

Corporate and Investment Banking

Global Markets

Client Solutions Group ARO

cib.absa.africa

Your story matters



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Global Offering



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Absa at a glance

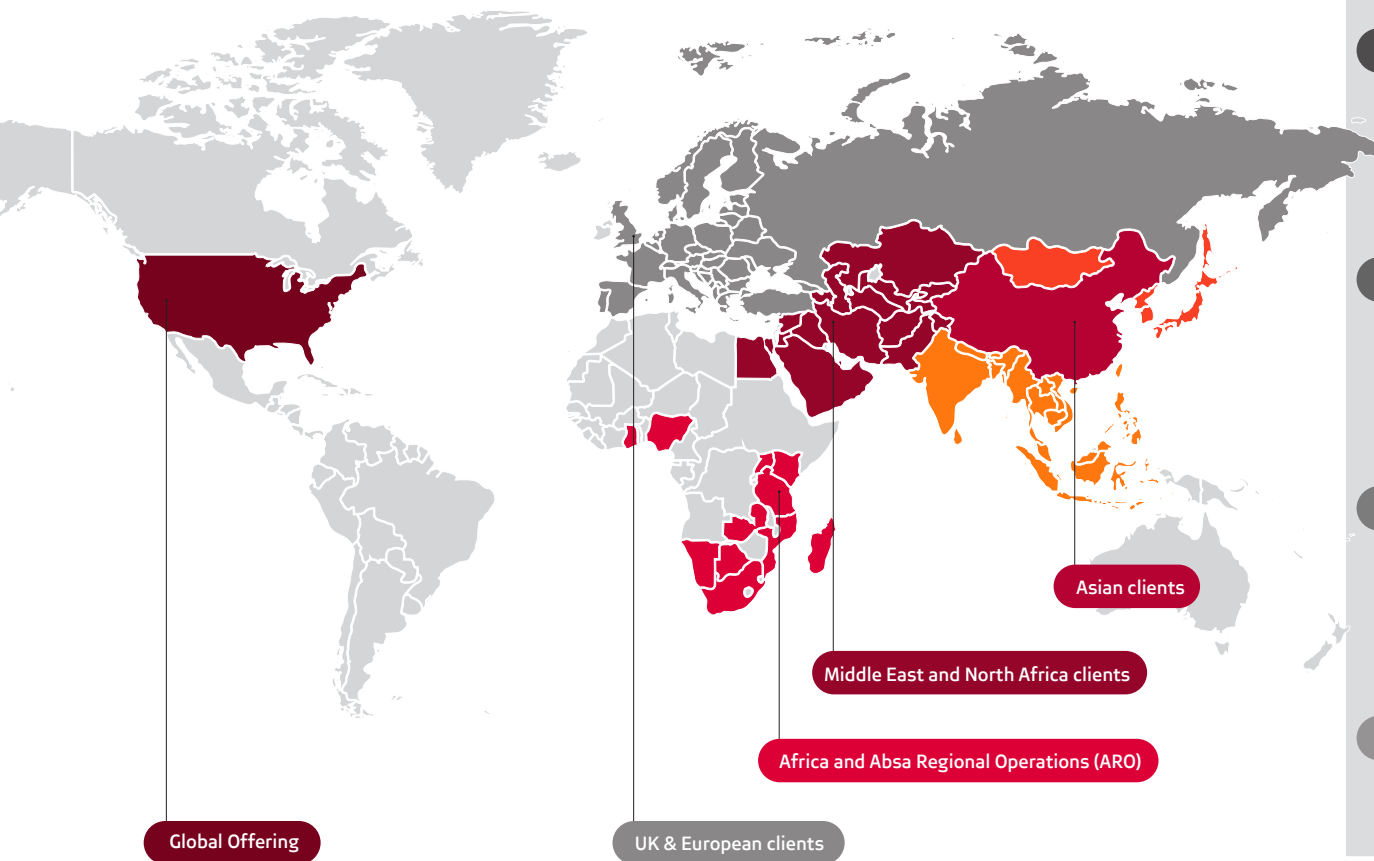


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Our Global Offering



SSA Trading Capabilities

Absa serves customers using a hub and spoke model to manage market risk. We have trading teams both in SA and in our presence markets that collaborate to provide seamless execution of a range of products.

