ABSA GROUP LIMITED

Authorised financial services and registered credit provider (NCRCP7)

Registration number: 1986/003934/06

Incorporated in the Republic of South Africa

JSE share code: ASA

Issuer code: AMAGB

ISIN: ZAE000067237

(Absa, Absa Group, the Group or the Company)

ABSA GROUP LIMITED: PROFIT AND DIVIDEND ANNOUNCEMENT

AUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS

FOR THE REPORTING PERIOD ENDED 31 DECEMBER 2012

CONSOLIDATED SALIENT FEATURES

31 December

	2012	2011(1)	Change %
Statement of comprehensive income (Rm)			
Headline earnings (2)	8 807	9 719	(9)
Profit attributable to ordinary equity holders	8 393	9 674	(13)
Statement of financial position			
Total assets (Rm)	807 939	786 719	3
Loans and advances to customers (Rm)	528 191	504 925	5
Deposits due to customers (Rm)	477 427	440 960	8
Loans-to-deposits ratio (%) (3)	90,2	88,4	
Off-statement of financial position (Rm)			
Assets under management and administration	246 950	213 186	16
Financial performance (%)			
Return on average equity (RoE) (3)	13,6	16,4	
Return on average assets (RoA) (4)	1,09	1,32	
Return on average risk-weighted assets (RoRWA) (4)	2,07	2,35	
Operating performance (%)			
Net interest margin on average interest-bearing assets (4)	3,87	4,11	

Impairment losses on loans and advances as % of average loans and advances to customers (4)	1,59	1,01	
Non-performing loans as % of loans and advances to customers (4)	5,8	6,9	
Non-interest income as % of total operating income (3)	48,5	46,7	
Cost-to-income ratio (4)	55,2	55,5	
Effective tax rate, excluding indirect taxation (3)	27,9	28,3	
Share statistics (million)			
Number of ordinary shares in issue	718,2	718,2	
Number of ordinary shares in issue (excluding treasury shares)	717,7	717,0	
Weighted average number of shares in issue	717,6	716,8	
Diluted weighted average number of ordinary shares in issue	719,2	719,9	
Share statistics (cents)			
Headline earnings per share	1 227,3	1 355,9	(9)
Diluted headline earnings per share	1 224,6	1 350,0	(9)
Basic earnings per share	1 169,6	1 349,6	(13)
Diluted earnings per share	1 167,0	1 343,8	(13)
Dividends per ordinary share relating to income for the reporting period (3)	684	684	-
Dividend cover (times) (3)	1,8	2,0	
Net asset value per share (3)	9 319	8 690	7
Tangible net asset value per share (3)	8 962	8 392	7
Capital adequacy (%) (4)			
Absa Group	17,4	16,7	
Absa Bank	17,5	16,2	

Notes

(1) Comparatives have been reclassified. Refer to note 21.

(2) After allowing for R295 million (2011: R284 million) profit attributable to preference equity holders of Absa Bank Limited.

(3) These ratios have been calculated by management based on extracted audited information contained in the audited annual consolidated financial statements.

(4) These ratios are unaudited.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December

	Note	2012	2011(1)		2010(1)
		(Audited)	(Audited)	Change	(Audited)
		Rm	Rm	%	Rm
Assets					
Cash, cash balances and balances with central banks		26 221	26 997	(3)	23 741
Statutory liquid asset portfolio		63 020	57 473	10	48 215
Loans and advances to banks		44 649	57 499	(22)	27 572
Trading portfolio assets		87 203	84 623	3	62 047
Hedging portfolio assets		5 439	4 299	27	4 662
Other assets		14 189	14 730	(4)	11 960
Current tax assets		304	288	6	196
Non-current assets held for sale	1	4 052	35	>100	-
Loans and advances to customers	2,3,4	528 191	504 925	5	509 598
Reinsurance assets		1 003	1 009	(1)	860
Investment securities		20 555	21 182	(3)	24 446
Investments in associates and joint ventures		569	420	35	416
Investment properties		1 220	2 839	(57)	2 523
Property and equipment		8 397	7 996	5	7 493
Goodwill and intangible assets		2 561	2 135	20	1 794
Deferred tax assets		366	269	36	434
Total assets		807 939	786 719	3	725 957
Liabilities					
Deposits from banks		36 035	38 339	(6)	15 406
Trading portfolio liabilities		51 684	55 960	(8)	47 454
Hedging portfolio liabilities		3 855	2 456	57	1 881
Other liabilities		18 215	14 695	24	11 239
Provisions		1 681	1 710	(2)	1 808
Current tax liabilities		59	267	(78)	965
Non-current liabilities held for sale	1	1 480	-	100	-
Deposits due to customers	5	477 427	440 960	8	387 598
Debt securities in issue	6	108 044	130 262	(17)	164 545
Liabilities under investment contracts		13 609	15 233	(11)	13 964
Policyholder liabilities under insurance contracts		3 550	3 183	12	3 001
Borrowed funds	7	17 907	14 051	27	13 649
Deferred tax liabilities		1 599	1 198	33	2 298
Total liabilities		735 145	718 314	2	663 808

Equity				
Capital and reserves				
Attributable to ordinary equity holders:				
Share capital	1 435	1 434	0	1 433
Share premium	4 604	4 676	(2)	4 590
Retained earnings	56 903	53 813	6	47 958
Other reserves	3 941	2 385	65	2 309
	66 883	62 308	7	56 290
Non-controlling interest - ordinary shares	1 267	1 453	(13)	1 215
Non-controlling interest - preference shares	4 644	4 644	-	4 644
Total equity	72 794	68 405	6	62 149
Total liabilities and equity	807 939	786 719	3	725 957

Note

(1) Comparatives have been reclassified. Refer to note 21.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the reporting period ended 31 December

