



Statement to Shareholders regarding the Financial Year 2020

The Board of Directors of Absa Bank Kenya PLC (the "Company") makes this announcement pursuant to Regulation G.05 (1) (f) and (2) of the Fifth Schedule of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 and for the information of investors and the general public.

The Company wishes to announce that our net profit for the year 2020 is projected to be significantly lower than the net profit reported for the Financial Year 2019. This is primarily due to the exceptional costs incurred in 2020 relating to our separation from Barclays Bank PLC and the brand transition to Absa, as well as a significant increase in impairment provisions in light of the COVID-19 pandemic. Trends and forecasts show that the rate of impairment is increasing due to delayed loan repayments and potential additional stress due to COVID-19 after-effects.

The Company continues to support its customers through increased lending, capacity building and other financial solutions.

In that regard, the Company has advanced over KES 70 billion in lending and has offered loan relief and restructures totaling over KES 62 billion. This is equivalent to 30% of the loan portfolio and has enabled small enterprises and individuals manage their day-to-day working capital and personal needs.

All our business units are expected to remain profitable in 2020 with the Company's Capital and Liquidity ratios expected to have sufficient headroom above the regulatory requirements.

The Company remains committed to executing its strategy of delivering sustainable growth and returns on the back of expected recovery and stability in the operating environment.

By Order of the Board

Loise Gakumo

Company Secretary

22 December 2020