Secured Financing



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	Foreign Exchange				Fixed Income	
	FX Trading	Cross Currency Swaps	Options	NDF	Bond/Bill Trading	Repos
Botswana	✓	✓	✓	✗	✓	✓
Ghana	✓	✓	✓	✓	✓	✓
Kenya	✓	✓	✓	✓	✓	✓
Mauritius	✓	✗	✓	✗	✓	✓
Mozambique	✓	✗	✗	✗	✓	✓
Seychelles	✓	✗	✗	✗	✓	✗
South Africa	✓	✓	✓	✗	✓	✓
Tanzania	✓	✗	✗	✗	✓	✓
Uganda	✓	✗	✓	✓	✓	✓
Zambia	✓	✓	✗	✓	✓	✓
Nigeria	✓	✓	✗	✓	✓	✓
Namibia	✓	✓	✓	✓	✓	✓
Egypt	✓	✓	✗	✓	✓	✓

Our differentiators in our presence markets in Africa

- Regionally relevant and skilled sales and trading teams
- Sovereign trading limit - one of the largest in the market
- Substantial liquidity for local and foreign currency trading
- Large regional and local footprint with deep experience on the continent
- Strong, in-depth knowledge of local regulations and best market practice
- Strong connectivity with our headquarters using a world-class international business model
- Ability to structure complex products
- Ability to fully integrate systems
- High standards of governance.



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Global Markets – Solutions Hub



Research



Trading



Sales

Client Solutions Group – 4 Pillars

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Client Solutions Group ("CSG") ARO

- The Client Solutions Group ARO team is a multi-asset sales and structuring team that offering risk management, structuring, secured financing and hedge execution for our clients. The team services Financial Institutions, Sovereign and Corporate client across the African continent
- Headquartered in Johannesburg, the team works hand in glove with the Global Markets Teams in our presence markets, and services

- the Non-presence markets where Absa interfaces with clients in conjunction with our Client Coverage team
- The Team has deep sector expertise across the strategic sectors that drive the African Growth story. The team profile shows the various sectors together with the relevant sector leads:

DFI/Central Banks



Vuyo Mafrika
Head of CSG ARO

Commercial Banks



Aphile Molefe

NBFI



Maryjane Mokgethi

Public Sector



Gerald Nana Kusi

Micro Financiers



Sanny Phorabatho

Natural Resources



Asavela Moloji

Agriculture



Kabelo Bogopa

CPF



Kwesi Bedu-Addo



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Risk Management

We offer an extensive range of risk management products to protect client's balance sheet position arising from their operations, investing and borrowing activities



