Absa Group FY24 results speaker notes

Charles Russon – Interim Chief Executive

Introduction

Good morning and thank you for joining us for Absa Group's 2024 results presentation.

I will cover our operating environment, share my thoughts on where we are as a group, and talk to our divisional performances. Thereafter, Deon Raju, our Financial Director, will unpack our financial performance, before we take your questions.

Difficult macro backdrop that remains highly uncertain

Last year the global economy held steady, with real GDP growth of around 3.3%. A resilient labour market saw the US growing an estimated 2.8%, while a difficult domestic environment meant China's growth slipped to about 5%. Europe's performance remains subdued, with Germany still in recession and the Euro Area growing by less than 1%.

Looking ahead, the global economic environment is likely to remain uncertain, largely due to the sweeping and dramatic changes being announced by the new US administration. Reflecting in part a concern on the inflationary impact of increased tariffs, the US Federal Reserve is expected to pursue a shallower cutting cycle, while monetary policy across other major economies is expected to reflect country-specific conditions rather than a global trend. Geopolitical tensions remain elevated, particularly in the Middle East and the Ukraine/Russia war. Lastly, the likelihood of global regulatory fragmentation is now elevated.

In South Africa, two key events shaped 2024 and are likely to have long lasting impacts. First, the swift formation of the coalition Government of National Unity after the May election, which presented significant cause for optimism. Second, we saw intensive electricity loadshedding end, with broadly stable electricity supply from late March. Although neither immediately translated into faster economic growth or a recovery in investment, surveys of business and consumer confidence improved. Real GDP growth was muted at 0.6%. Inflation averaged 4.5% for the year, rate cutting started in September, and the two-pot pension system all boosted household finances.

Looking ahead, we expect real GDP growth in South Africa of about 2% in 2025 and 2026, benefitting from improved sentiment and the much-needed improvement in Eskom's operational performance. Household incomes are expected to increase, with wage growth ahead of inflation. Although rate cuts are likely to be less than we had anticipated, they should lower the debt service burden, which in turn should lead to a modest acceleration in household consumption. Note, the souring relationship between the new US administration and South Africa poses an important risk to our currency, investment and economic growth projections for South Africa.

Our Africa regions countries saw some materially different narratives in 2024. East African markets generally continued to perform strongly as debt sustainability fears receded in Kenya, Uganda moved closer to oil production and continued investment boosted Tanzania. Ghana's economy expanded at a surprisingly robust pace, despite still elevated living costs. Drought weighed heavily on Zambia's performance, whereas Botswana's economy contracted due to the sharp decline in diamond demand. Post-election violence and large fiscal constraints created significant headwinds for Mozambique.

We currently forecast strong GDP-weighted growth for our Africa regions countries of 5.3% in 2025. Disinflation, lower policy rates, improving weather conditions, strong infrastructure investment and multilateral support, continue to underpin the region's growth outlook in our base case, even as US announcements around development aid raise a new downside risk.

FY24 saw some progress

Turning to the salient features of our 2024 performance.

Diluted HEPS grew 10%, or 12% in constant currency, a material improvement after declining 5% in the first half.

Dividends per share grew 7%, based on a 55% payout ratio.

Importantly, our RoE improved to 14.8%, covering our cost of equity for the period.

Net interest margin narrowed by 5 basis points, mostly due to compression in our deposit margin.

With our revenue and cost growth both improving in the second half, our cost-to-income ratio was flat for the year at 53%.

Pleasingly, our credit loss ratio improved more than we had anticipated to 103 basis points, slightly above our target range, from an elevated level in 2023 and the first half of 2024.

NAV per share grew 11% to R193, taking its compound growth since 2019 to 9%.

Lastly, our CET1 capital ratio increased slightly to 12.6%, just above our Board target range.

We are in a recovery phase

Given low returns and muted earnings growth the past two years, we remain a recovery story.

It is fair to say that 2024 as a whole fell short of our expectations, as we dealt with both external and internal challenges during the year. However, the improvement in our second half performance is testament to our resilience as we confronted the challenges.

As I said in December, you should expect steady improvement from here. We aim to improve our execution and consistently deliver on our guidance, in the immediate, short- and medium-term, to regain market confidence.

