

Corporate and Investment Banking

The Future of Digital Value in Banking

Absa Corporate and
Investment Banking
October 2025

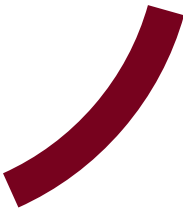
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story
matters





“By their nature, digital approaches expand exponentially, as they are not constrained by the physical world. This allows genuinely digital businesses to ‘process’ exponentially more than analogue businesses while getting constant feedback from digital tracking mechanisms, allowing much quicker responses to enhancing client experience and driving efficiency. It’s a speed- and-scale game unimaginable to a traditional business.”

– RICHARD SOUTHEY, CHIEF OFFICER:
DIGITAL AND EXPERIENCE, ABSA CIB



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INTRODUCTION

Technology today is reshaping how we live, work and connect, and how businesses deliver value. At Absa CIB, this isn't just about keeping up; it's about leading the way. Our commitment to digital value creation goes beyond mere technological adoption. It's about reimagining the very essence of banking for the digital age.

This White Paper draws on information and insights previously published in the Absa CIB Digital Value 2024 report, which unpacked Absa's digital strategy and our evolving approach to how we develop and deploy digital technologies. Our 2025 report will be launched later this year.

Through innovative use of digital twins, blockchain, AI and GenAI, Absa is both enhancing our operational efficiency

and redefining the boundaries of what's possible in financial services. All of this is in preparation for a future where sustainability, transparency and client-centricity are not just ideals, but the very foundation of the bank's business model.

Absa CIB's digital strategy and objectives focus on leading our clients through the moments that matter to them by transforming the human experience, driving sustainable and efficient execution through operational excellence, and delivering digital value in new business models and propositions. To achieve this digital strategy, Absa has adopted a platform-based approach, equipping its markets with the necessary capabilities as it works towards becoming the leading digital Pan-African bank on the African continent.

CREATING DIGITAL VALUE THROUGH BUSINESS MODEL DIGITISATION

Absa's digital transformation aims to complement, not replace, our existing business model. This approach opens up a diverse array of business models, presenting a kaleidoscope of opportunities. By adopting various roles within the value chain rather than maintaining a single linear position, we gain the flexibility to generate value in new ways and unlock previously unexplored growth opportunities in how we manufacture, package and sell our products and services.

We're adopting new strategies that coexist with our existing linear model. We've been selective in identifying, pursuing and launching newer business models within our Absa CIB business.