		2012	2011 (1)	
		(Audited)	(Audited)	Change
	Note	Rm	Rm	%
Net interest income		24 111	24 429	(1)
Interest and similar income	8.1	50 766	51 191	(1)
Interest expense and similar charges	8.2	(26 655)	(26 762)	0
Impairment losses on loans and advances	3	(8 290)	(5 081)	(63)
Net interest income after impairment losses on loans and advances		15 821	19 348	(18)
Non-interest income		22 741	21 403	6
Net fee and commission income		15 435	15 293	1
Fee and commission income	9.1	17 936	17 422	3
Fee and commission expense	9.2	(2 501)	(2 129)	(17)
Net insurance premium income		5 618	5 209	8
Net insurance claims and benefits paid		(2 719)	(2 517)	(8)
Changes in investment and insurance contract liabilities		(980)	(914)	(7)
Gains and losses from banking and trading activities	9.3	3 670	2 594	41
Gains and losses from investment activities	9.4	963	966	(0)
Other operating income		754	772	(2)
Operating income before operating expenditure		38 562	40 751	(5)
Operating expenditure		(26 693)	(26 581)	(0)
Operating expenses	10.1	(25 874)	(25 458)	(2)
Other impairments	10.2	(113)	(52)	>(100)
Indirect taxation		(706)	(1 071)	34
Share of post-tax results of associates and joint ventures		249	40	>100
Operating profit before income tax		12 118	14 210	(15)
Taxation expense		(3 377)	(4 026)	16
Profit for the reporting period		8 741	10 184	(14)

Other comprehensive income			
Foreign exchange differences on translation of foreign operations	140	522	(73)
Movement in cash flow hedging reserve	405	(237)	>100
Fair value gains arising during the reporting period	2 650	1 972	34
Amount removed from other comprehensive income and recognised in the profit and loss component of the statement of comprehensive income	(2 088)	(2 300)	9
Deferred tax	(157)	91	>(100)
Movement in available-for-sale reserve	1 109	(17)	>100
Fair value gains/(losses) arising during the reporting period	1 532	(58)	>100
Amortisation of government bonds - release to the profit and loss component of the statement of comprehensive income	10	20	(50)
Deferred tax	(433)	21	>(100)
Movement in retirement benefit fund asset and liabilities	(242)	(51)	>(100)
Decrease in retirement benefit surplus	(279)	(66)	>(100)
Increase in retirement benefit deficit	(59)	(5)	>(100)
Deferred tax	96	20	>100
Total comprehensive income for the reporting period	10 153	10 401	(2)
Profit attributable to:			
Ordinary equity holders	8 393	9 674	(13)
Non-controlling interest - ordinary shares	53	226	(77)
Non-controlling interest - preference shares	295	284	4
	8 741	10 184	(14)
Total comprehensive income attributable to:			
Ordinary equity holders	9 812	9 791	0
Non-controlling interest - ordinary shares	46	326	(86)
Non-controlling interest - preference shares	295	284	4
	10 153	10 401	(2)
Earnings per share:			
Basic earnings per share (cents)	1 169,6	1 349,6	(13)
Diluted earnings per share (cents)	1 167,0	1 343,8	(13)

Note

(1) Comparatives have been reclassified. Refer to note 21.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the reporting period ended 31 December

	2012			
	(Audited)			
	Capital and reserves attributable to ordinary equity holders	Non-controlling interest-ordinary shares	Non-controlling interest-preference shares	Total equity
	Rm	Rm	Rm	Rm
Balance at the beginning of the reporting period	62 308	1 453	4 644	68 405
Total comprehensive income for the reporting period	9 812	46	295	10 153
Profit for the reporting period	8 393	53	295	8 741
Other comprehensive income	1 419	(7)	-	1 412
Dividends paid during the reporting period	(5 069)	(138)	(295)	(5 502)
Purchase of Group shares in respect of equity-settled share-based payment schemes	(211)	-	-	(211)
Elimination of the movement in treasury shares held by Group entities	30	-	-	30
Movement in share-based payment reserve	13	-	-	13
Transfer from share-based payment reserve	(110)	-	-	(110)
Transfer to share capital and share premium	110	-	-	110
Value of employee services	13	-	-	13

Movement in foreign insurance subsidiary regulatory reserve (1)	-	-	-	-
Transfer to foreign insurance subsidiary regulatory reserve	13	-	-	13
Transfer from retained earnings	(13)	-	-	(13)
Movement in general credit risk reserve	-	-	-	-
Transfer to general credit risk Reserve	54	-	-	54
Transfer from retained earnings	(54)	-	-	(54)
Movement in insurance contingency reserve (2)	-	-	-	-
Transfer from insurance contingency reserve	(324)	-	-	(324)
Transfer to retained earnings	324	-	-	324
Share of post-tax results of associates and joint ventures	–	–	–	–
Transfer to associates' and joint ventures' reserve	249	-	-	249
Transfer from retained earnings	(249)	-	-	(249)
Increase in the interest of non-controlling equity holders	-	35	-	35
Disposal of interest in subsidiary without loss of control	-	(129)	-	(129)
Balance at the end of the reporting period	66 883	1 267	4 644	72 794

Notes

(1) The foreign insurance subsidiary regulatory reserve is calculated on the basis of the following minimum percentages of profits recorded in each reporting period for that subsidiary:

- 20% until the value of reserves represents half of the minimum capital required under the foreign insurance subsidiary's legislation.
- 10% from the time the amount specified in the preceding paragraph, has been attained.

(2) This reserve is no longer required due to a change in the Financial Services Board (FSB) regulations.

	2011			
	(Audited)			
	Capital and reserves attributable to ordinary equity holders	Non-controlling interest-ordinary shares	Non-controlling interest-preference shares	Total equity
	Rm	Rm	Rm	Rm
Balance at the beginning of the reporting period	56 290	1 215	4 644	62 149
Total comprehensive income for the reporting period	9 791	326	284	10 401
Profit for the reporting period	9 674	226	284	10 184
Other comprehensive income	117	100	-	217
Dividends paid during the reporting period	(3 744)	(173)	(284)	(4 201)
Purchase of Group shares in respect of equity-settled share-based payment schemes	(281)	-	-	(281)
Elimination of the movement in treasury shares held by Group entities	194	-	-	194

Movement in share-based payment reserve	58	-	-	58
Transfer from share-based payment reserve	(174)	-	-	(174)
Transfer to share capital and share premium	174	-	-	174
Value of employee services	58	-	-	58
Movement in general credit risk reserve	-	-	-	-
Transfer from general credit risk Reserve	(48)	-	-	(48)
Transfer to retained earnings	48	-	-	48
Movement in insurance contingency reserve	-	-	-	-
Transfer to insurance contingency Reserve	19	-	-	19
Transfer from retained earnings	(19)	-	-	(19)
Share of post-tax results of associates and joint ventures	-	-	-	-
Transfer to associates' and joint ventures' reserve	40	-	-	40
Transfer from retained earnings	(40)	-	-	(40)
Disposal of associates and joint ventures - release of reserves	-	-	-	-
Transfer to associates' and joint ventures' reserve	13	-	-	13
Transfer from retained earnings	(13)	-	-	(13)
Increase in the interest of non-controlling equity holders	-	21	-	21
Non-controlling interest arising from business combinations	-	64	-	64
Balance at the end of the reporting period	62 308	1 453	4 644	68 405

