 323)                | 7 323                           | 259                       | (39)                       | 6 394         |

Investment securities and loans to subsidiaries have been restated from R9 681m to Rnil within the 'from 1 year to 5 years' maturity bucket. Additionally, the balance previously reported as R22 735m in Loans to subsidiaries has been restated to R32 416m, resulting in the "from 1 year to 5 years" bucket being restated from R19 197m to the amount disclosed in the table above.

Loans from Absa Group Companies have been restated from R103m to R4 771m, resulting in the maturity analysis for the within 1 year, from 1 year to 5 years, and more than 5 years buckets being restated from Rnil to the amounts disclosed in the table above.

Subordinated debt have been restated from R22 735m to R21 528m resulting in the 'Within 1 year' bucket being restated from R4 334m to R2 708m and 'From 1 year to 5 years' from R21 555m to R18 820m.

## Notes to the Company financial statements

for the reporting period ended 31 December

### Liquidity risk (continued)

Analysis of risk:

| Undiscounted maturity<br>(Statement of financial position value<br>with impact of future interest) | Company<br>2025 |                        |                                 |                           |                          | Total<br>Rm   |
|----------------------------------------------------------------------------------------------------|-----------------|------------------------|---------------------------------|---------------------------|--------------------------|---------------|
|                                                                                                    | On demand<br>Rm | Within<br>1 year<br>Rm | From 1 year<br>to 5 years<br>Rm | More than<br>5 year<br>Rm | Discount<br>effect<br>Rm |               |
| <b>Liabilities</b>                                                                                 |                 |                        |                                 |                           |                          |               |
| <b>On-statement of financial position</b>                                                          |                 |                        |                                 |                           |                          |               |
| Other financial liabilities                                                                        | 271             | -                      | -                               | -                         | -                        | 271           |
| Loans from Absa Group Companies                                                                    | -               | 491                    | 3 062                           | 430                       | ( 650)                   | 3 333         |
| Subordinated debt                                                                                  | -               | 8 529                  | 14 312                          | 3 562                     | (3 735)                  | 22 668        |
| <b>Total liabilities</b>                                                                           | <b>271</b>      | <b>9 020</b>           | <b>17 374</b>                   | <b>3 992</b>              | <b>(4 385)</b>           | <b>26 272</b> |

| Undiscounted maturity<br>(Statement of financial position value<br>with impact of future interest) | Company<br>2024 |                        |                                 |                           |                          | Total<br>Rm   |
|----------------------------------------------------------------------------------------------------|-----------------|------------------------|---------------------------------|---------------------------|--------------------------|---------------|
|                                                                                                    | On demand<br>Rm | Within<br>1 year<br>Rm | From 1 year<br>to 5 years<br>Rm | More than<br>5 year<br>Rm | Discount<br>effect<br>Rm |               |
| <b>Liabilities</b>                                                                                 |                 |                        |                                 |                           |                          |               |
| <b>On-statement of financial position</b>                                                          |                 |                        |                                 |                           |                          |               |
| Other financial liabilities                                                                        | 258             | -                      | -                               | -                         | -                        | 258           |
| Loans from Absa Group Companies                                                                    | 103             | 1 621                  | 3 290                           | 385                       | (628)                    | 4 771         |
| Subordinated debt                                                                                  | -               | 2 840                  | 22 461                          | 1 347                     | (5 120)                  | 21 528        |
| <b>Total liabilities</b>                                                                           | <b>361</b>      | <b>4 461</b>           | <b>25 751</b>                   | <b>1 732</b>              | <b>(5 748)</b>           | <b>26 557</b> |

## 19. Fair Value Disclosures

### 19.1 Assets and liabilities not held at fair value

The following table summarises the carrying amounts and fair value of those assets and liabilities not held at fair value.

|                              | Company<br>2025          |                  |               |               |
|------------------------------|--------------------------|------------------|---------------|---------------|
|                              | Carrying<br>amount<br>Rm | Fair value<br>Rm | Level 1<br>Rm | Level 2<br>Rm |
| <b>Financial assets</b>      |                          |                  |               |               |
| <b>Subsidiaries</b>          | <b>11 021</b>            | <b>11 495</b>    | -             | -             |
| <b>Financial liabilities</b> |                          |                  |               |               |
| <b>Subordinated debt</b>     | <b>22 668</b>            | <b>23 534</b>    | -             | <b>23 534</b> |

The above table excludes the financial instruments where the fair value approximates the carrying amount. The fair value amounts approximates the carrying amount due to the short-term nature and/or frequent repricing of interest rates on such instruments.

## Notes to the Company financial statements

for the reporting period ended 31 December

|                              | Company<br>2024          |                  |               |               |               |
|------------------------------|--------------------------|------------------|---------------|---------------|---------------|
|                              | Carrying<br>amount<br>Rm | Fair value<br>Rm | Level 1<br>Rm | Level 2<br>Rm | Level 3<br>Rm |
| <b>Financial assets</b>      |                          |                  |               |               |               |
| <b>Subsidiaries</b>          | 9 681                    | 10 015           | -             | -             | 10 015        |
| <b>Financial liabilities</b> |                          |                  |               |               |               |
| <b>Subordinated debt</b>     | 21 528                   | 21 243           | -             | 21 243        | -             |

Subsidiaries have been restated. Refer to note 1.2.1 for additional information.

As a result of the restatements arising from the updates to the naming conventions outlined in note 1.1.1, the carrying amount of subordinated debt has been restated from R26 196m to the amount reflected in the table above. In addition, the fair value of subordinated debt has been restated from R25 935m to the amount reflected in the table above.

The above table excludes the financial instruments where the fair value approximates the carrying amount. The fair value amounts approximates the carrying amount due to the short-term nature and/or frequent repricing of interest rates on such instruments.

### 19.2 Assets and liabilities held at fair value

The following table shows the Company's assets and liabilities that are recognised and subsequently measured at fair value and are analysed by valuation techniques. The classification of assets and liabilities is based on the lowest level input that is significant to the fair value measurement in its entirety.

|                                      | Company       |               |               |             |               |               |               |             |
|--------------------------------------|---------------|---------------|---------------|-------------|---------------|---------------|---------------|-------------|
|                                      | 2025          |               |               |             | 2024          |               |               |             |
|                                      | Level 1<br>Rm | Level 2<br>Rm | Level 3<br>Rm | Total<br>Rm | Level 1<br>Rm | Level 2<br>Rm | Level 3<br>Rm | Total<br>Rm |
| <b>Financial assets</b>              |               |               |               |             |               |               |               |             |
| Trading and hedging portfolio assets | -             | 2             | -             | 2           | -             | 1             | -             | 1           |
| Derivative assets                    | -             | 2             | -             | 2           | -             | 1             | -             | 1           |
| Foreign exchange derivatives         | -             | 2             | -             | 2           | -             | 1             | -             | 1           |
| <b>Total financial assets</b>        | -             | 2             | -             | 2           | -             | 1             | -             | 1           |

## 21. Going concern

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

## 22. Reportable Irregularity

Refer to note 60 of the Group's financial statements for further details.

## 23. Events after the reporting period

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

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

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