

ABSA GROUP LIMITED
(formerly Barclays Africa Group Limited)
Incorporated in the Republic of South Africa
(Registration number: 1986/003934/06)
Share Code: ABG
ISIN: ZAE000255915
(“Absa Group” or “the Group”)

ABSA GROUP PROVIDES MEDIUM-TERM FINANCIAL TARGETS

Absa Group hereby informs the market of our medium-term financial targets. These are based on our current expectations for economic growth in South Africa and our presence countries in the rest of Africa.

Barring any unforeseen major macroeconomic or regulatory developments, our key targets include:

- 1) As part of our strategy emphasising growth and regaining leadership in our core businesses, we aim to grow our revenue faster, on average, than the SA bank sector from 2019 to 2021, with an improving trend over time and within appropriate risk appetite parameters;
- 2) Given this growth and continued cost management, we aim to consistently reduce our normalised cost-to-income ratio to reach the low 50s by 2021; and
- 3) We aim to achieve a normalised group return on equity of 18% to 20% by 2021, while maintaining an unchanged dividend policy.

We also reiterate our guidance for 2018, including that our normalised return on equity is expected to increase slightly from our 16.5% in 2017.

Johannesburg
7 December 2018

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