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the reporting period ended 31 December

		2012	2011	
		(Audited)	(Audited)	Change
	Note	Rm	Rm	%
Net cash generated from operating activities		5 577	8 305	(33)
Net cash utilised in investing activities		(1 882)	(511)	>(100)
Net cash utilised in financing activities		(2 045)	(4 143)	51
Net increase in cash and cash equivalents		1 650	3 651	(55)
Cash and cash equivalents at the beginning of the reporting period	1	10 068	6 417	57
Effect of exchange rate movements on cash and cash equivalents		(2)	0	>(100)
Cash and cash equivalents at the end of the reporting period	2	11 716	10 068	16
NOTES				
1. Cash and cash equivalents at the beginning of the reporting period				
Cash, cash balances and balances with central Banks		7 893	4 939	60
Loans and advances to banks		2 175	1 478	47
		10 068	6 417	57
2. Cash and cash equivalents at the end of the reporting period				
Cash, cash balances and balances with central Banks		8 816	7 893	12
Loans and advances to banks		2 900	2 175	33
		11 716	10 068	16

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL RESULTS

as at 31 December

1. NON-CURRENT ASSETS HELD FOR SALE

During the reporting period, the Group effected the following transfers to non-current assets and non-current liabilities held for sale:

Through the RBB segment:
- the investment in Sekunjalo Investments Limited, with a carrying value of R20 million. This investment was subsequently sold in January 2013;
- in the Commercial Property Finance Equity (CPF Equity) division, net assets in one of its subsidiaries, totalling R1 209 million, and one of its property equity investments with a carrying value of R10 million;
- in the CPF Equity division, investments in Kilkishen Investments Proprietary Limited and Stand 1135 Houghton Proprietary Limited with a carrying value of R36 million from investments in associates and joint ventures; and
- in the CPF Equity division, property and equipment with a carrying value of R22 million, and concluded a contract for the sale of The Pivot Office Park, with a carrying value of R66 million, previously classified as investment property.

Through the Financial Services segment:
- transferred investment in One Commercial Investment Holdings Cell Captive with a carrying value of R10 million from investments in associates and joint ventures;
- transferred net assets totalling R44 million in Absa Insurance Risk Management Services Limited, a subsidiary of Absa Insurance Company Limited (AIC). The disposal of the subsidiary is due to take place during 2013;
- transferred net assets totalling R245 million in the APEF. Management's intention is to dispose of further units in the APEF such that the Group no longer has control over the APEF; and
- transferred gross assets and liabilities totalling R1,7 billion and R700 million respectively in the General Fund. This transfer is as a result of the amalgamation of the General Fund with the Absa Select Equity Fund due to take place during 2013.

Through the Corporate Real Estate business segment:
- transferred several properties during the reporting period whose contracts for sale concluded in the previous reporting period.

2. LOANS AND ADVANCES TO CUSTOMERS

	2012	2011(1)		2010(1)
	(Audited)	(Audited)	Change	(Audited)
	Rm	Rm	%	Rm
Cheque accounts	33 809	33 398	1	32 005
Corporate overdrafts and specialised finance loans	5 121	10 681	(52)	9 612
Credit cards (2)	33 034	21 579	53	20 663
Foreign currency loans	13 143	9 628	37	6 609
Instalment credit agreements	60 489	57 385	5	56 967
Gross advances	73 124	68 540	7	67 517
Unearned finance charges	(12 635)	(11 155)	(13)	(10 550)
Reverse repurchase agreements	4 698	1 613	>100	3 063
Loans to associates and joint ventures	10 094	7 909	28	8 025
Microloans	2 002	1 922	4	2 069a
Mortgages	282 778	292 463	(3)	307 054
Other loans and advances(3)	3 226	4 619	(30)	3 766

Overnight finance	18 862	12 320	53	7 647
Personal and term loans	33 654	29 925	12	28 283
Preference shares	6 342	6 958	(9)	6 622
Wholesale overdrafts	34 951	26 656	31	31 115
Gross loans and advances to customers	542 203	517 056	5	523 500
Impairment losses on loans and advances (refer to note 3)	(14 012)	(12 131)	(16)	(13 902)
	528 191	504 925	5	509 598

Notes

(1) Comparatives have been reclassified. Refer to note 21.

(2) Include the acquisition of the Edcon store card loan portfolio.

(3) Include customer liabilities under acceptances, working capital solutions and collateralised loans.

3. IMPAIRMENT LOSSES ON LOANS AND ADVANCES

	2012	2011	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Balance at the beginning of the reporting period	12 131	13 902	(13)
Amounts written off during the reporting period	(6 355)	(6 493)	2
Foreign exchange differences	(4)	1	>(100)
Interest on impaired assets (refer to note 8.1)	(1 018)	(1 173)	13
	4 754	6 237	(24)
Impairments raised during the reporting period	9 258	5 894	57
Balance at the end of the reporting period	14 012	12 131	16
Comprising:			
Identified impairments	13 040	11 306	15
Performing loans (1)	1 386	1 429	(3)
Non-performing loans (1)	11 654	9 877	18
Unidentified impairments	972	825	18
	14 012	12 131	16
3.1 Statement of comprehensive income charge for the reporting period ended 31 December			
Impairments raised during the reporting period	9 258	5 894	57
Identified impairments	9 100	6 015	51
Unidentified impairments	158	(121)	>100
Recoveries of loans and advances previously written off	(968)	(813)	(19)
	8 290	5 081	63

Note

(1) The breakdown of identified impairments between performing and non-performing loans is unaudited.