ABSA ACCESS PLATFORM

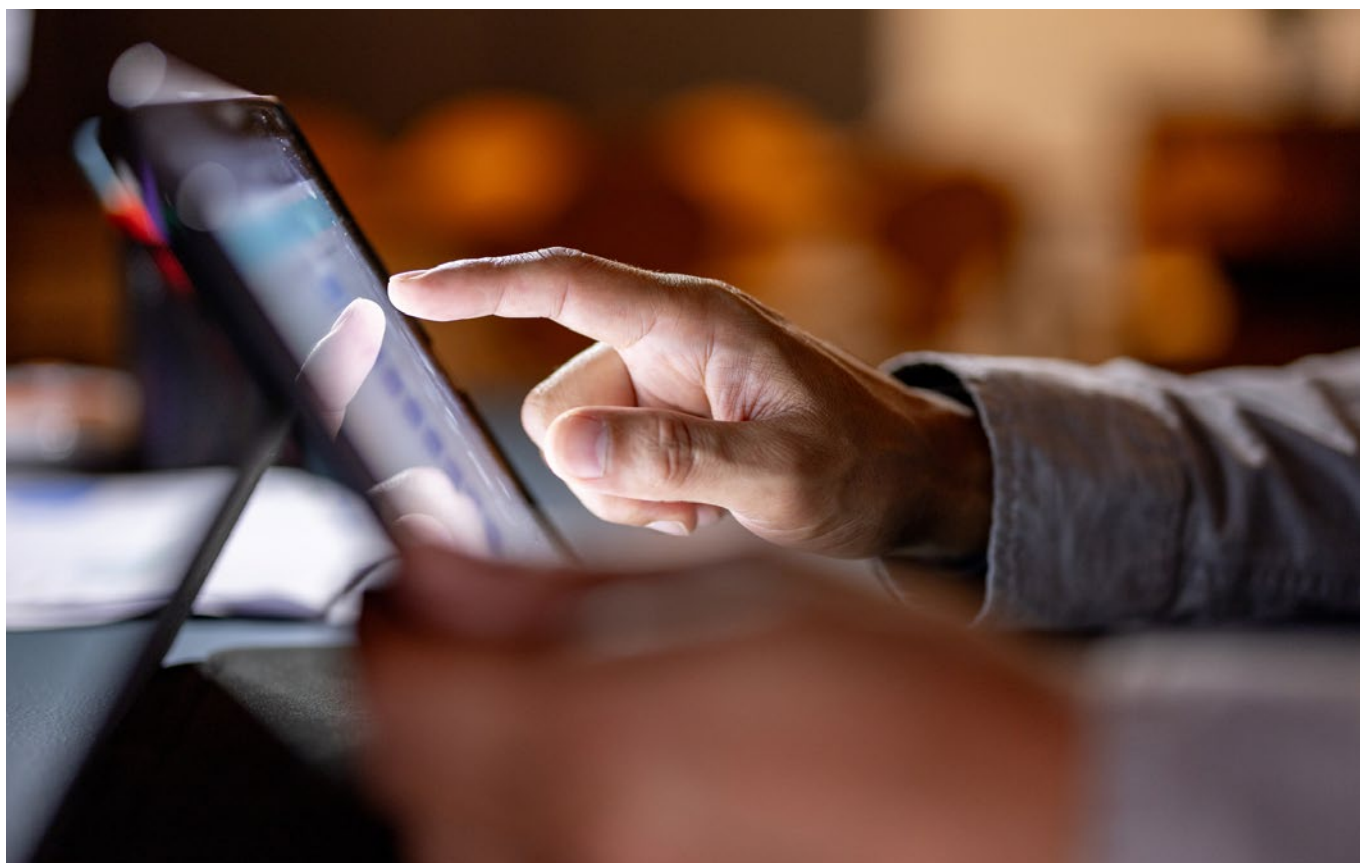
As the single multi-channel front-end platform, Absa Access ensures consistency in security, data integrity and client experience across Absa CIB. Our overarching goal is to seamlessly deliver every product, capability and interaction through this innovative platform, reshaping the

digital journey of our clients. Absa Access is committed to transforming the digital landscape by facilitating a unified and superior client and colleague experience, making every digital interaction seamless and responsive.

API DEVELOPER PORTAL

Application programming interfaces (APIs) are fundamental in creating and delivering digital value. They enable us to foster trusted partnerships by distributing our own products and services through other partners and platforms, or to offer partner value propositions on our platforms for our clients to consume.

The Absa Access Developer Portal is a Pan-African platform that provides secure direct access to the bank's products and services, offering direct client integration in a standardised, streamlined and secure way. It is key to enabling partnerships in creating new value propositions tailored to client needs while increasing transaction volumes and values in a scalable, cost-effective manner.



EMBEDDED FINANCE

Embedded finance places the bank at the heart of our clients' operations. By integrating banking services directly into the existing systems of our corporate and business clients, we significantly enhance their experience with our products. We also empower them to refine their internal processes, benefitting from increased efficiency and improved risk management within those processes.

At present, our focus has been on payments and cash management services, but there is significant potential to incorporate data products, as well as trade and working capital, into this offering. To succeed, we'll need to rethink how we organise and equip sales teams to sell or assist in selling these technology solutions that include banking components. These models are different from anything we've done in the past, and we must be bold in pursuing them if we are to truly succeed.

ANALYTICS AS A SERVICE

There are various ways to offer componentised internal capabilities externally as a service, and in 2022, Absa CIB ventured into analytics as a service.

Analytics as a service refers to a fully customisable and advanced business intelligence solution or business model that organises, analyses and presents data in a way that enables users to gain insights and act. It uses data mining, predictive analytics and AI to effectively reveal trends and insights from existing internal and third-party data sets. It also offers several potential revenue streams, including pay-per-use, subscription, pay-per-volume and freemium insights.

PAYMENTS AS A SERVICE

Payments as a service (PaaS) is a key value proposition that provides all the supporting payment services to channel partners and future external partners. This allows them to seamlessly process payment instructions and perform the final submission and processing.

PaaS takes away the need for each channel or partner to maintain payment-specific knowledge. This expertise is handled through the various payment services offered. PaaS services are still being developed based on the immediate needs of the business. For example, Absa account verification across all our regions has already been built and is available for use.