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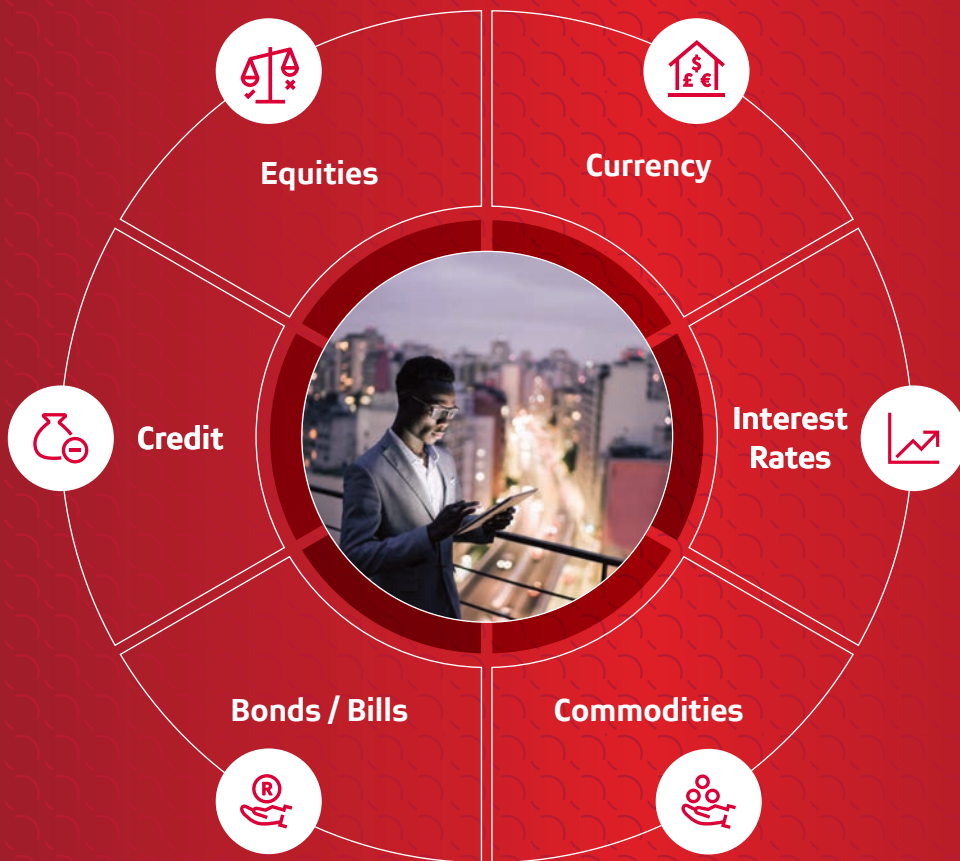
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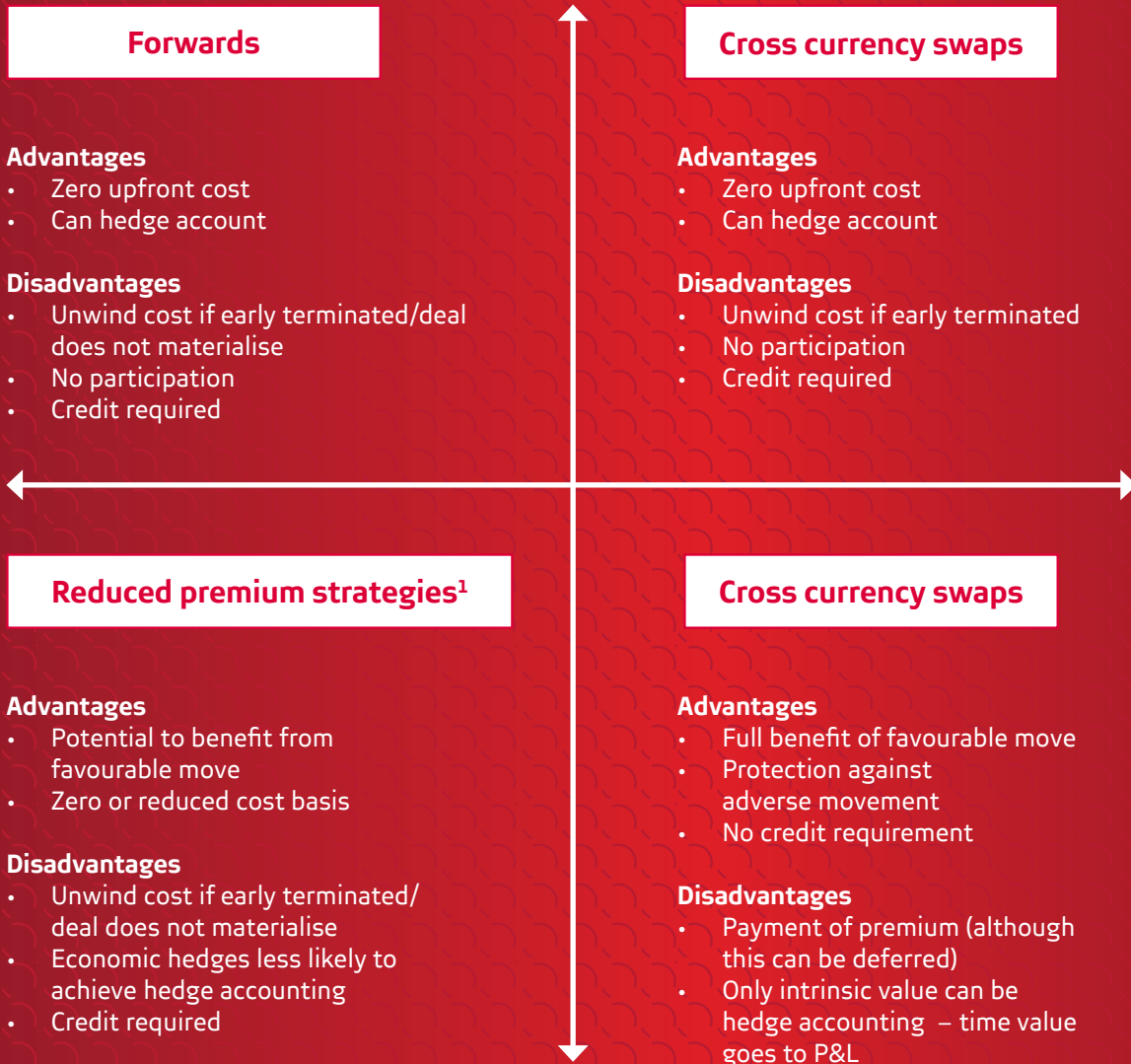
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FX Risk Management Offering

The Team is able assist clients with bespoke Structured FX products in order to maximize market opportunities. We have seen an increasing number of Corporates using a mix of FX hedging tools, which can provide protection against adverse market movements as well as the ability to benefit from favorable rate movements.



