

Reading our report

Insights to Absa and our operating environment

Who we are

An African financial services group committed to enabling the growth and success of individuals, business and society.  4, 5

Our business model

Through our value creating business activities, we aim to deliver products and services while managing our impacts on, and positively transforming, the Six Capitals.  8, 9

Market drivers and internal drivers

Competition and technological change	Regulatory oversight	Macroeconomic, socio and political flux	Focus on social, governance and environmental matters
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Our growth strategy

We are enablers - helping individuals, businesses and society.

The Group's strategic focus areas were crafted based on an understanding of the growth dynamics within Africa, across markets, customers and products.  12



Integrated planning

Our integrated planning approach takes into account our strategic ambitions, stakeholder needs and future resource requirements within the context of our operating environment, market drivers, risks and opportunities and our material matters.

Pillars of value creation

We believe that there are four pillars that support sustainable value creation.

1 Leadership

Strong leadership is critical to value creation. For leadership to be effective it must be ethical and therefore our Board and senior executives are committed to the highest standards of integrity and ethical behaviour, and set the tone at the top through exemplary leadership. They uphold the standards of conduct required by law, the Group's code of conduct and our Values and the expected behaviours. We strove to achieve the appropriate diversity and to ensure robust governance and keen commercial decision-making.  14

2 Governance

Our Board is collectively responsible for delivering sustainable value through oversight of the management of the Group's business, challenging and approving strategic plans proposed by management, and monitoring implementation of these plans in the context of the approved risk appetite, the available opportunities, and the macro and regulatory environment.

3 Risk management

Our strategy focuses on opportunities for growth and takes into account matters which are deemed material for long-term sustainability. The Group strategy is the key driver of risk and return, and is to be achieved within the parameters of the agreed risk appetite. The risk and capital management strategy is developed alongside our strategy and forms an integral part of the integrated planning process. Within the risk and capital management strategy, risk appetite defines the nature and the amount of risk that the Group is willing to take to meet its objectives.  19, 39

4 Reward

Our reward practices have been designed to inform how we reward - the behaviours we reward and the behaviours which we discourage. The practices are embedded through performance management, recognition programmes and consequence management. Our reward philosophy underpins our growth strategy, entrepreneurial culture and risk management approach. Its objective is to direct the efforts of our people in delivering our strategy of creating sustainable value for all our stakeholders in a fair and responsible way.  20, 46

Delivering stakeholder value creation

We aim to create value by conducting business in a way that promotes positive outcomes for our stakeholders and, in turn, for the Group.

 Customers	Customers provide not only revenue but are the main source of deposits that enable our lending activities. To remain relevant, we offer innovative and cost-effective products and solutions to meet their needs.  31
 Employees	Capable, engaged and knowledgeable employees with access to value-creating customer solutions, will drive our commercial success and advance our reputation. We provide employment, fair pay and development opportunities.  33
 Society	Our success is interlinked with the wellbeing of the societies in which we operate. Charities, non-governmental organisations and public and private sector partnerships enable the Group to amplify our positive impact in addressing a number of socioeconomic challenges.  35
 Regulators	Sound governance and compliance with the legal and regulatory frameworks creates a stable financial services system that guides the way we do business.  37
 Investors	Shareholders and debt investors who provide capital and funding, and have a vested interest in the performance of the Group. We require a strong relationship to ensure a shared expectation around our vision, strategy and future performance.  39