Transformation
through the Separation

The Separation has been the catalyst for a significant strategic and cultural reset of our organisation and is progressing well.

March	April	May	June	July	September	October	December
Announced our high-level growth strategy.	Reorganisation announced to align the organisation to the new growth strategy.	Shareholders approve the name change. Culture change programme.	Achieved regulatory deconsolidation from Barclays.	Barclays Africa renamed Absa Group Limited. Refreshed of the Absa brand in South Africa.	Opened our London office while continuing to pursue a New York presence.	Board considered the detailed strategy for RBB SA.	Board considered the detailed strategies for CIB, ARO and WIMI.

Over 2016 and 2017, Barclays reduced its shareholding in Absa from 62.3% to 14.9%. The Separation has been the catalyst for a significant strategic and cultural reset of our organisation which includes the transition of services (including technology services) previously provided by Barclays and the brand change. A comprehensive programme is delivering the replacement of systems and capabilities to successfully separate a combination of standard lift-and-drop solutions, noteworthy systems refresh, and some substantial transformation for example the implementation of Workday (a unified human resource management solution for the Group).

Critical to the change process are the ongoing engagements with our regulators. Given the size and complexity, the programme is run by an experienced and dedicated team within a robust risk management framework that is overseen by a sound governance structure, including a dedicated Board committee.

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We have split the 198 services from Barclays into 266 projects, of which 24 are platinum projects (the most complex and interdependent). At the end of 2018, 103 services contracted with Barclays had been terminated and we delivered 140 projects, including five platinum. The majority of work remains on track and, as with any programme of this size, there has been slippage but we have worked hard to get back on track.

Resources who supported business-critical Absa Regional Operations applications from the Barclays Technology Centre in India have been successfully transferred to our selected third party, and continue to provide these services under a separate contract. We aim to localise resources from India to South Africa over five years, with half of them by 2021.

2019 is critical, with 12 platinum projects to be delivered. One of the most significant technical projects – the migration of core banking applications of Absa Regional Operations' entities from the United Kingdom to South Africa was successfully executed in April 2019, removing existing complexities and improving overall customer experience. We will also replace our core financial crime systems with an integrated and analytically advanced system that has substantially improved functionality.

In addition to Separation, the programme is consolidating and digitising core technology services. In most instances, we are implementing the same solutions with more recent versions, providing opportunity to improve our current state. Solutions include delivering a consolidated offering for pan-African payments and consolidating all Absa Regional Operations card-related systems.

The brand change is one of unprecedented scale and includes digital platforms, forms, marketing and business collateral, corporate and retail premises, ATMs and point of sale devices. The rebranding in South Africa is progressing well, the majority of which is to be completed in the first half of 2019. We have made good progress on the work to rebrand our Barclays branded subsidiaries to Absa by June 2020, and products and services in those markets will not be affected by the name change.

Going forward, the Separation office is transitioning into a Group change function that will leverage the learnings and capabilities from the Separation, to make Absa an effective, change-driven organisation.