4. NON-PERFORMING LOANS					
	2012				
	(Unaudited)				
	Outstanding balance	Expected recoveries and fair value of collateral	Net exposure	Total identified impairment	Coverage ratio
	Rm	Rm	Rm	Rm	%
RBB	30 583	19 445	11 138	11 138	36,4
Retail Markets	24 040	15 498	8 541	8 541	35,5
Cheque accounts	166	61	105	105	63,3
Credit cards	1 842	608	1 234	1 234	67,0
Instalment credit agreements	1 563	798	764	764	48,9
Microloans	410	148	262	262	63,9
Mortgages	18 798	13 445	5 353	5 353	28,5
Personal loans	1 261	438	823	823	65,3
Business Markets	6 543	3 947	2 597	2 597	39,7
Cheque accounts	1 120	716	404	404	36,1
Commercial asset finance	670	242	428	428	63,9
Commercial property finance	3 222	1 883	1 340	1 340	41,6
Term loans	1 531	1 106	425	425	27,8
CIBW	880	384	496	496	56,4
Financial Services	20	-	20	20	100,0
Non-performing loans	31 483	19 829	11 654	11 654	37,0
Non-performing loans ratio (%)	5,8				

	2011				
	(Unaudited)				
	Outstanding balance	Expected recoveries and fair value of collateral	Net exposure	Total identified impairment	Coverage Ratio
	Rm	Rm	Rm	Rm	%
RBB	34 692	25 254	9 438	9 438	27,2
Retail Markets	30 142	22 307	7 835	7 835	26,0
Cheque accounts	184	52	132	132	71,7
Credit cards	2 013	713	1 300	1 300	64,6
Instalment credit agreements	2 645	1 370	1 275	1 275	48,2
Microloans	348	76	272	272	78,2
Mortgages	23 590	19 558	4 032	4 032	17,1
Personal loans	1 362	538	824	824	60,5
Business Markets	4 550	2 947	1 603	1 603	35,2
Cheque accounts	749	432	317	317	42,3
Commercial asset finance	932	395	537	537	57,6
Commercial property finance	1 894	1 354	540	540	28,5
Term loans	975	766	209	209	21,4
CIBW	844	405	439	439	52,0
Non-performing loans	35 536	25 659	9 877	9 877	27,8
Non-performing loans ratio (%)	6,9				

5. DEPOSITS DUE TO CUSTOMERS

	2012	2011	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Call deposits	56 667	55 783	2
Cheque account deposits	143 861	134 505	7
Credit card deposits	1 938	1 884	3
Fixed deposits	125 800	125 273	0
Foreign currency deposits	12 253	8 947	37
Notice deposits	55 728	28 500	96
Other deposits(1)	1 707	2 771	(38)
Repurchase agreements with non-banks	1 503	8 734	(83)
Savings and transmission deposits	77 970	74 563	5
	477 427	440 960	8

Note

(1) Include partnership contributions received, deposits due on structured deals, preference investments on behalf of customers and unclaimed deposits.

6. DEBT SECURITIES IN ISSUE			
	2012	2011	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Credit linked notes	9 800	8 976	9
Floating rate notes	53 903	69 553	(23)
Liabilities arising from securitised special purpose entities (SPEs)	2 391	4 218	(43)
Negotiable certificates of deposit	17 575	30 214	(42)
Other debt securities	7	-	100
Promissory notes	1 378	1 550	(11)
Structured notes and bonds	1 098	1 451	(24)
Senior notes	21 892	14 300	53
	108 044	130 262	(17)
7. BORROWED FUNDS			
Subordinated callable notes			
The subordinated debt instruments listed below qualify as secondary capital in terms of the Banks Act.			
Interest rate Final maturity date			
8,75% 1 September 2017	-	1 500	(100)
8,80% 7 March 2019	1 725	1 725	-
8,10% 27 March 2020	2 000	2 000	-
10,28% 3 May 2022	600	600	-
8,295% 21 November 2023	1 188	-	100
Three-month JIBAR + 2,10% 3 May 2022	400	400	-
Three-month JIBAR + 1,95% 21 November 2022	1 805	-	100
Three-month JIBAR + 2,05% 21 November 2023	2 007	-	100
CPI-linked notes, fixed at the following coupon rates:			
6,25% 31 March 2018	1 886	1 886	-
6,00% 20 September 2019	3 000	3 000	-
5,50% 7 December 2028	1 500	1 500	-
Accrued interest	1 462	1 157	26
Fair value adjustment	334	283	18
	17 907	14 051	27

8. NET INTEREST INCOME

8.1 Interest and similar income

	2012	2011(1)	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Interest and similar income is earned from:			
Cash, cash balances and balances with central banks	166	159	4
Fair value adjustments on hedging instruments	(185)	1 063	>(100)
Investment securities	202	390	(48)
Loans and advances to banks	865	989	(13)
Other	771	834	(8)
Reverse repurchase agreements	94	155	(39)
Loans and advances to customers	43 589	43 818	(1)
Cheque accounts	3 034	2 947	3
Corporate overdrafts and specialised finance loans	484	664	(27)
Credit cards	3 593	2 991	20
Foreign currency loans	288	177	63
Instalment credit agreements	5 550	5 577	(0)
Interest on impaired financial assets (refer to note 3)	1 018	1 173	(13)
Loans to associates and joint ventures	494	417	18
Microloans	505	544	(7)
Mortgages	20 986	22 062	(5)
Other loans and advances(2)	299	378	(21)
Overnight finance	814	584	39
Personal and term loans	3 661	3 649	0
Preference shares	485	619	(22)
Wholesale overdrafts	2 378	2 036	17
Other interest income(3)	545	486	12
Statutory liquid asset portfolio	5 584	4 286	30
	50 766	51 191	(1)

Notes

(1) Comparatives have been reclassified. Refer to note 21.

(2) Include items such as interest on factored debtors' books.

(3) Includes items such as overnight interest on contracts for differences as well as inter-segment eliminations between 'Interest and similar income', 'Interest expense and similar charges', 'Gains and losses from banking and trading activities' and 'Gains and losses from investment activities'.

8.2 Interest expense and similar charges			
	2012	2011 (1)	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Interest expense and similar charges are paid on:			
Borrowed funds	1 352	1 350	0
Debt securities in issue	8 485	9 596	(12)
Deposits due to customers	17 999	16 467	9
Call deposits	2 881	3 082	(7)
Cheque account deposits	3 130	2 761	13
Credit card deposits	9	10	(10)
Fixed deposits	6 992	7 153	(2)
Foreign currency deposits	114	100	14
Notice deposits	2 471	777	>100
Other deposits	228	489	(53)
Savings and transmission deposits	2 174	2 095	4
Deposits from banks	577	581	(1)
Call deposits	450	480	(6)
Fixed deposits	103	98	5
Other deposits	24	3	>100
Fair value adjustments on hedging instruments	(998)	(472)	>(100)
Interest incurred on finance leases	51	85	(40)
Other interest expense(2)	(811)	(845)	4
	26 655	26 762	(0)

Notes

(1) Comparatives have been reclassified. Refer to note 21.

(2) Includes items such as inter-segment eliminations between 'Interest and similar income', 'Interest expense and similar charges', 'Gains and losses from banking and trading activities' and 'Gains and losses from investment activities'..