Digital propositions

Data Analytics: Pocketflow

Our Absa CIB solution PocketFlow is a big data and spend analytics tool that provides comprehensive insights into spend, growth, consumption behaviour and transactions at both merchant and industry levels. It was launched in 2023 to a select group of CIB clients and is used to analyse card transaction data, including details such as age, gender and income group of the cardholder, merchant number, SIC code and merchant location.

Data Analytics: IgniteBot

The IgniteBot, developed by our Cash Management squad, is designed to gather client feedback in a minimally invasive way, allowing business and tech stakeholders to incorporate this feedback into product development. Three problems gave rise to IgniteBot's origin: the need for faster evaluation and responses to changing client needs, the importance of capturing feedback during transactions, and the consistently high team workload and backlog that hindered any real progress. IgniteBot helps to better understand the client's experience, allowing the teams to prioritise journeys and place IgniteBot at selected moments that matter.

Township Economies

The township economy proposition aims to provide digitally led, inclusive banking solutions to underserved segments in the informal economy and enable the transition away from cash transactions. This initiative focuses on empowering entrepreneurship through financial inclusion while aligning with our Corporate Citizenship objectives to advance ESG goals.



PRODUCTIVITY GAINS WITH DIGITAL TWINS

Digital twin technology holds great promise for driving efficiency improvements, reducing costs and enhancing quality.

BY: NAOMI PARSONS, HEAD OF DIGITAL DELIVERY, ABSA GROUP

Digital twin technology, originating from NASA's 1960s space missions, creates virtual replicas of physical assets and processes. Despite its potential for cost savings and efficiency, the financial services industry has not fully adopted this technology at scale. Digital twins enable simulation and analysis of real-world processes in a virtual environment, improving decision-making and operations.

In line with our commitment to data-driven decision-making at Absa CIB, we've explored a data-centric approach to understanding complex processes and gaining objective visibility into performance through process mining. By exploring synergies between digital twins and process mining, we have uncovered key process inefficiencies and deviations, highlighting opportunities for optimisation.

In late 2023, we began using Celonis, a top-rated process mining tool, to create digital twins of our processes. Our first application visualised servicing and maintenance processes, connecting operational teams with clients through data. We then applied the technology to improve new channel onboarding, particularly where Salesforce impacts the experience. From the start, we framed our proof of value (POV) problem statement within the

organisational and value-chain context. This work provided us with a detailed understanding of downstream servicing challenges for existing clients, supported by concrete data.

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Beyond these initial insights, we also foresee that digital twin technology will drive efficiency improvements, reduce costs and enhance quality. Real-time data enables faster, informed decisions. AI-driven analysis highlights inefficiencies, simulates changes and suggests improvements, optimising resource use and freeing staff for strategic work. Digital twin technology has shown impressive capability to allow more precise decision-making and better ways to address problems, leading to significant, sustainable improvements in business operations.

BLOCKCHAIN'S MULTIFACETED ROLE IN ECONOMIC DEVELOPMENT

Absa's fourth African Blockchain Report reveals that blockchain-focused venture capital (VC) in Africa now outpaces all-sector venture capital.

BY: ROB DOWNES, HEAD OF DIGITAL ASSETS, ABSA CIB

Investors are noticing the African entrepreneurial spirit, investing in markets where talent and skills in tech sectors are growing. This means even greater opportunities to leverage blockchain technology (and the institutions that embed it in their systems) to help build stronger, more sustainable African economies.

AI AND BLOCKCHAIN REVOLUTIONISING DIGITAL ECONOMIES

AI is proven to enhance blockchain's capabilities by providing predictive analytics, automating processes and improving decision-making. Banks are already using these technologies separately, but combining them will increase security and trust across all financial processes. It's surely a matter of time before we see it happening at scale. It certainly isn't far-fetched, for example, to see a future world where digital money lives on blockchains, with AI monitoring real-time activity to detect and prevent fraud,

money laundering and terrorist financing, while money transfers happen seamlessly when pre-agreed conditions are met.

ENABLING SUPPLY CHAINS AND INTRA-AFRICAN TRADE

Blockchain's immutable ledger records every transaction and movement, fostering transparency and reducing inefficiencies. Harnessing this transparency in the complex process of international trade and supply chains is a huge opportunity, especially in the context of the African Continental Free Trade Agreement (AfCFTA). By leveraging stablecoins and tokenised trade finance, financial institutions can reduce transaction costs, improve liquidity for SMEs, and bolster regional economic integration. Outside of financial services, Hyundai and DP World are just two examples of organisations that are already using blockchain to monitor carbon emissions through the supply chain and track and trace cargo all over the world.