Making progress on strategic execution priorities

Three months ago I said we were introducing four execution priorities to ensure that we deliver on our plans to improve our returns. We have started to make progress on these in numerous areas. I will touch on a few:

We are focusing on precise growth at the right returns and we have elevated RoE alongside headline earnings growth as the key focus areas in our scorecards, which are then cascaded deep into our business units and teams.

Second, we are also investing in our capital allocation capabilities to enable the right trade off decisions across the group.

As an example of focusing on the returns and capital allocation, in Vehicle and Asset Finance we shifted to be more precise in origination for value, refining our risk appetite in certain segments and dealers, invested in collections capability and increased our bancassurance cross sell, all of which are crucial to improving returns.

We have a strong liquidity position and, started to apply greater precision to balance sheet value management, particularly in retail South Africa and Relationship Banking, which will support our net interest income over time.

Third, I said we will shift our focus from product profitability to both client and product profitability.

In support of this, we are combining Product Solutions Cluster, Everyday Banking and Private Wealth Banking into a single retail franchise, to accelerate the turnaround and drive value through a single customer lens. The structure will be anchored equally on customer and product, enabled by data, digital and rewards, and be delivered seamlessly across multiple channels. Our review is progressing well, and expect to be live in May meaning we will report on Retail SA in our interim results at the half year.

We are also following a franchise approach to our wholesale clients across CIB and Relationship Banking that will allow more precise pricing of certain products with a franchise lens.

In support of creating a holistic client and product view, we will reduce the loss in our Group Head Office this year and further over the medium-term, removing or reallocating costs where possible and ensuring that only Group Treasury and shareholder costs are retained. Deon will cover this in more detail.

Lastly, our productivity program is leveraging technology and removing unwanted costs to generate the capacity to reinvest in growth, again Deon will cover this in more detail.

Franchise health improving

Our franchise health continued to improve as we made progress on several strategic fronts.

First, we brought a fresh, purpose-aligned brand to the market in February, signaling our intention to be a brand with human empathy and intuitive and seamless customer experiences at its core, with our new brand positioning “Your Story Matters”.

Second, growing active customer numbers and improving customer experience scores is a priority for us. Our customer experience index improved across all businesses last year and we saw pleasing customer growth trends.

Third, we continued to invest in technology to strengthen our digital offerings, while always ensuring security and stability. We are proud to remain one of the most stable banks, with a Group service availability of 99.9% and zero severity 1 incidents for more than 1 000 consecutive days.

We also made significant progress promoting digital adoption, achieving 14% group composite growth in digitally active customers, supported by adoption initiatives and simplified digital onboarding processes.

Fourth, being an active force for good in everything we do is a critical imperative, and I am pleased that we continue to exceed expectations. Notably, sustainability-linked financing reached R49bn last year, helping to achieve our cumulative 2025 target of R100bn a year ahead of schedule.

Lastly, while 2024 was a challenging year for staff, they remain very engaged and have an increased sense of ownership via our share scheme that distributed its first dividend in May. The scheme benefits not only employees, but broader communities in South Africa through our evergreen CSI trust.

All businesses grew earnings

Turning to our segmental performances, all our divisions grew earnings.

We continue to see good momentum in CIB, particularly across Transactional banking and Markets in Africa regions. For instance, Corporate transaction volumes grew 13% and our Markets ARO income increased 19%.

We are seeing a recovery of our Product Solutions and Everyday Banking performances, with good earnings growth driven by declining credit impairments, although pre-provision profit growth was subdued for both divisions. Both improved returns noticeably from the first half. As mentioned, we believe that combining the businesses will accelerate our retail turnaround in South Africa, with stronger revenue trends medium-term.

Relationship Banking's performance has been muted the past two years, and we need to generate improved, revenue-driven earnings growth in this business.

ARO RBB has maintained positive underlying momentum, in what has been a tough operating environment, including a material reporting drag from the stronger Rand.

CIB momentum and diversification benefits continued

We show CIB's earnings by activity and region, although as you know it is run on a Pan-African basis.

CIB showed continued momentum and benefits from diversification to grow 6% off a high base having that increased 21% the prior year.

Corporate earnings were flat off a high base that grew 29% in 2023. We saw modest pre-provision profit growth and lower credit impairments, offset by the stronger Rand.

Conversely, Investment Bank rose due to strong, revenue-driven growth in pre-provision profits, which outweighed significantly higher credit impairments off a low base.

Geographically, CIB SA earnings grew as strong pre-provision profit growth offset significantly higher credit impairments.