9. NON-INTEREST INCOME			
9.1 Fee and commission income			
Asset management and other related fees	158	129	22
Consulting and administration fees	566	520	9
Credit-related fees and commissions	12 404	12 051	3
Cheque accounts	3 589	3 334	8
Credit cards (1)(2)	617	473	30
Electronic banking	4 068	4 095	(1)
Other credit-related fees and commissions(3)	1 642	1 762	(7)
Savings accounts	2 488	2 387	4
Insurance commission received	1 077	901	20
Investment banking fees	252	222	14
Merchant income (2)	2 013	1 806	11

Other fee and commission income	224	256	(13)
Pension fund payment services (4)	122	484	(75)
Trust and other fiduciary services	1 120	1 053	6
Portfolio and other management fees	870	801	9
Trust and estate income	250	252	(1)
	17 936	17 422	3
9.2. Fee and commission expense			
Cheque processing fees	(161)	(171)	6
Insurance commission paid	(943)	(877)	(8)
Other fee and commission expense	(913)	(659)	(39)
Transaction-based legal fees	(313)	(229)	(37)
Trust and other fiduciary service fees	(44)	(51)	14
Valuation fees	(127)	(142)	11
	(2 501)	(2 129)	(17)
Net fee and commission income	15 435	15 293	1

Notes

(1) Include acquiring and issuing fees.

(2) During the current reporting period, certain clearing fees were reclassified from 'Credit cards' to 'Merchant income' to more accurately present Card non-interest income. This resulted in a reclassification of comparative information.

(3) Include service, credit-related fees and commissions on mortgage loans and foreign exchange transactions.

(4) During the current reporting period, net fee and commission income in AllPay reduced significantly due to the termination of the South African Social Security Agency contract.

9.3 Gains and losses from banking and trading activities			
	2012	2011	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Net gains on investments (1)(2)	93	437	(79)
Debt instruments designated at fair value through profit or loss	179	215	(17)
Equity instruments designated at fair value through profit or loss	(76)	242	>(100)
Available-for-sale unwind from reserves	(10)	(20)	50
Net trading result (2)	3 566	2 271	57
Net trading income excluding the impact of hedge accounting	3 544	2 245	58
Ineffective portion of hedges	22	26	(15)
Cash flow hedges	45	33	36
Fair value hedges	(23)	(7)	>(100)
Other gains/(losses)	11	(114)	>100
	3 670	2 594	41
Net trading income excluding the impact of hedge accounting	3 544	2 245	58
Losses on financial instruments designated at fair value through profit or loss	(857)	(836)	(3)
Net gains on financial assets designated at fair value through profit or loss	1 129	495	>100
Net losses on financial liabilities designated at fair value through profit or loss	(1 986)	(1 331)	(49)
Gains on financial instruments held for trading	4 401	3 081	43
Other gains/(losses)	11	(114)	>100
Losses on financial instruments designated at fair value through profit or loss	(52)	(78)	33
Gains/(losses) on financial instruments held for trading	63	(36)	>100

Notes

(1) In order to provide improved disclosure, revaluations between debt and equity instruments have been reclassified.

(2) Due to structure changes, certain revenue streams have been reclassified from 'Markets' to 'Corporate'. This also resulted in a reclassification from 'Net trading result' to 'Net gains on investments'.

9.4 Gains and losses from investment activities			
	2012	2011	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Available-for-sale unwind from reserves	2	1	100
Net gains on investments from insurance activities (1)	913	886	3
Policyholder - insurance contracts	329	173	90
Policyholder - investment contracts	313	511	(39)
Shareholder funds	271	202	34
Other gains(2)	48	79	(39)
	963	966	(0)
Net gains on investments from insurance activities	913	886	3
Gains on financial instruments designated at fair value through profit or loss	913	880	4
Gains on financial instruments held for trading	-	6	(100)

Notes

(1) Include treasury shares held by Group entities, which are eliminated on consolidation.

(2) Include gains and losses from instruments designated at fair value through profit and loss.

10. OPERATING EXPENDITURE

10.1 Operating expenses

	2012	2011	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Amortisation of intangible assets	255	289	(12)
Auditors' remuneration	176	166	6
Cash transportation	646	726	(11)
Depreciation	1 303	1 261	3
Equipment costs	287	224	28
Information technology (IT) (1)	2 134	2 241	(5)
Investment property charges - change in fair value	408	41	>100
Marketing costs	1 024	1 036	(1)
Operating lease expenses on properties	1 058	1 018	4
Other property costs	399	286	40
Printing and stationery	220	253	(13)
Professional fees (1)	862	1 076	(20)
Property costs	1 270	1 120	13
Staff costs	13 078	13 642	(4)
Bonuses	985	1 285	(23)
Current service costs on post-retirement benefits	640	772	(17)
Other staff costs(2)	470	487	(3)
Salaries	10 308	10 379	(1)
Share-based payments	463	467	(1)
Training costs	212	252	(16)
Telephone and postage	794	803	(1)
Other operating expenses(3)	1 960	1 276	54
	25 874	25 458	2

Notes

(1) 'Information technology expenses' and 'Professional fees' include research and development costs totalling R113 million (2011: R101 million).

(2) Include recruitment costs, membership fees to professional bodies, staff parking, redundancy fees, study assistance, staff relocation and refreshment costs.

(3) Include fraud losses, travel and entertainment costs and collection costs.

10.2 Other impairments			
	2012	2011 (1)	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Financial instruments			
Amortised cost	6	5	20
Other	107	47	>100
Computer software development costs	89	-	100
Goodwill	18	28	(36)
Investments in associates and joint ventures	–	(2)	100
Repossessed properties	0	21	>(100)
	113	52	>100

11. HEADLINE EARNINGS					
	2012		2011		
	(Audited)		(Audited)		Net
	Gross	Net	Gross	Net	change
	Rm	Rm	Rm	Rm	%
Headline earnings(1) is determined as follows:					
Profit attributable to ordinary equity holders		8 393		9 674	(13)
Total headline earnings adjustment:		414		45	>100
IAS 36 - Goodwill impairment	18	18	28	28	(36)
IAS 16 - Profit on disposal of property and equipment	(81)	(63)	(33)	(30)	>(100)
IAS 28 and 31 - Headline earnings component of share of post-tax results of associates and joint ventures	(1)	(1)	(0)	(0)	>(100)
IAS 28 and 31 - Impairment reversal of investments in associates and joint ventures	-	-	(2)	(1)	100
IAS 38 and 36 - Loss on disposal and impairment of intangible assets	92	65	2	1	>100
IAS 39 - Release of available-for-sale reserves	10	7	20	14	(50)
IAS 40 - Change in fair value of investment properties	408	388	39	33	>100
Headline earnings / diluted headline earnings		8 807		9 719	(9)
Headline earnings per share (cents)		1 227,3		1 355,9	(9)
Diluted headline earnings per share (cents)		1 224,6		1 350,0	(9)

Note

(1) The net amount is reflected after taxation and non-controlling interest.

