

ABSA GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1986/003934/06)
ISIN: ZAE000067237
JSE share code: ASA
Issuer code: AMAGB
(Absa or Absa Group)

ABSA GROUP - BASEL II PILLAR 3 DISCLOSURE

Absa, together with all registered banks, is required to comply with the Basel II Capital Accord (Basel II), effective 1 January 2008. Basel II is divided into three pillars, namely Pillar 1 (minimum capital requirements); Pillar 2 (supervisory review process) and Pillar 3 (market discipline).

This announcement is made in accordance with the requirements of Pillar 3. The purpose of Pillar 3 is to complement the minimum capital requirements and the supervisory review process of Basel II. The minimum set of disclosure requirements is intended to allow market participants to assess key pieces of information on the scope of application, capital, risk exposures, risk assessment processes, and hence the capital adequacy of the institution.

In accordance with Regulation 43(1) (e) (ii) of the regulations relating to banks, the minimum requirements of the quantitative information to be disclosed to the public on a quarterly basis are:

- primary capital, including the primary capital adequacy ratio;
- total capital, including the total capital adequacy ratio;
- the components of capital;
- the total required amount of capital and reserve funds; and
- any risk exposure or other item that is subject to rapid or material change.

The disclosure required semi-annually and annually is more comprehensive than the quarterly requirements as it encompasses both quantitative and qualitative information.

The table below represents the consolidated regulatory capital position for the Absa Group as at 31 March 2011 (Quarter 1, 2011).

| | Absa Group 31 March 2011 R m |
|--|------------------------------------|
| Qualifying capital | |
| Primary capital | |
| Share capital and reserves (Note 2) | 48,299 |
| Preference share capital and premium | 4,644 |
| Non-controlling interest - ordinary shares | 1,029 |
| Less: Deductions | 2,729 |
| Total primary capital | 51,243 |
| Secondary capital | |
| Debt instruments | 12,611 |
| General allowance for credit impairment, after deferred tax: Standardised approach | 21 |
| Less: Deductions | 1,253 |
| Total secondary capital | 11,379 |
| Total qualifying capital and reserve funds | 62,622 |
| Minimum required capital and reserve funds | 40,866 |
| Capital adequacy ratios (Note 3) | |
| Total capital adequacy ratio | 14.94 |
| Primary capital ratio | 12.23 |

Notes:

- 1) The figures above have not been audited.
- 2) Share capital and reserves excludes unappropriated profits. The capital adequacy ratios disclosed in the annual and interim results presentations include

- unappropriated profits and are consequently higher.
- 3) The 2011 Absa Group Board approved target capital ranges of 12% - 14% for the Total and 10%-12% for the Tier 1 Capital Adequacy Ratios (inclusive of unappropriated profits) were complied with over the reporting period ending March 2011.

Johannesburg
3 June 2011

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