

**ABSA GROUP LIMITED**

Incorporated in the Republic of South Africa

Registration number: 1986/003934/06

ISIN: ZAE000255915

JSE share code: ABG

JSE bond issuer code: ABGI

("Absa Group" or "the Group")

**VOLUNTARY TRADING UPDATE FOR THE SIX MONTHS ENDING 30 JUNE 2026**

Shareholders are advised that Absa Group will host a pre-close call today, during which management will update the market on Absa's expected financial performance for the six months ending 30 June 2026 (1H26).

Our operating environment remains challenging and uncertain. The Middle East conflict increased global inflation expectations and dampened GDP growth. We have reduced our 2026 GDP growth expectations slightly for our largest countries, South Africa, Ghana and Kenya. In South Africa, the SA Reserve Bank increased the policy rate in May, whereas we previously expected further rate cuts. Conversely, policy rates in Ghana have reduced materially and are lower than we expected, which is a near-term drag but should stimulate growth.

Against this backdrop, we provide shareholders with guidance for our financial performance in 1H26. The commentary below refers to the percent year-on-year change in our financial results versus the first half of 2025 (1H25).

Based on our current assumptions, and excluding major unforeseen macroeconomic, political or regulatory developments, our guidance for 1H26 is as follows:

Revenue is expected to grow by low to mid-single digits, with non-interest income growing faster than net interest income.

Net interest income growth remains modest, growing by low single digits, reflecting margin compression largely due to lower policy rates in Africa regions. Net customer loans and customer deposits are expected to grow by mid-single digits. Personal and Private Banking (PPB) net customer loans are expected to grow by mid-single digits. In PPB South Africa, solid Vehicle and Asset Finance growth should offset modest growth in Home Loans and unsecured lending. Corporate and Investment Banking (CIB) net customer loans excluding reverse repurchase agreements and Business Banking (BB) net customer loans are expected to grow by high single digits.

We expect mid-single digit growth in non-interest income. Within this, growth in fee and commission income and in insurance income in South Africa is expected to be solid, while trading growth moderated after a strong first quarter.

Operating expenses is expected to grow by low to mid-single digits, resulting in slightly negative JAWS and a slightly higher cost-to-income ratio, with low single digit pre-provision profit growth.

We expect broadly flat credit impairments and an improved credit loss ratio. We expect slightly lower PPB credit impairments, driven by a better delinquency performance, partly offset by an increase in coverage due to the deteriorating macroeconomic forecast. We expect BB and CIB credit impairments to increase, with the latter off a low base.

Consequently, we expect headline earnings growth of mid- to high single digits for 1H26, resulting in a similar RoE to the 14.8% in 1H25.

We expect our Group CET 1 ratio to finish 1H26 slightly above the top end of our Board target range of 11.0% to 12.5%, and we plan to maintain a dividend payout ratio of around 55% for 1H26.

We will report all three of our business units on a Pan-African basis for the first time. We expect broadly flat CIB headline earnings, with solid growth from Investment Banking and Global Markets, and lower earnings from Transactional Banking. PPB is expected to report low double-digit headline earnings growth, in part due to lower credit impairments. We expect modest BB headline earnings growth, with solid growth in South Africa while Africa Regions declines given margin compression. Lastly, we expect a smaller Head Office loss due to a better ALM performance in Treasury South Africa.

The stronger Rand will reduce Group revenue, costs and headline earnings slightly during 1H26. We expect strong headline earnings growth in South Africa, given solid pre-provision profit growth and a lower credit loss ratio. Conversely, we expect Africa Regions headline earnings to decline due to lower net interest income and higher credit impairments.

Given the elevated geopolitical and macroeconomic uncertainty, we will provide detailed 2026 guidance when we report our 1H26 results. We expect to achieve a 2026 RoE of around 15%, mostly due to weaker net interest income than we originally anticipated given margin compression in Africa Regions. We are confident that our revenue and earnings momentum remains on track medium-term, given healthy growth in our client franchise and net interest margin stabilisation post the rate cutting cycle, particularly in Africa Regions.

Management will host a pre-close call at 10am (SA time) today. For details thereof, please see our investor relations website.

Shareholders are advised that the financial information contained in this trading update has not been reviewed or reported on by our auditors. The forecast financial information above is the sole responsibility of the Board.

We will release our 1H26 results on 18 August 2026.

Johannesburg  
30 June 2026

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