

Absa reports 13% rise in full-year profit

Absa group reported a 13% rise in full-year profit on Monday (13 March 2023), driven by a rebound in economic activity as the effects of Covid-19 waned.



Source: Reuters.

For the year ended 31 December, Absa reported headline earnings per share, a profit measure, of 2,486 South African cents, up from 2,147 cents posted a year earlier.

Current power-supply crisis, inefficient rail and port infrastructure, and high unemployment have stoked concerns about future growth for South African banks after a good run last year.

Electricity supply is expected to remain a significant economic risk for the foreseeable future, Absa group said in a statement.

The lender posted a return on equity (RoE) - a metric of profitability used to compare banks - of 16.6%, up from 15.8% a year ago. It estimated a marginal increase in its 2023 RoE to around 17%.

The bank declared a dividend of 1,300 cents per share.

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