CIB ARO's growth was modest despite strong pre-provision profit growth, given substantially higher credit impairments from a net release the previous year, as well as a stronger Rand.

Relationship Banking growth has been muted

Relationship Banking earnings growth has been muted in recent years. Pressure on non-interest income, particularly the contraction in cash volumes and growth in low-margin products, has offset solid growth in net interest income. Moreover, investment in frontline staff in 2023 meant cost growth dampened our pre-provision profit growth, producing modest earnings growth.

Given this investment, we need to see improved revenue generation, particularly in the SME segment, where we are underweight, and as we continue to diversify Commercial beyond our leading Agri franchise.

Card and Personal Loans drove EB earnings growth

Moving to Everyday Banking, Transactions and Deposits earnings decreased as lower pre-provision profit outweighed the 19% reduction in credit impairments.

However, the substantial rebound in our lending businesses drove earnings growth. Card earnings more than doubled, while Personal Loans swung from a loss the prior year, given significantly lower credit impairments.

Lending businesses underpinned PSC earnings rebound

A substantial rebound in lending businesses also drove strong Product Solutions Cluster earnings growth.

Home Loans earnings rose substantially, as credit impairments fell. Similarly, VAF's earnings recovered significantly off a low base, largely due to 18% lower credit impairments, plus higher pre-provision profits.

Insurance SA earnings recovered materially in the second half to increase 10%, driven by strong growth in Non-Life Insurance.

Solid ARO RBB earnings growth despite currency drag

ARO RBB has good underlying momentum, having grown revenue, pre-provision profits and earnings strongly over the past two years, particularly in constant currency.

However, the stronger average Rand was a drag on ARO RBB's performance, especially in 2024.

We see the Rand remaining a headwind for ARO RBB again this year, but expect to generate solid earnings growth given the underlying momentum in the customer base and revenue.

Scope to improve divisional returns

Finally, looking at our divisional returns, pleasingly, Everyday Banking improved noticeably. Medium-term we aim to increase it further, as credit impairments continue to normalise and fee income growth picks up.

We also believe that Relationship Banking can improve from current levels medium-term, as our investments pay off and we grow capital lite revenue.

CIB's has consistently delivered returns above 20%, and we will be pleased to maintain them around current levels.

Despite improving materially in 2024, Product Solutions Cluster remains below cost of equity and we expect our returns to increase from these levels, particularly given this segment includes Insurance and Home Loans which both generate attractive returns though-the-cycle.

Lastly, ARO RBB's return on regulatory capital remains well below cost of equity. We see scope to improve this materially medium-term, by reducing the cost-to-income ratio from 64%, driven by continued revenue growth and better efficiency.

I will now pause here and hand over to Deon to take you through our financial performance and guidance through 2026. Thank you for your attention.

Deon Raju – Financial Director

Thanks Charles and good morning everyone.

I will unpack our 2024 results before closing with our guidance.

Pre-provision profit and lower CLR drove earnings growth

Starting with our income statement drivers, headline earnings grew 10% to just over R22bn, a pleasing outcome, considering our disappointing first half performance. Earnings growth reflected both increased pre-provision profit and lower credit charges.

Net interest income increased 4%, reflecting 5% higher average interest-bearing assets and slight margin compression.

Non-interest income grew 6%, as most businesses showed resilient growth.

Total revenue also increased 5% to almost R110bn.

Operating expenses rose 5% while we continued to invest in the business, to ensure sustainability of future revenue generation.

As a result, our operating JAWS were flat and pre-provision profit grew 5%.

A stronger average Rand was a slight drag on group earnings during the period, reducing earnings, revenue and costs by 2%.

Our credit impairment charge declined 8%, driven by lower charges in retail South Africa and Relationship Banking off an elevated base.

The increase in 'other' reflects several items, including a 25% larger loss due to applying hyperinflationary accounting to Absa Bank Ghana. Taxation expense grew 8%, given a higher proportion of exempt income, resulting in a slightly lower effective tax rate of 25%.

Significantly improved performance in 2H24

The shape of our 2024 P&L was very much as we guided a year ago, with a far stronger second half after a disappointing first half.

Second half earnings grew strongly after declining in the first.

As we guided, some substantial items impacted our earnings negatively over the past 18 months, particularly in the second half of 2023. Given their quantum, we provide a slide in the appendix laying out their impact on our results for the past four half years.

