

Absa shareholder PIC disappointed with lender's choice of CEO

The Public Investment Corporation (PIC), South Africa's largest pension fund and one of Absa Group's main shareholders, said on Friday it was disappointed by the lender's choice of CEO and has requested an urgent meeting with the board to discuss strategy.



Source: REUTERS.

Absa on Tuesday made Arrie Rautenbach its chief executive officer with immediate effect, the fourth person to be given the job since the departure of longstanding CEO. Maria Ramos in 2019.

"The PIC believes this is yet another missed opportunity for the Absa board to publicly demonstrate its commitment to purposefully transform the banking group and to advance diversity, inclusivity, and racial and gender equity, at the most senior levels of organisation," the PIC, Africa's biggest pension fund, said.

It had on Thursday expressed its "downright disappointment" to Absa, it said.

Absa has been trying to improve performance since splitting from its former British parent, Barclays in 2017. Over the last year, the bank has won back lost market share in major products including mortgages.

Rautenbach, an Absa insider who has been with the bank since 1997, has held numerous managerial roles, most recently

heading the lender's retail and business bank, whose results are among those that have improved.

He replaces interim boss, Jason Quinn who took over after the abrupt departure of Daniel Mminele in April last year following disagreements with the board over strategy and culture change, Absa said.



Absa Group appoints Arrie Rautenbach as CEO

29 Mar 2022



After Mminele left, the PIC recorded its disappointment to the board about the "apparent instability" at executive level, saying Mminele was "a long-awaited, Black senior hire, who purportedly had divergent professional views and approaches to that of the board".

Absa said it takes the PIC's concerns seriously as the asset manager is an important stakeholder not only to Absa, but to the wider society and that it will continue to engage the PIC constructively.

"In making the CEO appointment, the board was clear in its reasons, which included Arrie's track record in business performance and his ability to deliver on Group objectives," the lender said.

Furthermore, Rautenbach has a demonstrable track record of appointing diverse teams at the bank, both in terms of race and gender, Absa said, adding that both the new CEO and the board are fully aligned on the principle of driving transformation across all levels within the group.

For more, visit: <https://www.bizcommunity.com>