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Interest Rates Risk Management Offering

The team has an extensive experience leveraging Rates Derivatives markets to enable clients to effectively manage their debt exposures across different currencies and basis and eliminate any mismatches to the revenue and assets in the client's business.

	Advantages	Considerations	Application and accounting
<ul style="list-style-type: none"> • Interest rate swaps • Cross Currency Swaps 	<ul style="list-style-type: none"> • Zero upfront premiums 	<ul style="list-style-type: none"> • Unwind cost if underlying exposure falls away • No participation • Credit required 	<ul style="list-style-type: none"> • Only recommended where certainty of flows is high • Can hedge account
<p>Interest rate options</p>	<ul style="list-style-type: none"> • Full benefit of favourable move • Protection against adverse movement • No credit requirement 	<ul style="list-style-type: none"> • Payment of premium (although this can be deferred) 	<ul style="list-style-type: none"> • Recommended where there is high degree of uncertainty of the underlying transaction • Only intrinsic value can be hedge accounting – time value goes to P&L
<p>Reduced premium strategies¹</p>	<ul style="list-style-type: none"> • Can provide full hedge • Potential to benefit from favourable move • Zero or reduced cost basis 	<ul style="list-style-type: none"> • Against the company 	<ul style="list-style-type: none"> • To be considered when information surrounding the transaction improves • Economic hedges less likely to achieve hedge accounting

Reduced premium strategies

1. Structured as a combination of forwards and/or options – typically sells some options to fund the buying of potential upside
2. Faces both the upside and downside of potential currency movements, not always in equal proportions
3. May be zero cost, or may pay/receive a premium upfront in some cases

Commodity Risk Management Offering

Typically, commodity price risk arise when an entity either produces or consumes a product that has a price referenced to a published commodity price. Commodity Price fluctuations may have a direct impact on the cash flows of a client's business.

Energy

- Crude Oil (Dated, Brent, WTI)
- Fuel Oil
- Gasoil

Base Metals

- Copper
- Aluminium
- Zinc
- Tin
- Lead
- Nickel

Precious Metals

- Gold
- Silver
- Platinum
- Palladium

Why Hedge?



Transfer commodity price risk from the business



Stabilize earnings, reduce corporate risk, secure operating margins, meet capital expenditure expectations



Transfer commodity price risk from the business



A clearly defined policy can be effective in reducing market risk exposure for a business



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How does it work?

Forwards/ Swaps

- Price is Fixed
- Protection required from adverse price movements
- No participation in favorable market moves
- Zero upfront premium payable

Purchase Options

- Protection from adverse price movements
- Full participation in favourable market price movements
- Premium payable for this solution (Upfront/Deferred)

Option Strategies

- Option strategies can be tailored to meet specific needs and usually comprise more than one option,
- You may choose to pay a premium for option hedges, or alternatively we can structure zero-cost strategies
- Outperformance strategies, on the other hand, may provide limited protection, however, they offer the opportunity to achieve better than market rates contingent to pre-agreed conditions

Consider this strategy if ...

- You think that for the term of protection, market price will be lower, than the Swap Price/Fixed Price.
- You require the maximum certainty achievable under a commodity hedge

- Premium payment is acceptable
- You would like both protection and unlimited participation in favourable price moves

- You would prefer a zero-premium solution
- You would like protection with the ability to participate in favorable price moves up to a pre-defined level
- You require limited protection

