

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

Audited summary consolidated financial results for the reporting period ended 31 December 2019 and final ordinary 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.

2020 priorities

To accelerate our business momentum and transform our strategic trajectory, we have selected seven key priorities for the year ahead with regard to the unfolding macro-economic environment.

1. Grow customer and client primacy ahead of the market across our business portfolio.
2. Advance the digital maturity of our business to be competitive.
3. Create new revenue streams by building a market leading payments capability.
4. Complete the Separation successfully.
5. Accelerate our journey of becoming a thriving, entrepreneurial organisation supported by an enabling organisational architecture.
6. Leverage strategic partnerships.
7. Drive operational efficiencies.

Normalised financial results as a consequence of Barclays PLC separation

A normalised view of the 2019 results is provided which adjusts for the consequences of the separation from Barclays PLC (Separation). This view better reflects Absa Group's underlying performance. International Financial Reporting Standards (IFRS) compliant financial statements 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.

Non-IFRS measures such as normalised results are considered pro forma financial information as per JSE Listing Requirements. The pro forma financial information, is the responsibility of the Group's Board of directors and is presented for illustrative purpose only and because of its nature may not fairly present the Group's financial position, changes in equity, and results in operations or cash flows. The pro forma financial information contained in this announcement has been reviewed by Absa Group's external auditors and their unmodified limited assurance report prepared in terms of ISAE 3420 is available for inspection at the Company's registered office on weekdays from 09:00 to 16:00.

Performance overview for the period ended 31 December

Total income

2019	Increased 5%	2018	2019	Increased 6%	2018
R80 120m	IFRS	R76 515m	R79 961m	Normalised	R75 660m

Headline earnings per ordinary share

2019	Increased 3%	2018	2019	Increased 1%	2018
1 750.1 cents	IFRS	1703.7 cents	1926.0 cents	Normalised	1913.4 cents

Basic earnings per share

2019	Increased 2%	2018	2019	Increased 0.44%	2018
1717.6 cents	IFRS	1676.5 cents	1895.0 cents	Normalised	1886.7 cents

Net asset value per ordinary share

2019	Increased 3%	2018	2019	Increased 5%	2018
13 669 cents	IFRS	13 233 cents	12 605 cents	Normalised	11 985 cents

Return on equity

2019	Decreased	2018	2019	Decreased	2018
13.1%	IFRS	13.4%	15.8%	Normalised	16.8%

Cost-to-income ratio

2019	Decreased	2018	2019	Increased	2018
60.9%	IFRS	61.2%	58.0%	Normalised	57.7%

Net interest margin

2019	Decreased	2018	2019	Decreased	2018
4.50%	IFRS	4.65%	4.50%	Normalised	4.64%

Dividend per ordinary share

2019	Increased 1%	2018
1 125 cents	IFRS	1 110 cents

Strong loans and deposits growth

Loans and advances to customers

R917bn (2018: R842bn)

Deposits due to customers

R826bn (2018: R736bn)

Well managed risk profile

Stage 3 loans ratio to gross loans and advances

4.67% (2018: 5.10%)

Credit loss ratio

0.80% (2018: 0.73%)

Sound capital

Common Equity Tier 1 ratio

12.1% (2018: 12.8%)

Short form statement

This short-form announcement is the responsibility of the directors of Absa Group 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/2020/jse/isse/ABGE/Final19.pdf>

This announcement has not been audited. The annual financial statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The full audit opinion, including any key audit matters, will be available at <https://www.absa.africa/absafrica/investor-relations/financial-results/> when Absa Group's full annual financial statements are released on or about 31 March 2020. The annual financial statements and auditors' report thereon are available for inspection at the Company's registered office.

Registered office

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

Board of directors

Group independent directors

T Abdool-Samad, C Beggs, A B Darko, M J Husain (Lead Independent Director), R A Keanly, W E Lucas-Bull (Independent Chairman), M S Merson, S J Munyantwali, D Naidoo, F Okomo-Okello, S M Pityana, I Rensburg

Group non-executive director

D J Hodge

Group executive directors

P B Matlare (Deputy Chief Executive and Chief Executive: Absa Regional Operations), D Mminele (Group Chief Executive), J P Quinn (Financial Director)

Declaration of ordinary dividend number 67

Shareholders are advised that an ordinary dividend of 620 cents per ordinary share was declared on 11 March 2020, for the period ended 31 December 2019. The ordinary dividend is payable to shareholders recorded in the register of members of the Company at the close of business on Friday, 17 April 2020. The directors of Absa Group Limited confirm that Absa 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 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 620 cents per ordinary share for shareholders exempt from the dividend tax.
- The net local dividend amount is 496 cents per ordinary share for shareholders liable to pay the dividend tax.
- Absa Group Limited currently has 847 750 679 ordinary shares in issue (includes 19 122 853⁽¹⁾ treasury shares).
- Absa Group Limited'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 April 2020
Shares commence trading ex-dividend	Wednesday, 15 April 2020
Record date	Friday, 17 April 2020
Payment date	Monday, 20 April 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 15 April 2020 and Friday, 17 April 2020, both dates inclusive. On Monday, 20 April 2020, 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 Monday, 20 April 2020.

On behalf of the Board

N R Drutman

Group Company Secretary

Johannesburg

11 March 2020

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

⁽¹⁾Includes shares to be utilised when establishing a BBBEE structure.

Sponsors

Lead independent sponsor

J. P. Morgan Equities South Africa Proprietary Limited

Joint sponsor

Absa Bank Limited (Corporate and Investment Bank)