

## Absa Bank Limited

Registration number: 1986/004794/06

Incorporated in the Republic of South Africa

JSE share code: ABSP

ISIN: ZAE000079810

Bond Issuer Code: BIABS

("Absa Bank" or the "Company")

Audited summary consolidated results for the reporting period ended 31 December 2021 and preference share dividend declaration.

We are a Pan-African group, inspired by the people we serve and determined to be a globally respected organisation of which Africa can be proud. As a financial services provider, we play an integral role in the economic life of individuals, businesses, and nations. To this end, we offer a universal set of products and services across retail, business, corporate, investment and wealth banking, as well as investment management and insurance solutions.

We are listed on the Johannesburg Stock Exchange and have representative offices in Namibia, Nigeria and the United States as well as securities entities in the United Kingdom along with technology support in Czech Republic.

We help create, grow and protect wealth through partnerships in economic development, while playing a shaping role in Africa's growth and sustainability.

**6** countries

**616** outlets\*

**7 613** ATMS

**25 908** employees

**2.1m** digitally active customers

**104 877** point-of-sale devices

\*Outlets include branches and sales centres.

## We bring possibilities to life

Possibilities come to life when we meet every challenge with tenacity, ingenuity, positivity and creativity. We coined a new word for our purpose, which is the driving force behind everything we do, a way of doing things that is unique to our continent.

## We call it Africanacity

## Normalised financial results as a consequence of Barclays PLC Separation

A normalised view of the 2021 annual results is provided which adjusts for the consequences of the separation from Barclays PLC. This view better reflects the Bank'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.

## Performance overview for the period ended 31 December 2021

### Total income

<b>2021</b>	Increased 9.0%	2020	<b>2021</b>	Increased 9.4%	2020
<b>R58 492m</b>	IFRS	R53 687m	<b>R58 468m</b>	Normalised	R53 464m

### Headline earnings per ordinary share

<b>2021</b>	Increased >100%	2020	<b>2021</b>	Increased >100%	2020
<b>2 392.6 cents</b>	IFRS	312.7 cents	<b>2 532.9 cents</b>	Normalised	592.0 cents

### Basic earnings per share

<b>2021</b>	Increased >100%	2020	<b>2021</b>	Increased >100%	2020
<b>2 358.5 cents</b>	IFRS	262.3cents	<b>2 507.0 cents</b>	Normalised	564.4 cents

### Net asset value per ordinary share

<b>2021</b>	Increased 8.9%	2020	<b>2021</b>	Increased 11.3%	2020
<b>20 100 cents</b>	IFRS	18 458 cents	<b>19 191 cents</b>	Normalised	17 247 cents

### Return on equity

<b>2021</b>	Increased	2020	<b>2021</b>	Increased	2020
<b>12.5%</b>	IFRS	1.7%	<b>13.9%</b>	Normalised	3.5%

### Cost-to-income ratio

<b>2021</b>	Decreased	2020	<b>2021</b>	Decreased	2020
<b>60.2%</b>	IFRS	61.8%	<b>58.5%</b>	Normalised	59.0%

### Net interest margin

<b>2021</b>	Increased	2020	<b>2021</b>	Increased	2020
<b>3.60%</b>	IFRS	3.25%	<b>3.60%</b>	Normalised	3.25%

### Dividend per preference share

<b>2021</b>	Decreased 4.0%	2020
<b>4 964.25 cents</b>	IFRS	<b>5 170.89 cents</b>

### Loans and deposits growth

Gross loans and advances (Increased 6%)

**R964.2 bn** (2020: R911.2 bn)

Deposits Increased 9%

**R974.1bn** (2020: R890. 9bn)

## **Risk profile**

Stage 3 loans ratio to gross loans and advances

**5.14%** (2020: 6.18%)

## **Liquidity Coverage Ratio:**

**124.5%** (2020: 126.9%)

## **Sound capital**

Common Equity Tier 1 ratio

**12.4%** (2020: 10.6%)

## **Short form statement**

This short-form announcement is the responsibility of the directors of Absa Bank 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/absafrica/investor-relations/financial-results/> and on the following JSE link: <https://senspdf.jse.co.za/documents/2022/jse/isse/ABGE/AbsaFY2021.pdf>

While this announcement is not audited, the consolidated annual financial statements from which the results are derived were audited by Ernst & Young Inc. and KPMG Inc., who expressed an unmodified opinion thereon. The full audit opinion, including any key audit matters, is available at the following link <https://www.absa.africa/absafrica/investor-relations/annual-reports/> as part of the Bank's full annual financial statements which have been released on 14 March 2022. The annual financial statements and auditors' report thereon are available for inspection at the Company's registered office. The full year end 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**

### **Bank Independent non-executive directors**

W E Lucas-Bull (Independent Chairman), S Moloko (Chairman designate), T Abdool-Samad, F Okomo-Okello<sup>(2)</sup>, A B Darko<sup>(1)(3)</sup>, R A Keanly, N S Mjoli-Mncube (Lead independent director), R van Wyk

### **Bank Executive directors**

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

(1) British

(2) Kenyan

(3) Ghanaian

## Declaration of a final preference share dividend number 32

The Absa Bank preference shares have an effective coupon rate of 70% of Absa Bank's prevailing prime overdraft lending rate (prime rate). Absa Bank's current prime rate is 7.5%.

Notice is hereby given that preference dividend number 32, equal to 70% of the average prime rate for 1 September 2021 to 28 February 2021. The dividend is payable on Monday, 25 April 2022, to shareholders of the Absa Bank preference shares recorded in the Register of Members of the Company at the close of business on Friday, 22 April 2022.

The Board of Absa Bank confirm that the Bank will satisfy the solvency and liquidity test immediately after completion of the dividend distribution.

Based on the average prime rate, the preference dividend payable for the period 1 September 2021 to 28 February 2021 would indicatively be 2 494.10959 cents per Absa Bank preference share.

The dividend will be subject to 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 2 494.10959 cents per preference share for shareholders exempt from the dividend tax.

The net local dividend for shareholders subject to withholding tax at a rate of 20% amounts to 1 995.28767 cents per preference share.

- › Absa Bank currently has 4 944 839 preference shares in issue.
- › Absa Bank's income tax reference number is 9575117719.

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

Last day to trade cum dividend	Tuesday, 19 April 2022
Shares commence trading ex-dividend	Wednesday, 20 April 2022
Record date	Friday, 22 April 2022
Payment date	Monday, 25 April 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 20 April 2022 and Friday, 22 April 2022, both dates inclusive. On Monday, 25 April 2022, the dividend will be electronically transferred to the bank accounts of shareholders.

On behalf of the Board

**N R Drutman**

*Company Secretary*

Johannesburg

14 March 2022

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

## **Sponsors**

### **Lead independent sponsor**

J. P. Morgan Equities South Africa Proprietary Limited

### **Joint sponsor**

Absa Bank Limited (Corporate and Investment Bank)