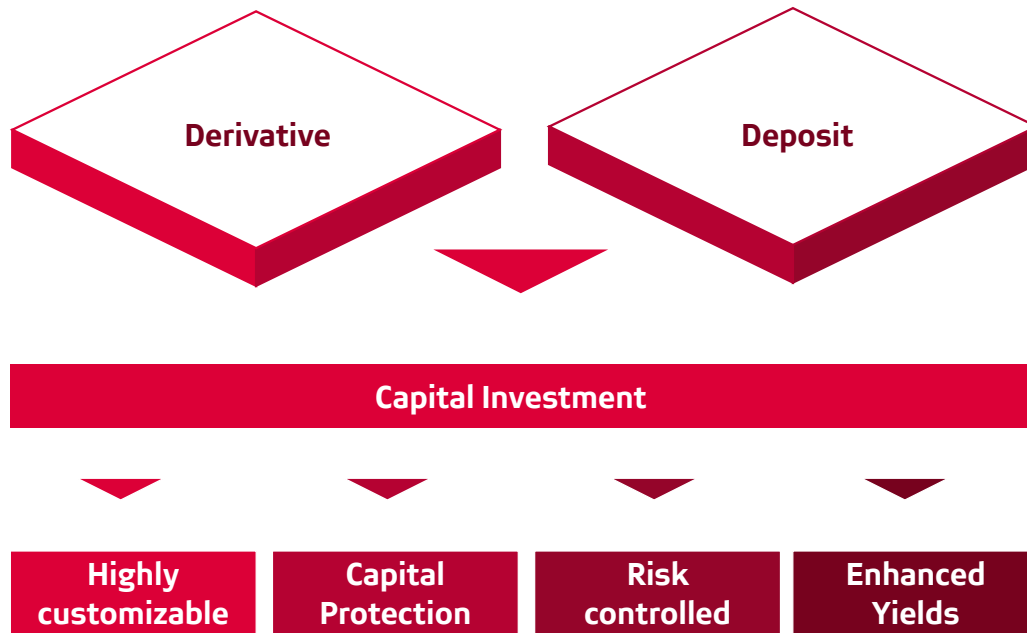
Yield Enhancement

Importance of Yield Enhancement in a low interest environment

- Generating Alpha
- Diversification
- Traditional Asset Classes vs Alternative Investments
- Global diversification can unlock yield enhancement opportunities



Upside Potential in Equities, Mutual Funds, ETFs, Commodities



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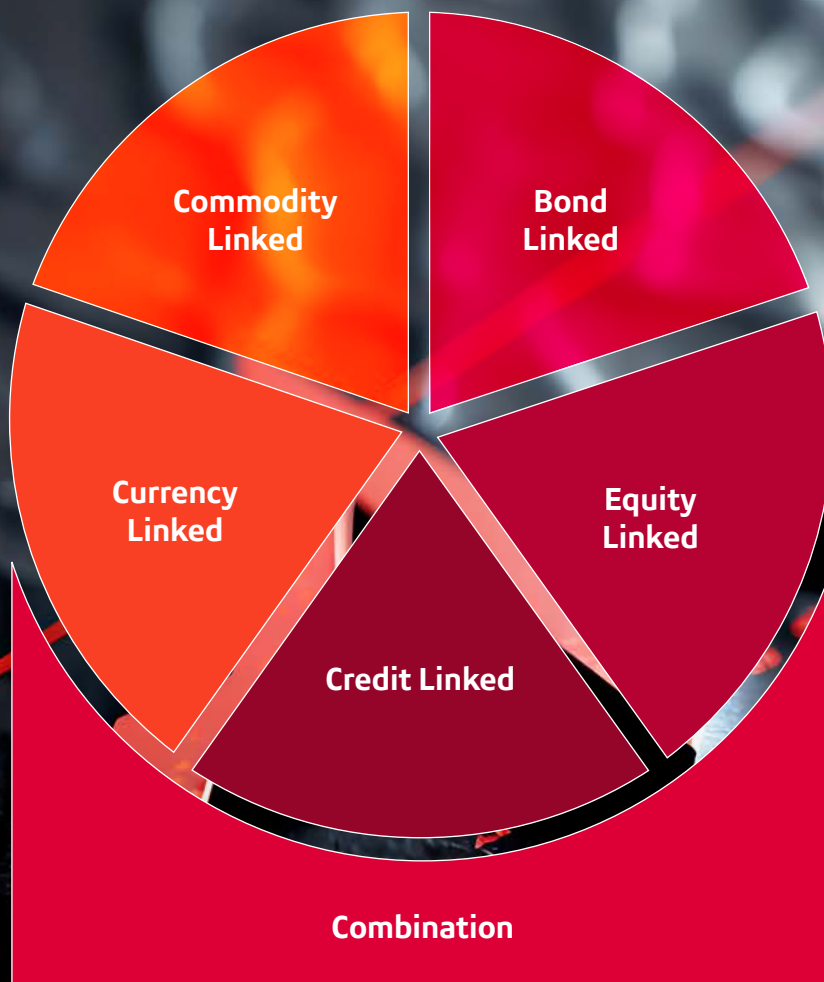


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Types of Structured Investments