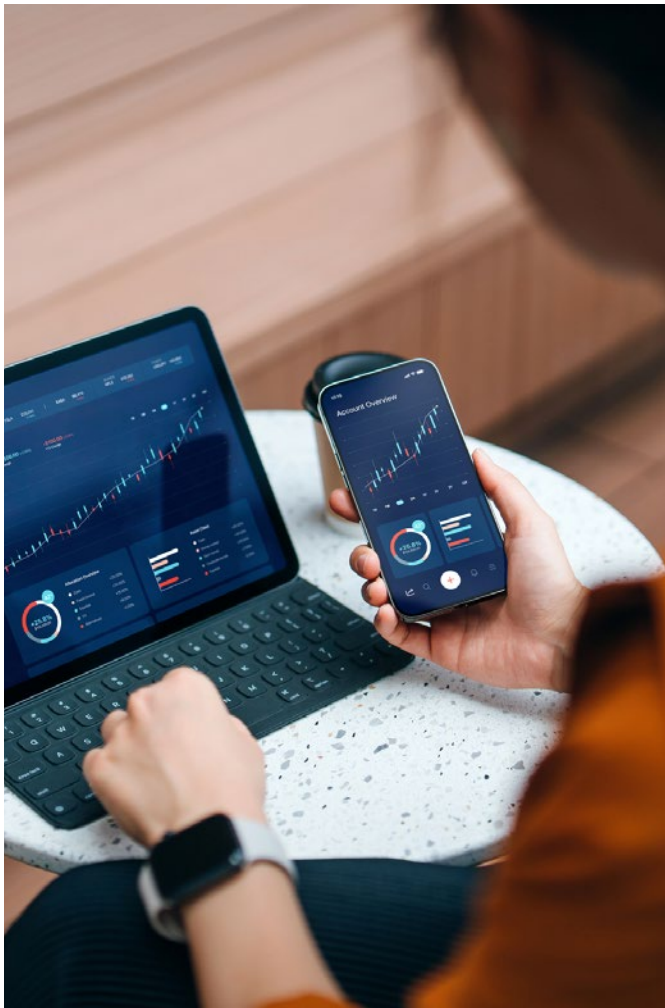


BLOCKCHAIN TRANSFORMING FINANCIAL MARKET INFRASTRUCTURE

As blockchain's decentralised nature and immutable records enhance the security and efficiency of financial transactions, the intermediaries that currently provide services across the financial ecosystem may no longer be necessary. Increased peer-to-peer transactions are already happening and will continue to proliferate on blockchain technology, especially without intermediary oversight bodies.

SECURING SUSTAINABLE FOOD SYSTEMS AND AGRICULTURE

Consumers want to understand what they eat, and blockchain enables this easily by letting farmers record and share data about their produce, from planting to harvesting, ensuring authenticity and quality. Blockchain and AI solutions can also help improve crop yields and provide data for a range of services, from veterinary and insurance to applying for credit facilities. The opportunities are wide and varied, especially for Africa's small farms, which is why we believe this area is sure to grow.



Digital propositions

Absa Coin

Absa Coin combines the stability of gold with blockchain efficiency and transparency. By using smart contracts and distributed ledger technology, we ensure swift, secure transactions with minimal fraud risk. Absa Coin eliminates lengthy settlement times and high fees, enabling seamless cross-border payments for financial institutions. This solution offers more than just speed and efficiency by prioritising security and compliance, ensuring that transactions are conducted in accordance with regulatory requirements and industry best practices.

Carbon banking

Carbonplace, in the future, could be a partner for carbon credit infrastructure that provides a global platform for managing carbon credits, enabling companies to manage their carbon portfolios, producers to manage their carbon inventories and market participants to access a global network of carbon credit transactions. The platform uses blockchain technology to ensure the security, traceability and immutability of the carbon credit transactions. By using blockchain, Carbonplace creates a reliable and transparent market for carbon credits, where buyers and sellers can trade directly and confidently.

Digital assets custody

In 2024, we successfully completed a proof of concept (POC) for digital asset custody using the Ripple platform, which proved its readiness and suitability for our operations. This POC covered tokenisation lifecycle management and custodial wallets, giving us invaluable experience in managing tokenised assets and understanding the technical and business requirements.



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