

Absa Group Limited

Registration number: 1986/003934/06

Incorporated in the Republic of South Africa

JSE share code: ABG

ISIN: ZAE000255915

Bond Issuer Code: ABGI

("Absa Group", "Group" or "Company")

Unaudited condensed consolidated interim results for the reporting period ended 30 June 2021 and ordinary share dividend declaration.

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.

2021 Achievements

We started 2021 better than we expected, and we are gaining momentum, especially in our new business production. Our success lies in collaboration and digital innovation.

- > Absa Group raised \$500m (R7bn) in a landmark offshore Additional Tier 1 ('AT1') hybrid capital bond issuance.
- > Secured South Africa's first certified green loan (\$150m) to strengthen our position as a renewable finance leader in South Africa, support economic recovery and provide support to the country's power sector.
- > Introduced a highly advanced and secure facial recognition capability that enables convenient, safe and secure transacting on the Absa Banking App.
- > At the recent International Digital Customer Experience Awards 2021, the Absa Virtual Assistant clinched the award for Outstanding Chatbot Customer Experience.
- > One of the first banks to launch Apple Pay. Absa customers can now use their Apple devices to tap and pay at till points or purchase online using Apple Pay wallet.
- > Global Finance Best M&A Bank in Africa 2021.
- > CIB was awarded Best Banking for Financing in Africa in the Euromoney Awards for Excellence in 2021.

Normalised financial results as a consequence of Barclays PLC Separation

A normalised view of the 2021 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 results 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. The condensed consolidated interim financial results have not been audited or independently reviewed by the Group's external auditors.

Performance overview for the period ended 30 June 2021

Total income

30 June 2021	Increased 2%	30 June 2020	30 June 2021	Increased 3%	30 June 2020
R41 230m	IFRS	R40 355m	R41 210m	Normalised	R40 078m

Headline earnings per ordinary share

30 June 2021	Increased >100%	30 June 2020	30 June 2021	Increased >100%	30 June 2020
986.2 cents	IFRS	67.7 cents	1 019.7 cents	Normalised	173.6 cents

Basic earnings per share

30 June 2021	Increased >100%	30 June 2020	30 June 2021	Increased >100%	30 June 2020
983.3 cents	IFRS	58.8 cents	1 017.3 cents	Normalised	171.7 cents

Net asset value per ordinary share

30 June 2021	Increased 2%	30 June 2020	2021	Increased 6 %	30 June 2020
14 350 cents	IFRS	14 045 cents	13 859 cents	Normalised	13 080 cents

Return on equity

30 June 2021	Increased	30 June 2020	2021	Increased	30 June 2020
13.9%	IFRS	1.0%	15.3%	Normalised	2.6%

Cost-to-income ratio

30 June 2021	Decreased	30 June 2020	2021	Increased	30 June 2020
56.4%	IFRS	57.1%	54.9%	Normalised	53.9%

Net interest margin

30 June 2021	Increased	30 June 2020	2021	Increased	30 June 2020
4.41%	IFRS	4.23%	4.41%	Normalised	4.23%

Dividend per ordinary share

30 June 2021	Increased 100%	30 June 2020
310 cents	IFRS	0 cents

Loans and deposits growth

Gross loans and advances to customers

R 999 bn (30 June 2020: R 975bn)

Deposits due to customers

R1 010bn (30 June 2020: R 920bn)

Risk profile

Stage 3 loans ratio to gross loans and advances:

5.64% (30 June 2020: 5.65%)

Liquidity coverage ratio

124.0% (30 June 2020: 126.6%)

Common Equity Tier 1 ratio

12.4% (30 June 2020: 11.0 %)

Declaration of dividends

Shareholders are advised that an interim ordinary dividend of 310 cents per ordinary share was declared on 16 August 2021, for the period ended 30 June 2021. The interim ordinary dividend is payable to shareholders recorded in the register of members of the Company at the close of business on 17 September 2021. The directors of Absa Group 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 paragraph 11.17 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 310 cents per ordinary share for shareholders exempt from the dividend tax.
- The net local dividend amount is 248 cents per ordinary share for shareholders liable to pay the dividend tax.
- Absa Group currently has 847 750 679 ordinary shares in issue (includes 17 771 580 treasury shares).
- Absa Group's income tax reference number is 9150116714.

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

Last day to trade cum dividend	Tuesday, 14 September 2021
Shares commence trading ex-dividend	Wednesday, 15 September 2021
Record date	Friday, 17 September 2021
Payment date	Monday, 20 September 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 15 September 2021 and Friday, 17 September 2021, both dates inclusive. On Monday, 20 September 2021, 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 20 September 2021.

On behalf of the board

N R Drutman
Company Secretary

Johannesburg
16 August 2021

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

Short form statement

This short-form announcement is the responsibility of the directors of Absa Group. 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/absafrica/investor-relations/financial-results/> and on the following JSE link: <https://senspdf.jse.co.za/documents/2021/jse/isse/ABGE/HY21Result.pdf>

The full interim report is available on the Company's website, copies of the full announcement may also be requested at the Company's registered office, at no charge, during office hours on normal business days, subject to COVID-19 office protocols.

Registered office

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

Board of directors

Group independent non-executive directors

W E Lucas-Bull (Independent Chairman), S M Pityana (Lead Independent Director), T Abdool-Samad, A B Darko⁽¹⁾⁽⁴⁾, R A Keanly, M S Merson⁽⁴⁾, S J Munyantwali⁽³⁾⁽⁴⁾, D Naidoo, F Okomo-Okello⁽²⁾, I Rensburg, N S Mjoli-Ncube, R van Wyk

Group non-executive directors

F Tonelli

Group executive directors

J P Quinn (Interim Group Chief Executive), P E Modise (Interim Group Financial Director)

(1) Ghanaian

(2) Kenyan

(3) Ugandan

(4) British

Sponsors

Lead independent sponsor

J. P. Morgan Equities South Africa Proprietary Limited

Joint sponsor

Absa Bank Limited (Corporate and Investment Bank)