Excluding the substantial items, our earnings grew 16% YoY in the second half.

Our second half RoE improved to 15.5%, which exceeds our cost of equity.

Importantly, three areas that disappointed in our interim results all improved materially in the second half.

First, cost growth slowed to 2% YoY in the second half from 8% in the first. Underlying cost growth was 4% in the second half, excluding a large reduction in Barclays separation costs. Nonetheless, improved cost growth was pleasing and reflected actions we took to contain our expenses, including launching our productivity programme.

Second, non-interest income improved materially from down 2% YoY in the first half to up 15% YoY in second. The underlying second half growth excluding large Naira losses in the base was 11%.

Lastly, our elevated first half credit loss ratio of 123 basis points improved materially to 85 basis points in the second half, reflecting a far lower retail SA charge, reflecting both the actions we took last year, as well as an improving macro backdrop.

Modest retail SA net interest income growth

Turning to net interest income where growth slowed to 2% YoY in the second half from 7% in the first. For the full year, net interest income rose 4%, accounting for 65% of our revenue.

We saw slower net interest income growth across our retail businesses in South Africa. Product Solutions Cluster grew 3%, which was slightly better in the second half and in line with subdued loan growth, as our margin held up relatively well. Everyday Banking’s growth reduced in the second half on slower loan growth and margin compression, given the deliberate decision to reduce Personal Loan production. Growth slowed noticeably from 11% in 2023.

Relationship Banking grew 9% despite deposit margin compression.

ARO RBB rose 7%, as loan growth accelerated in the second half. The margin compressed, reflecting increased cash reserve requirements in some countries.

CIB grew 8% off a high base, driven by loan growth and a resilient margin.

Deposit margin compression reduced Group NIM

Our overall net interest margin decreased slightly to 4.63%.

Customer loan pricing had a small negative impact from tighter pricing and higher suspended interest in Home Loans, Personal Loans and ARO RBB.

Customer deposits reduced the margin, given a negative price impact from higher cash reserving requirements in Zambia, Mozambique and Ghana, plus the lower deposit endowment impact and slow growth in higher margin deposits in Everyday Banking and Relationship Banking. These outweighed a decline in wholesale funding.

Other factors that affected our margin include the positive impact from higher rates on asset liability management in Africa regions and the decline in average loans to banks.

Broad-based deposit growth, strong CIB and ARO RBB

Turning to our balance sheet, deposit growth was broad-based, with strong growth in CIB and ARO RBB.

Solid growth in Everyday Banking and Relationship Banking included significantly faster growth in low-margin deposits.

Relationship Banking included savings and transmission deposits up 23% and 6% higher cheque account deposits.

ARO RBB reflected strong growth across transactional and investment products.

CIB rose 18%, as their SA deposits increased 21%, while CIB ARO deposits rose 7%.

Loan growth slowed across most divisions …

Loan growth slowed across all our divisions except ARO RBB.

Retail lending in South Africa slowed to 3%, with annualized second half growth of 2%.

Relationship Banking saw mid-single digit growth across all books and slightly higher growth from commercial asset finance.

ARO RBB loans grew 16% or 11% in constant currency, with robust growth in retail and commercial.

CIB increased 8%, with South Africa up 7% and CIB ARO up 14%.

… with SA retail loans slowing across the board

Despite the slowdown in retail lending, our market share in South Africa remained broadly stable at 22%.

Modest Home Loans growth reflected a subdued market overall, although there were signs of improvement in the fourth quarter. Our share of total sector flow improved slightly, particularly among first time home buyers, and our back book market share increased marginally to almost 24%. New business margins remained under pressure, particularly given our focus on low-risk primary customers.

Vehicle and Asset Finance’s growth was against a backdrop of 3% lower new car sales. While our production reduced by 8%, our flow market share was flat. We made several operational enhancements, including to risk models, reducing risk appetite to higher risk segments and pricing. Flow pricing improved in the fourth quarter, after pressure during the first three quarters.

Credit cards reflected limit increases, higher purchasing activity with turnover up 6%, and greater cash usage. Consequently, our leading card market share increased slightly.

Personal Loans reduced due to 20% lower loan production, as we reduced our risk appetite given the pressure on consumers.

Resilient broad-based non-interest income growth

Moving to non-interest income, there was resilient, broad-based growth led by a strong trading performance.