- Capital Allocation
- Diversify between riskless and risky assets



- Asset Allocation
- Diversify between asset classes and markets



- Security Selection
- Diversify among investments within each asset class



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Short-Medium Term Yield Enhancement and Liquidity Management Structures



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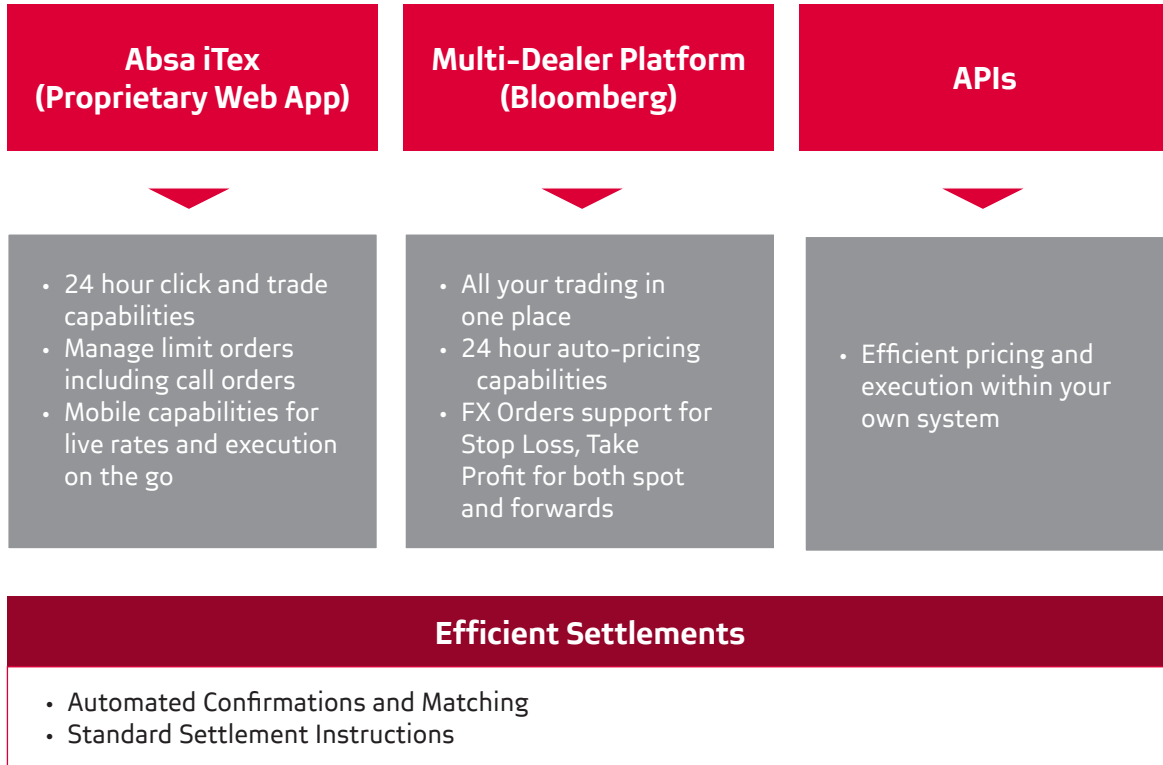
- Absa Bank advances financing against traded securities for various tenors
- Financial Institutions usually uses secured financing for:
 - Enhancing liquidity
 - Optimising collateral use
 - Provide stability in volatile environment
- The instruments used for secured financing are predominately:
 - Total Return Swaps
 - Repurchase Agreements (Repos)
 - Buy and Sell-backs
- Collateral that can be accepted under the secured financing trades include:
 - Local Currency Treasury Bills and Bonds
 - Selected Corporate Bonds
 - Sovereign and Corporate Eurobonds
- Financing Can be Advanced in both Hard Currency and/or Local Currency
- Transactions can be documented under ISDA/CSA and/or GMRA

Digital Platforms

We have a range of digital platforms that allow for seamless execution of transactions

Digital Execution Capabilities

Speed and efficiency for trading execution, with flexibility across platforms



Access



DEUTSCHE BÖRSE GROUP

REFINITIV[®]
FXall

Bloomberg[®]