12. DIVIDENDS PER SHARE

	2012 (Audited) Rm	2011 (Audited) Rm	Change %
Dividend paid to ordinary shareholders of Absa Group Limited (1)			
Interim dividend (27 July 2012: 315 cents) (2 August 2011: 292 cents)	2 262	2 098	8
Dividends paid on treasury shares -interim dividend (2)	(3)	(3)	(0)
Final dividend (12 February 2013: 369 cents) (10 February 2012: 392 cents)	2 650	2 815	(6)
Dividends paid on treasury shares – final dividend (2)	-	(5)	100
	4 909	4 905	0
Dividends paid to non-controlling preference shareholders of Absa Bank Limited			
Interim dividend (27 July 2012: 3 134,6575 cents) (2 August 2011: 2858,3014 cents)	155	141	10
Final dividend (12 February 2013: 2 950,5479 cents) (10 February 2012: 2 827,2329 cents)	146	140	4
	301	281	7

In 2007, the Minister of Finance announced a two-phased approach to Secondary Tax on Companies (STC) reform, which included the reduction of the STC tax rate to 10% and the replacement of STC with a new dividend withholding tax on shareholders (DWT). On 1 April 2012 dividend tax came into effect and the tax ceased to be levied at a company level, and is now levied on the shareholders who receive the dividends.

Unutilised STC credits at the end of December 2011 were utilised against the STC payable on the final dividend declared in February 2012. Deferred tax assets relating to unutilised STC credits up to 31 March 2012 have been utilised.

Notes

(1) Included in the statement of changes in equity is the interim dividend paid during the current reporting period of R2 259 million (2011: R2 095 million) and the final dividend paid during the previous reporting period of R2 810 million (2010: R1 649 million). These amounts are net of the dividend paid on treasury shares.

(2) Dividends paid on treasury shares are calculated at the date of payment.

13. ACQUISITIONS AND DISPOSALS

The following interests were acquired/disposed of during the reporting period:

Acquisitions

Subsidiaries and business combinations

The following interests were acquired/disposed of during the current reporting period:

Absa Financial Services (AFS) obtained regulatory approval to start a new life insurance business in Zambia through its subsidiary Absa Financial Services Africa Holdings Proprietary Limited (AFSAH). AFSAH injected R15 million by subscribing in the ordinary share capital during the reporting period for the subsidiary, Barclays Life Zambia (Pty) Limited.

During the reporting period, the Group, through its wholly-owned subsidiary Absa Bank Limited, (the Bank) acquired the remaining 50% shareholding in NewFunds Proprietary Limited (NewFunds) from Vunani Capital Proprietary Limited. Following the acquisition, the Group owns 100% of the shares in NewFunds. At the acquisition date, the investment was recognised at R2 million. No gain/(loss) was recognised in the statement of comprehensive income. NewFunds is a collective investment scheme manager that provides various management services to collective investment schemes.

The following interests were acquired during the previous reporting period:
On 1 September 2011, AFSAH acquired 100% of the share capital of Global Alliance Seguros S.A. (GA) for an initial purchase price of R156 million.
The purchase price was subject to a guaranteed net asset value (NAV) of R77 million and the outcome of a due diligence investigation at the acquisition date which is customary for a transaction of this nature. The due diligence highlighted a shortfall in the actual NAV, which resulted in AFSAH and the seller entering into negotiations to resolve the differences. The seller accepted the outcome of the due diligence and the final purchase price was settled at R129 million. The difference between the initial purchase price paid of R156 million and the final purchase price of R129 million was kept in an escrow account and refunded to the Group at the end of May 2012. The acquisition price of R129 million is represented by net assets of R54 million, goodwill of R24 million and other intangible assets, net of deferred tax of R51 million.

Other significant assets

The Group, through the Bank, acquired the store card portfolio of Edcon Proprietary Limited (Edcon). This portfolio consists of approximately four million active store cards. A cash consideration equal to the net book value was paid on the acquisition date as at 1 November 2012. The Group is responsible for credit management, fraud, risk, finance, legal, compliance and key back office operations, while Edcon manages

the front office operations and primary customer interaction.
The net book value of the Edcon store card portfolio (Edcon portfolio), as at 1 November 2012, amounted to approximately R8,7 billion. The Edcon portfolio is not considered to be a business combination in terms of IFRS 3, Business Combinations. As such, the acquisition was accounted for as an acquisition of a financial asset and therefore recorded in the credit cards disclosure line in the loans and advances to customers account.
The acquisition will result in an increase of R8 279 million in net loans and advances and R388 million in intangible assets with no impact on the statement of comprehensive income at the acquisition date. This transaction relates to the aquisition of the South African Edcon portfolio. The transactions relating to the other jurisdictions are to be completed in 2013.
The significant ratios are impacted mainly by the increase in the Group's asset base as a result of increase in 'Loans and advances to customers'. The statement of comprehensive income impact is R141 million in the current reporting period

Associates and joint ventures
During the reporting period, the Group, through its Home Loans Division, entered into a joint venture arrangement with other commercial banks in South Africa and created the Document Exchange Association (DEA), an unincorporated entity. The DEA's main purpose will be the facilitation and development of software to electronically exchange bank statements between local banks where these documents are used in the customer credit application process.

Disposals
Subsidiaries, business combinations and other
The Bank, through its Commercial Property Finance (CPF) division, sold all of its Class C units (effectively a holding of 64,08%) in the Absa Property Equity Fund (APEF) in the market on 28 June 2012. The transaction is a common control transaction since APEF and AFS are ultimately controlled by the same party both before and after the transaction. AFS acquired an equal amount of units in the market on the same day to protect the APEF from market price volatility due to the large block of units sold by CPF. The Bank has recognised the disposal of APEF, while AFS has recognised the acquisition. There is no change in the accounting and presentation of the CPF division and no impact on the Group's reported profits. The transfer resulted in net assets of R340 million being transferred between Retail and Business Bank and Financial Services.
APEF operates as a special purpose entity (SPE) and was consolidated in terms of SIC-12, Consolidated – Special Purpose Entities, as the Group held the majority of the units in issue and was thereby exposed to the majority of the risks and rewards of the fund.
During July 2012, AFS disposed of some of the units it owned in the APEF to the extent that its effective holding decreased. Management's intention is to dispose of

further units such that AFS will no longer have control over the APEF. As at the end of the reporting period, AFS remains committed to its sale plan involving loss of control. The investment in APEF has therefore been classified as a non-current asset held for sale.

