

**ABSA GROUP LIMITED**

Incorporated in the Republic of South Africa

Registration number: 1986/003934/06

ISIN: ZAE000255915

JSE share code: ABG

Bond issuer code: ABGI

("Absa Group" or "Absa")

**B-BBEE TRANSACTION UPDATE**

In September 2017, Barclays PLC transferred 1.5% of its shareholding in Absa Group, then known as Barclays Africa Group Limited, to an interim structure (the "Absa Empowerment Trust") created to facilitate a new Broad-Based Black Economic Empowerment ("B-BBEE") transaction for Absa. Since then, the Absa Empowerment Trust has utilised dividends received from Absa to purchase additional shares, increasing its stake in Absa to approximately 1.9%.

Work on the development of a new Absa B-BBEE scheme was put on hold in 2020 as market conditions were not conducive during the Covid-19 pandemic and economic downturn. However, with market conditions improving, we have re-engaged advisors and are again considering implementing a new B-BBEE ownership transaction.

Although work is still ongoing, it is currently envisaged that the scheme will be broad-based, will include both third party investors and staff, and that it could constitute up to 8% of Absa's share capital, inclusive of the Absa Empowerment Trust shares.

Full details of the proposed scheme, which will be subject to shareholder and other approvals, are expected to be published in a terms announcement later this year, once the design has been finalised, with implementation expected in 2022.

Johannesburg

22 September 2021

**Enquiries:**

Alan Hartdegen

(+27 72) 576-2713

E-mail: [alan.hartdegen@absa.africa](mailto:alan.hartdegen@absa.africa)

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