

## 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")

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

We are an African bank, inspired by the people we serve and determined to be a bank 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 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 the 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 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. 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

<b>30 June 2021</b>	Increased 12%	30 June 2020	<b>30 June 2021</b>	Increased 13%	30 June 2020
<b>R28 797m</b>	IFRS	R25 702m	<b>R28 774m</b>	Normalised	R25 423m

### Headline earnings per ordinary share

<b>30 June 2021</b>	Increased >100%	30 June 2020	<b>30 June 2021</b>	Increased >100%	30 June 2020
<b>1 163.7 cents</b>	IFRS	(359.6) cents	<b>1 243.8 cents</b>	Normalised	(256.5) cents

### Basic earnings per share

<b>30 June 2021</b>	Increased >100%	30 June 2020	<b>30 June 2021</b>	Increased >100%	30 June 2020
<b>1 158.1 cents</b>	IFRS	(373.9) cents	<b>1 238.9 cents</b>	Normalised	(258.1) cents

### Net asset value per ordinary share

<b>30 June 2021</b>	Increased 6%	30 June 2020	<b>30 June 2021</b>	Increased 16%	30 June 2020
<b>19 100 cents</b>	IFRS	17 952 cents	<b>18 133 cents</b>	Normalised	15 648 cents

### Return on equity

<b>30 June 2021</b>	Increased	30 June 2020	<b>30 June 2021</b>	Increased	30 June 2020
<b>12.5%</b>	IFRS	(4.0)%	<b>14.2%</b>	Normalised	(3.1)%

### Cost-to-income ratio

<b>30 June 2021</b>	Decreased	30 June 2020	<b>30 June 2021</b>	Decreased	30 June 2020
<b>58.4%</b>	IFRS	59.9%	<b>56.5%</b>	Normalised	57.5%

### Net interest margin

<b>30 June 2021</b>	Increased	<b>30 June 2021</b>	<b>2021</b>	Increased	30 June 2020
<b>3.62%</b>	IFRS	3.24%	<b>3.62%</b>	Normalised	3.23%

### Dividend per preference share

<b>30 June 2021</b>	Decreased 10%	30 June 2020
<b>2 470.13699 cents</b>	IFRS	<b>2 741.0274 cents</b>

### Loans and deposits growth

Gross loans and advances to customers

**R869bn** (30 June 2020: R828bn)

Deposits due to customers

**R852bn** (30 June 2020: R745bn)

## **Risk profile**

Stage 3 loans ratio to gross loans and advances

**5.45%** (30 June 2020: 5.47%)

Liquidity coverage ratio

**131.1%** (30 June 2020: 132.8%)

## **Sound capital**

Common Equity Tier 1 ratio

**11.8%** (30 June 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/absaafrica/investor-relations/financial-results/> and on the following JSE link:

<https://senspdf.jse.co.za/documents/2021/jse/iss/absh/Interim21.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**

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

W E Lucas-Bull (Independent Chairman), S M Pityana (Lead Independent Director), T Abdool-Samad, M S Merson<sup>(1)</sup>, F Okomo-Okello<sup>(2)</sup>

### **Executive directors**

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

(1) British

(2) Kenyan

## Declaration of final preference share dividend number 31

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%.

Notice is hereby given that preference dividend number 31, equal to 70% of the average prime rate for 1 March 2021 to 31 August 2021, on the assumption that there will be no further changes in the prime rate between declaration date and 31 August 2021. The dividend is payable on Monday, 20 September 2021, to shareholders of the Absa Bank preference shares recorded in the Register of Members of the Company at the close of business on Friday, 17 September 2021.

The directors 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 March 2021 to 31 August 2021 will be 2 470.13699 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 2 470.13699 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 1 976.10959 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, 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 shareholders.

On behalf of the Board

**N R Drutman**

*Company Secretary*

Johannesburg

16 August 2021

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)