No gain or loss was recognised on deconsolidation in the Group consolidated results due to the underlying assets being measured at fair value.

Associates and joint ventures

There were no entities disposed of during the current reporting period.

14. RELATED PARTIES

Barclays Bank PLC owns 55,5% (2011: 55,5%) of the ordinary shares in the Group. The remaining 44,5% (2011: 44,5%) of the shares are widely held on the Johannesburg Stock Exchange (JSE).

The following are defined as related parties of the Group:

- key management personnel (refer to note 14.1 and 14.2);
- the parent company (refer to note 14.3);
- fellow subsidiaries, associates and joint ventures of the parent company (refer to note 14.4);
- subsidiaries;
- associates, joint ventures and retirement benefit fund;
- an entity controlled/jointly controlled or significantly influenced by any individual referred to above;
- post-employment benefit plans for the benefit of employees or any entity that is a related party of the Group; and
- children and/or dependants and spouses or partners of the individuals referred to above.

14.1 Transactions with key management personnel

IAS 24 requires the identification of key management personnel, who are individuals responsible for planning, directing and controlling the activities of the entity, including directors. Key management personnel are defined as executive and non-executive directors and members of the Executive Committee (Exco). Entities controlled by key management personnel are also considered to be related parties.

A number of banking and insurance transactions are entered into with key management personnel in the normal course of business, under terms that are no more favourable than those arranged with third parties. These include loans, deposits and foreign currency transactions.

The related party transactions, outstanding balances at the end of the reporting period, and related expenses and income with related parties for the reporting period are as follows:

	2012	2011	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Balances			
Loans	455	680	(33)
Deposits	15	34	(56)
Guarantees issued by the Group	103	79	30
Other investments	40	81	(51)

Loans include mortgages, asset finance transactions, overdraft and other credit facilities. Loans to key management personnel are provided on the same terms and conditions as loans to employees of the Group, including interest rates and collateral requirements.

Loans to key management personnel of Rnil (2011: Rnil) were written off as irrecoverable. Loans to entities controlled by key management personnel of R0 million (2011: Rnil) were written off as irrecoverable.

	2012	2011	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Transactions			
Interest income	45	56	(20)
Interest expense	1	1	0
Insurance premiums paid	0,41	0,41	0
Insurance claims received	0,08	0,17	(53)
14.2 Key management personnel compensation			
Directors			
Post-employment benefit contributions	1	1	0
Salaries and other short-term benefits	30	33	(9)
Share-based payments	32	27	19
Termination benefits	12	-	100
	75	61	23
Other key management personnel			
Post-employment benefit contributions	2	2	0
Salaries and other short-term benefits	65	42	55
Share-based payments	47	36	31
Termination benefits	0	3	(100)
	114	83	37
14.3 Balances and transactions with the parent company (1)			
Balances			
Loans and advances to banks	20 698	41 065	(50)
Derivative assets	14 310	10 254	40
Nominal value of derivative assets	1 399 103	637 611	>100
Other assets	896	338	>100
Investment securities	584	499	17

Deposits from banks	(8 968)	(5 784)	(55)
Derivative liabilities	(13 842)	(10 488)	(32)
Nominal value of derivative liabilities	(1 213 065)	(462 870)	>(100)
Other liabilities	(59)	(1 167)	>100
Transactions			
Interest and similar income	(204)	(111)	84
Interest and similar expense	106	67	58
Net fee and commission income	(18)	-	(100)
Gains and losses from banking and trading activities	(158)	(136)	(16)
Other operating income	(37)	(152)	76
Operating expenditure/recovered expenses	(12)	(115)	>(100)
Dividends paid	2 819	2 082	35

Trade balances must be settled in accordance with market conventions applicable to the underlying transaction. Non-trade balances must be settled by the close of the month immediately following the month in which the transaction occurred. Further, settlement must be in the currency required by the parent company. In exceptional cases, it may be impractical or inefficient to settle balances monthly. In such cases, the unsettled balances must be explicitly agreed to on a monthly basis in writing and full settlement must be made at least quarterly.

There were no bad debt expenses and provisions for bad debts that related to balances and transactions with the parent company.

Note

(1) Debit amounts are shown as positive, credit amounts are shown as negative.

14.4 Balances and transactions with fellow subsidiaries, associates and joint ventures of the parent company (1)(2)

	2012	2011	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Balances			
Loans and advances to banks	221	188	18
Derivative assets	37	0	>100
Nominal value of a derivative assets	947	608	56
Other assets	87	-	100
Deposits from banks	(1 016)	-	(100)
Derivative liabilities	5	(72)	>100

Nominal value of derivative liabilities	(521)	(1 441)	>100
Other liabilities	(61)	(52)	17
Transactions			
Interest and similar income	-	(2)	100
Net fee and commission income	(7)	(12)	42
Other operating income	(3)	-	(100)
Operating expenditure/recovered expenses	126	152	>(100)

Trade balances must be settled in accordance with market conventions applicable to the underlying transaction. Non-trade balances must be settled by the close of the month immediately following the month in which the transaction occurred. Further, settlement must be in the currency required by the fellow subsidiary, associate or joint venture receiving the settlement. In exceptional cases, it may be impractical or inefficient to settle balances monthly. In such cases, the unsettled balances must be explicitly agreed to on a monthly basis in writing, and full settlement must be made at least quarterly.

There were no bad debt expenses and provisions for bad debts that related to balances and transactions with fellow subsidiaries, associates and joint ventures.

Notes

(1) Debit amounts are shown as positive, credit amounts are shown as negative.

(2) Fellow subsidiaries, associates and joint ventures are those entities of Barclays Bank PLC.