Non-interest income growth improved materially in the second half to increase 6% for the year.

Net fee and commission income grew 4% and accounted for two-thirds of the total as Everyday Banking and Relationship Banking had a better second half.

Within this transactional fees and commissions increased 6%, with service charges up 15%, while electronic banking was flat, and cheque accounts and credit cards grew 3% and 6% respectively. Merchant income grew 17% on 8% turnover growth.

Net trading income increased 11% with strong performance from Global Markets.

In aggregate, net insurance income rose 12%, with muted growth in Life SA while Non-Life SA grew strongly.

At a divisional level, Everyday Banking's growth was due to improved point-of-sale and digital activity in the second half and 7% growth in transactional customers, partially offset by continued migration to digital channels.

Relationship Banking declined slightly, as cash revenue fell 12% on lower volumes, which outweighed solid acquiring growth. Despite 6% growth in active customers, transaction income rose 1% given growth in low-margin products.

ARO RBB was driven by growth in active customers. Growth was broad-based, across transactional, Card and trade fees.

Lastly, CIB's grew double digits across all businesses, with strong growth from Global Markets off a low base and Corporate up 12% on higher transaction volumes.

Cost growth reflects continued investment

Turning to costs, where growth reflected continued investment. Operating expenses grew 5%, producing a flat cost-to-income ratio of 53.2%.

Staff costs rose 7% reflecting salary increases and investments in frontline staff in the previous year. Most of our hiring was in 2023, and while the end of 2024 reflected a lower headcount, average headcount for the year was higher.

Deferred cash and share-based payments grew 48% due to our eKhaya employee share scheme costs which is now in the base, while bonuses decreased 1%.

Non-staff costs grew 3%. Within this, IT costs increased 13%, given continued investment in new digital capabilities and increased cybersecurity spend. Amortisation of intangible assets declined slightly, although excluding the smaller impact of our Barclay separation, it grew 33% due to further investment in digital, automation and data capabilities. This increased our goodwill and intangible assets to R16bn. Total IT spend, including staff, amortisation, and depreciation, increased 7% to account for 27% of group costs. Marketing costs rose on higher brand, campaigns and sponsorship spend, while pro fees reflected spend on strategic projects.

Productivity gains funded investment spend

As Charles mentioned, we launched a group-wide productivity programme, which should deliver substantial value over the medium-term. We aim to achieve cumulative gross savings of R5bn by the end of 2027 with the intention that savings from the programme fund further investment in growth.

Our 2024 costs included R1.4bn of productivity savings.

I oversee the programme, with senior leadership representation from our businesses and functions.

Key productivity themes include:

Firstly, process optimisation, leveraging data analytics and automation to increase straight-through processing.

Second, optimizing third party spend, through rationalising the vendor landscape and commercial agreements to identify cost saving opportunities.

Third, channel optimisation, ensuring the right balance between our physical and digital channels.

Lastly, head Office property portfolio consolidation, as we further optimise hybrid work environments.

Productivity is a key driver of containing cost growth to inflationary levels while creating savings for ongoing investment into the franchise.

Productivity savings were used to fund continued digital transformation across front end customer platforms, data engineering, cloud and cybersecurity.

Head Office costs expected to decline materially

Charles referred to our intention to significantly reduce the level of head office costs, which increased 24% to R3bn in 2024. Growth in Ghana hyperinflation accounting , staff share scheme costs and Treasury items (such as depositor insurance and interest rate reset) were partially offset by lower Barclays separation costs. Moving forward, we will see separation costs and Ghana hyperinflation accounting end. The staff share scheme and depositor insurance will be reallocated to the relevant business units. We also see further opportunity for ALM optimisation. Through these actions, we expect to achieve a level of Head Office costs of 7% to 8% of group headline earnings over the medium-term.

Lower retail SA and RB charges outweighed higher CIB

Turning to credit impairments, our overall charge was better than we guided in December, due to lower charges than we expected in CIB and Everyday Banking, in particular.

The shape of our credit impairments was as we expected entering last year, with retail charges in South Africa reducing noticeably from elevated levels, while CIB rose significantly off a low base.

Credit loss ratio improved materially

Our credit loss ratio improved noticeably to 103 basis points from 118, slightly above our through-the-cycle target range of 75 to 100.