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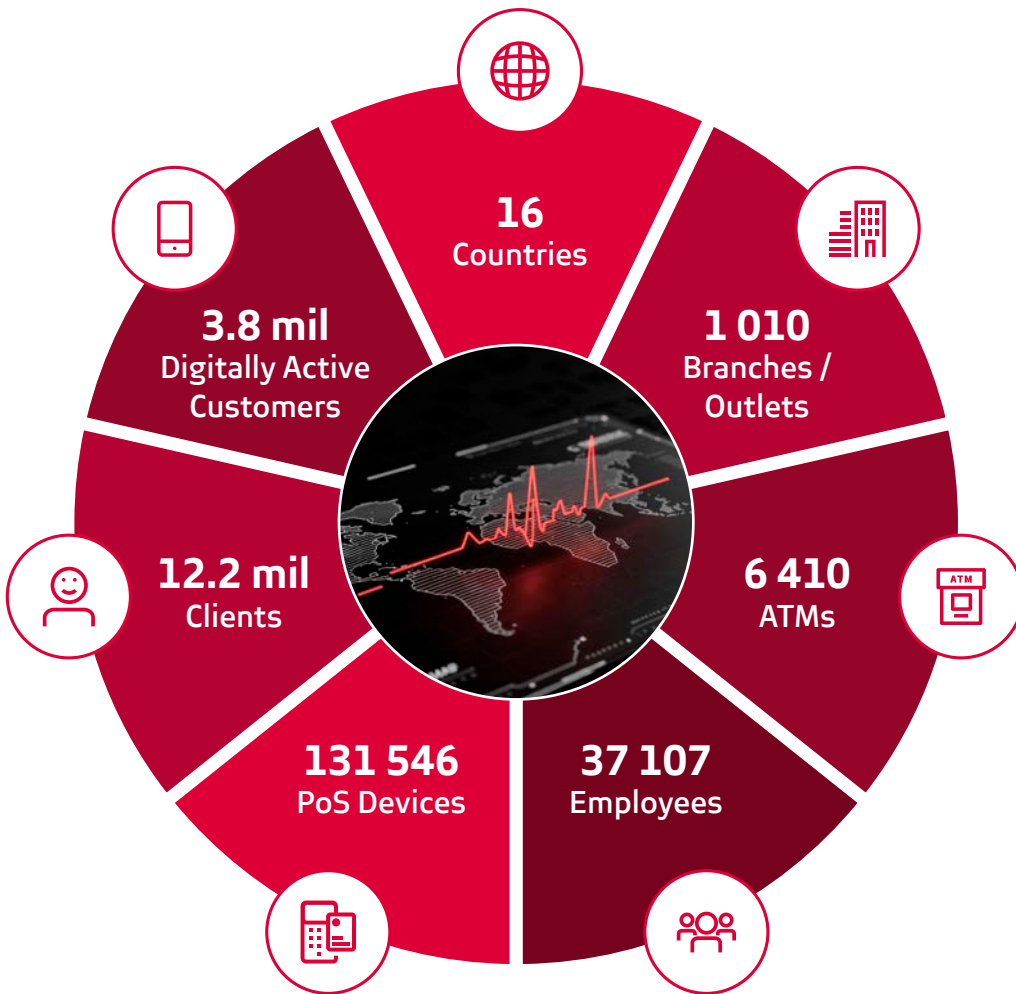


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We are a Pan-African group inspired by the people we serve. We are determined to be a group that is respected globally, and that Africa can be proud of.



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Our presence in Africa

Absa serves customers through an extensive branch and self-service terminal network, digital channels, financial advisors, relationship bankers as well as dealerships, originators, alliances and joint ventures.










	Employees	POS	ATMS	Branches	Founded
Botswana	1 090	5 519	116	34	1950
Ghana	1 200	1 463	166	52	1917
Kenya	2 333	5 058	197	84	1916
Mauritius	782	1 702	41	9	1919
Mozambique	z818	1 675	93	45	2002
Seychelles	270	2 029	23	6	1959
South Africa	27 085	104 877	5 250	618	1986
Tanzania ABT	550	1060	199	23	1925
Tanzania NBC	1037	597	53	54	1925
Uganda	926	2 396	93	39	1927
Zambia	805	2 945	121	36	1918

Technology offices	Representative offices	Representative offices	Securities entities	Securities entities	General Advice Support
Czech Republic 148 Employees	Namibia 1 Employee	Nigeria 13 Employees	UK 36 Employees	USA 13 Employees	China 3 Employees


Our differentiators in our presence markets in Africa

- Regionally relevant and skilled bankers
- Single borrower limit - one of the largest in the market
- Substantial liquidity for local and foreign currency lending and transacting
- Large regional and local footprint with deep experience on the continent
- Strong, in-depth knowledge of local regulations and best market practice
- Full local proposition to completely service your full value chain
- Strong connectivity with our headquarters using a world-class international business model
- Ability to structure complex products
- Ability to fully integrate systems
- Risk appetite for expansion with no sector bias
- High standards of governance.



