

Absa posts marginal rise in interim profit

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Absa Group on Monday, 14 August, posted a marginal rise in interim profit as it benefited from higher interest rates, which was partly offset by higher impairments.



Source: Reuters.

The lender posted a headline earnings per share of R13.21 (\$0.6945) for the half year ended 30 June, against R12.67 the corresponding period a year ago.

The top five private South African banks - among the continent's biggest - are generally known to have well-capitalised balance sheets and strictly conservative lending practices.

But as Africa's most advanced economy came under strain due to high interest rates and higher inflation, it took a toll on banks' loan books, already struggling to manage the spillover effects of long hours of daily blackouts.

Absa's return on equity - a metric which measures how much profit a company is generating for each rand of shareholder investment - slipped to 15.7% from 16.4% a year ago.