Unpacking the portfolios, we saw lower retail credit losses in South Africa reflecting our significant collections efforts and selective risk reduction, as well as the benefit of rate cuts.

Product Solutions Cluster improved noticeably with Home loans and Vehicle and Asset Finance, in particularly, reducing materially. Early arrears improved across both books and their impairments were driven by maturation of their NPL portfolios with inflows into debt review and legal.

Everyday Banking charges also reduced materially, due to deliberate risk cutbacks and enhanced collection strategies, supported by better forward-looking macroeconomic assumptions. Early stage delinquencies improved, while late stage remained elevated with increased flows into debt counselling. Personal Loans reduced noticeably.

Finally, CIB increased to the top end of our target range, from a low base.

NPL growth slowed, coverage levels remain strong

Stage 3 loans, or non-performing loans, grew 6% to R86bn, due to inflows across most businesses. The NPL ratio improved marginally from June.

We remain appropriately provisioned for a tough operating environment.

NPL coverage increased, mostly due to higher CIB single name charges and higher Home Loans cover, given our ageing legal book. Total Group coverage increased marginally, due to late cycle pressure in the South African retail portfolio and CIB coverage build. Our coverage remains well above pre-Covid levels of 3.3%.

RWA growth slightly ahead of customer loan growth

Risk-weighted assets grew somewhat ahead of our customer loan growth. The largest component, credit risk RWAs was the main driver, increasing 10% due to loan growth (particularly in ARO RBB) and Kenya’s sovereign rating downgrade.

CET1 ratio marginally above our Board target range

Turning to capital, we remain well capitalized to fund the balance sheet growth opportunities that we see.

Our CET1 ratio improved to marginally above our Board target range, and comfortably exceeding regulatory requirements.

We remain capital generative, with profits adding 2% to our CET1 ratio during the year. Further improving our RoE medium-term will of course increase our capital generation.

Risk-weighted asset consumption and dividend payments each reduced our CET1 ratio by 1.1%.

‘Other’ consists of reserve gains net of capital deductions.

We declared a 13% higher second half ordinary dividend per share and our total 2024 DPS grew 7%, delivering a payout ratio at 55%.

2025 outlook

Lastly, I'll cover our guidance, starting with this year.

Based on the macro outlook Charles outlined earlier, and excluding further major unforeseen political, macroeconomic, or regulatory developments, our guidance for 2025 is as follows:

We expect mid-single digit revenue growth, with broadly similar growth in net interest income and non-interest income.

We expect mid- to high single digit customer loan growth and low to mid-single digit deposit growth.

Our credit loss ratio is expected to improve to the top end of our through-the-cycle target range of 75 to 100 basis points. Our first half 2025 credit loss ratio should improve noticeably YoY from 123 basis points in the first half of 2024.

We expect mid-single digit growth in operating expenses, producing a slightly higher cost-to-income ratio from the 53.2% in 2024 and low to mid-single digit growth in pre-provision profit.

Consequently, we expect an RoE slightly above 15%, from 14.8% in 2024.

We expect the Group CET 1 ratio to finish 2025 at the top end of our Board target range of 11.0% to 12.5%. We expect to maintain a dividend payout ratio of around 55% for 2025.

We expect a stronger Rand to be a slight drag on earnings in 2025, although Africa regions earnings growth should be stronger than South Africa.

Pathway to our medium-term targets

Finally, looking ahead to 2026, we continue to expect a 16% RoE.

We believe that 2025 is a year of further recovery, as our NPLs and credit loss ratio continue to normalise, particularly in retail South Africa. We would caution that NPLs are likely to remain sticky and take time to work out. We expect to cease hyperinflation accounting for Ghana this year.

Since we prioritised credit quality in 2024, retail loan growth in South Africa will be subdued in the first half of 2025. However, we expect it to pick up in the second half of 2025 as the macro environment improves, providing some balance sheet momentum into 2026. This will support net interest income recovery from the latter part of 2025.

In addition, we continue to expect improving non-interest income growth medium-term. We also expect better franchise delivery of non-interest income over time from combining our retail businesses in South Africa.

As noted earlier, we also have a strong focus on productivity to fund further investment through to 2026.

Lastly, we expect faster growth and improving returns from Africa regions medium-term, despite macro headwinds in some countries.

These drivers of our RoE recovery will be underpinned by the key execution priorities that Charles covered in his comments.

Thank you for your attention, we will now take your questions.