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Absa's Credit Ratings

Rating Agency	Global Scale Rating			National Scale Rating	
	LT Foreign Currency	LT Local Currency	Short-Term	Long-Term	Short-Term
MOODY'S INVESTORS SERVICE	Ba2	Ba2	NP	Aa2.za	P-1.za
Rating Agency	Global Scale Rating			National Scale Rating	
	LT Foreign Currency	LT Local Currency	Short-Term	Long-Term	Short-Term
MOODY'S INVESTORS SERVICE	Baa3	Baa3	P-3	Aaa.za	P-1.za
 McGRAW HILL FINANCIAL	Nr ¹	Nr ¹	Nr1	zaAA	zaA-1+

1. Nr = not rated, GSR = Global Scale Rating, NSR = National Scale Rating

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Absa is a leading market risk management solutions provider

 <p>Infrastructure Financing</p> <p>USD 40mio</p> <p>USD Interest Rate Swaps</p> <p>Sole Hedge Provider</p> <p>2022</p>	<p>NEED LOGO</p> <p>Aluminum</p> <p>USD 48.5mio</p> <p>Commodity Swap</p> <p>Sole Hedging bank</p> <p>2022</p>	 <p>Hospital Infrastructure Development</p> <p>USD 259mio</p> <p>Promissory Note Discounting</p> <p>Hedging bank</p> <p>2019</p>	 <p>Buyout of Outstanding Mediclinic Shares</p> <p>GBP200mio</p> <p>GBPZAR 6 Month Synthetic Forward</p> <p>Sole FX Execution bank</p> <p>2022</p>	 <p>Acquisition of Portfolio of Towers from MTN</p> <p>USD100mio</p> <p>USDZAR FX Spot Conversion</p> <p>Joint FX Execution bank</p> <p>2022</p>
<p>Created by</p>  <p>EUR 75mio</p> <p>3y Synthetic Hard Currency Funding</p> <p>Pre Hedge and Embedded Hedge</p> <p>Sole Execution Bank</p> <p>2022</p>	 <p>Liquidity Management Solutions</p> <p>USD 300mio</p> <p>FX Swaps</p> <p>Hedging Bank</p> <p>2022</p>	 <p>Liquidity Management Solutions</p> <p>USD 100mio</p> <p>FX Swaps</p> <p>Hedging Bank</p> <p>2022</p>	 <p>Liquidity Management Solutions</p> <p>USD 300mio</p> <p>FX Swaps</p> <p>Hedging Bank</p> <p>2022</p>	 <p>Strategic shareholder / Structured Acquisition Finance</p> <p>ZAR 1.5bn</p> <p>3.5y Collar backed Pref funding</p> <p>Sole Equity Execution and Hedge Bank</p> <p>2022</p>
 <p>Acquisition of BetKing</p> <p>USD100mio</p> <p>USDZAR FX Spot Conversion</p> <p>Joint FX Execution bank</p> <p>2021</p>	 <p>Redstone Concentrated Solar Power (CSP) project</p> <p>2.5y EUR 33mio FX Strip and 18y 3bn IR Swap</p> <p>Joint Execution and Hedge Bank</p> <p>2021</p>	<p>NEED LOGO</p>  <p>Foreign Currency Risk Management</p> <p>USD 10mio</p> <p>FX Options</p> <p>Hedging Bank</p> <p>2022</p>	 <p>Currency Risk Management</p> <p>USD 250mio</p> <p>Cross Currency Interest Rate Swaps</p> <p>Hedging Bank</p> <p>2022 - 2023</p>	 <p>Currency Risk Management</p> <p>USD 250mio</p> <p>Cross Currency Interest Rate Swaps</p> <p>Hedging Bank</p> <p>2022 - 2023</p>
 <p>ZAR 1.4bn</p> <p>LTI Hedge</p> <p>Equity Execution and Hedge Bank</p> <p>2017-2022</p>	 <p>USD Eurobond</p> <p>USD 72mio</p> <p>5y GBPUSD Cross Currency Swap</p> <p>Hedge Bank</p> <p>2021</p>	 <p>Brent Crude Oil</p> <p>3.5mio Barrels</p> <p>15 Month Commodity Price Swap</p> <p>Joint Execution and Hedge Bank</p> <p>2021</p>		



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