

## **Absa Group Limited**

Unaudited interim results for the reporting period ended 30 June 2019 and interim dividend declaration

Registration number: 1986/003934/06

Incorporated in the Republic of South Africa

JSE share code: ABG

ISIN: ZAE000255915

Bond Issuer Code: ABGI

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

We are committed to finding local solutions to uniquely local challenges and everything we do focuses on adding value.

### **2019 priorities**

To achieve sustained above-market growth, our immediate and highest priorities are to:

1. Gain market share in Retail and Business Banking South Africa (RBB SA) and better serve customers across their life stages to retain them.
2. Deliver the Separation from Barclays PLC successfully in Corporate and Investment Bank (CIB) through the right prioritisation of the 2019 change project portfolio.
3. Deepen our core Corporate and Investment Bank capabilities and expand our coverage model and integrated transaction banking solutions.
4. Enhance digital customer enablement (full end-to-end self-service).
5. Drive an integrated bank assurance delivery model within our business, leveraging the capabilities and resources of the Bank to deliver efficiencies.

### **Normalised financial results as a consequence of Barclays PLC separation**

A normalised view of the 2019 interim results is provided which adjusts for the consequences of the separation from Barclays PLC. This view better reflects the Group's underlying performance.

International Financial Reporting Standards (IFRS) compliant financial statements will continue to be presented as required by the Companies Act and the JSE Limited ("JSE") Listings Requirements and include a reconciliation between the normalised and IFRS views. Normalised results will be presented for future periods to the extent that the financial impact of the Separation is considered material.

## Performance overview for the period ended 30 June

### Total income

<b>2019</b>	Increased 5%	2018
<b>R39 152m</b>	IFRS	R37 316m

<b>2019</b>	Increased 6%	2018
<b>R39 071m</b>	Normalised	R36 728m

### Headline earnings per ordinary share

<b>2019</b>	Increased 5%	2018
<b>920.0 cents</b>	IFRS	880.3 cents

<b>2019</b>	Increased 3%	2018
<b>977.5 cents</b>	Normalised	952.2 cents

### Basic earnings per share

<b>2019</b>	Increased 5%	2018
<b>918.9 cents</b>	IFRS	871.9 cents

<b>2019</b>	Increased 3%	2018
<b>976.5 cents</b>	Normalised	943.8 cents

### Net asset value per ordinary share

<b>2019</b>	Increased 5%	2018
<b>13 534 cents</b>	IFRS	12 915 cents

<b>2019</b>	Increased 7%	2018
<b>12 335 cents</b>	Normalised	11 526 cents

### Return on equity

<b>2019</b>	Decreased	2018
<b>14.0%</b>	IFRS	14.1%

<b>2019</b>	Increased	2018
<b>16.4%</b>	Normalised	17.1%

### Cost-to-income ratio

<b>2019</b>	Decreased	2018
<b>58.7%</b>	IFRS	59.5%

<b>2019</b>	Increased	2018
<b>56.7%</b>	Normalised	56.7%

### Net interest margin

<b>2019</b>	Decreased	2018
<b>4.52%</b>	IFRS	4.69%

<b>2019</b>	Decreased	2018
<b>4.52%</b>	Normalised	4.69%

### Dividend per ordinary share

<b>2019</b>	Increased 3%	2018
<b>505 cents</b>	IFRS	490 cents

Strong loans and deposits

Loans and advances to customers

**R882bn**

(30 June 2018: R781bn)

Deposits due to customers

**R798bn**

(30 June 2018: R714bn)

Well managed Risk profile

Stage 3 loans ratio to gross loans and advances

**4.79%**

(30 June 2018: 5.31%)

Credit loss ratio

**0.79%**

(30 June 2018: 0.75%)

Sound capital

Common equity tier 1 ratio

**12.5%**

(30 June 2018: 13.3%)

## Administrative information

This short-form announcement is the responsibility of the directors of Absa Group Limited. It is only a summary of the information in the full announcement.

Any investment decisions by stakeholders should be based on consideration of the full announcement published on <https://www.absa.africa/absaafrica/investor-relations/jse-regulatory-announcements/> and on the following JSE link: <https://senspdf.jse.co.za/documents/2019/jse/isse/AGL/Interim19.pdf>

Copies of the full announcement may be requested from Absa Group Limited Investor Relations at [IR@absa.co.za](mailto:IR@absa.co.za).

## Registered office

7th Floor, Absa Towers West, 15 Troye Street, Johannesburg, 2001

## Board of directors

### Group independent non-executive directors

T Abdool-Samad, C Beggs, A B Darko(1), M J Husain (Lead Independent Director), W E Lucas-Bull (Group Chairman), M S Merson(2), D Naidoo, F Okomo-Okello(3), S M Pityana

### Group non-executive director

D J Hodge (2)

### Group executive directors

P B Matlare (Deputy Chief Executive Officer), J P Quinn (Financial Director), R van Wyk (Chief Executive Officer)

(1) Ghanaian

(2) British

(3) Kenyan

## Declaration of interim ordinary dividend number 66

Shareholders are advised that an interim ordinary dividend of 505 cents per ordinary share was declared on 13 August 2019, for the period ended 30 June 2019. The interim ordinary dividend is payable to shareholders recorded in the register of members of the Company at the close of business on 13 September 2019. The directors of Absa Group Limited confirm that the Group will satisfy the solvency and liquidity test immediately after completion of the dividend distribution.

The dividend will be subject to local dividends withholding tax at a rate of 20%. In accordance with paragraphs 11.17 (a)(i) to (ix) and 11.17 (c) of the JSE Listings Requirements, the following additional information is disclosed:

\*The dividend has been declared out of income reserves.

\*The local dividend tax rate is twenty per cent (20%).

\*The gross local dividend amount is 505 cents per ordinary share for shareholders exempt from the dividend tax.

\*The net local dividend amount is 404 cents per ordinary share for shareholders liable to pay the dividend tax.

\*Absa Group Limited currently has 847 750 679 ordinary shares in issue (includes 16 545 370 (1) treasury shares).

\*Absa Group Limited's income tax reference number is 9150116714.

In compliance with the requirements of Strate, the electronic settlement and custody system used by the JSE, the following salient dates for the payment of the dividend are applicable:

Last day to trade cum dividend	Tuesday, 10 September 2019
Shares commence trading ex-dividend	Wednesday, 11 September 2019
Record date	Friday, 13 September 2019
Payment date	Monday, 16 September 2019

(1)Includes 14 470 659 Group shares to be used in the furtherance of the Group's objective of establishing a BBBEE structure.

Share certificates may not be dematerialised or rematerialised between Wednesday, 11 September 2019 and Friday, 13 September 2019, both dates inclusive. On Monday, 16 September 2019, the dividend will be electronically transferred to the bank accounts of certificated shareholders. The accounts of those shareholders who have dematerialised their shares (which are held at their participant or broker) will also be credited on Monday, 16 September 2019.

On behalf of the Board

N R Drutman  
Group Company Secretary

Johannesburg

13 August 2019

Absa Group Limited is a company domiciled in South Africa. Its registered office is 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg, 2001.

## **Sponsors**

### **Independent sponsor**

J. P. Morgan Equities South Africa Proprietary Limited

### **Joint sponsor**

Absa Bank Limited (Corporate and Investment Bank)