15. ASSETS UNDER MANAGEMENT AND ADMINISTRATION as at 31 December			
	2012	2011	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Alternative asset management and exchange-traded funds	41 957	30 486	38
Deceased estates (1)	2 012	2 166	(7)
Other	12 995	13 882	(6)
Participation bond schemes	2 184	2 544	(14)
Portfolio management	44 222	26 792	65
Private equity	819	728	13
Trusts (1)	3 783	3 343	13
Unit trusts	138 978	133 245	4
	246 950	213 186	16
16. FINANCIAL GUARANTEE CONTRACTS			
Financial guarantee contracts (2)	146	356	(59)
17. COMMITMENTS			
Authorised capital expenditure			
Contracted but not provided for (3)	578	283	>100
Operating lease payments due (4)			
No later than one year	936	1 106	(15)
Later than one year and no later than five years	1 948	2 136	(9)
Later than five years	365	585	(38)
	3 249	3 827	(15)
Sponsorship payments due (5)			
No later than one year	289	209	38
Later than one year and no later than five years	884	299	>100
	1 173	508	>100
18. CONTINGENCIES			
Guarantees (6)	16 217	13 226	23
Irrevocable debt facilities (7)	46 483	46 189	1
Irrevocable equity facilities (7)	543	494	10
Letters of credit	6 670	5 190	29
Other	6	10	(40)
	69 919	65 109	7

Notes

(1) These balances are unaudited.

(2) Financial guarantee contracts represent contracts where the Group undertakes to make specified payments to a counterparty, should the counterparty suffer a loss as a result of a specified debtor failing to make payment when due in accordance with the terms of a debt instrument. This amount represents the maximum exposure, which is not necessarily the measurement recognised in the statement of financial position in accordance with IFRS.

(3) The Group has capital commitments in respect of computer equipment and property development. Management is confident that future net revenue and funding will be sufficient to cover these commitments.

(4) The operating lease commitments comprise a number of separate operating leases in relation to property and equipment, none of which is individually significant to the Group. Leases are negotiated for an average term of three to five years and rentals are renegotiated annually.

(5) The Group has sponsorship commitments in respect of sports, arts and culture. Certain sponsorship agreements expire in 2013 and are under review by management for renewal in the foreseeable future.

(6) Guarantees include performance and payment guarantee contracts.

(7) Irrevocable facilities are commitments to extend credit where the Group does not have the right to terminate the facilities by written notice. Commitments generally have fixed expiry dates. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

19. SEGMENT PERFORMANCE

for the reporting period ended 31 December

19.1 Condensed consolidated profit contribution by segment

	2012	2011(1)	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Banking operations			
RBB	4 346	6 106	(29)
Retail Markets	3 436	4 243	(19)
Home Loans	(992)	516	>(100)
Vehicle and Asset Finance	791	403	96
Card (including Edcon)	2 088	1 757	19
Personal Loans	587	720	(18)
Retail Bank	947	647	46
AllPay	15	200	(93)
Business Markets	910	1 863	(51)
CIBW	2 810	2 230	26
Corporate Centre	239	(37)	>100
Capital and funding centres	369	329	12
Non-controlling interest - preference shares (2)	(295)	(284)	(4)
Total banking	7 469	8 344	(10)
Financial Services	1 338	1 375	(3)
Headline earnings	8 807	9 719	(9)

Notes

(1) Comparatives have been reclassified. Refer to note 21.

(2) Includes the elimination of non-controlling interest - preference shares.

19.2 Condensed consolidated total revenue(1) contribution by segment

	2012 (Audited) Rm	2011(2) (Audited) Rm	Change %
Banking operations			
RBB	33 853	33 514	1
Retail Markets	24 855	24 334	2
Home Loans	4 202	4 129	2
Vehicle and Asset Finance	2 236	2 171	3
Card (including Edcon)	5 727	4 970	15
Personal Loans	1 971	2 108	(6)
Retail Bank	10 551	10 353	2
AllPay	168	603	(72)
Business Markets	8 998	9 180	(2)
CIBW	8 628	7 822	10
Corporate Centre	(492)	(198)	>(100)
Capital and funding centres	847	679	25
Total banking	42 836	41 817	2
Financial Services	4 016	4 015	0
Total revenue	46 852	45 832	2

Notes

(1) Revenue includes net interest income and non-interest income.

(2) Comparatives have been reclassified. Refer to note 21.

19.3 Condensed consolidated total internal revenue(1) contribution by segment

	2012	2011(2)	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Banking operations			
RBB	(10 252)	(11 727)	13
Retail Markets	(10 080)	(10 935)	8
Home Loans	(12 082)	(12 888)	6
Vehicle and Asset Finance	(2 498)	(2 435)	(3)
Card (including Edcon)	(745)	(633)	(18)
Personal Loans	(523)	(569)	8
Retail Bank	5 750	5 556	3
AllPay	18	34	(47)
Business Markets	(172)	(792)	78
CIBW	10 622	12 692	(16)
Corporate Centre	253	606	(58)
Capital and funding centres	(185)	(1 170)	84
Total banking	438	401	9
Financial Services	(438)	(401)	(9)
Total internal revenue	-	-	-

Notes

(1) Internal revenue includes net interest income and non-interest income.

(2) Comparatives have been reclassified. Refer to note 21.

19.4 Condensed consolidated total assets by segment

as at 31 December

	2012	2011(1)	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Banking operations			
RBB	614 999	582 184	6
Retail Markets	501 461	471 476	6
Home Loans	227 138	239 566	(5)
Vehicle and Asset Finance	51 942	46 511	12
Card (including Edcon)	43 731	29 456	48
Personal Loans	13 318	13 494	(1)
Retail Bank	165 145	140 692	17
AllPay	187	1 757	(89)
Business Markets	113 538	110 708	3
CIBW	473 955	466 840	2
Corporate Centre	(398 985)	(371 915)	11
Capital and funding centres	92 118	83 967	11
Total banking	782 087	761 076	3
Financial Services	25 852	25 643	1
Total assets	807 939	786 719	3

Note

(1) Comparatives have been reclassified. Refer to note 21.

20. FAIR VALUE HIERARCHY DISCLOSURES

for the reporting period ended 31 December

Significant transfers of financial instruments between levels			
There have been no significant transfers of financial instruments between levels during the current reporting period.			
	2011		
	(Audited)		
	Valuations with reference to observable prices	Valuations based on observable inputs	Valuations based on unobservable inputs
	Level 1	Level 2	Level 3
	Rm	Rm	Rm
Financial liabilities designated at fair value through profit and loss			
Deposits due to customers	-	655	(655)

21. RECLASSIFICATIONS
as at 31 December

21.1 Some items within the statement of financial position as at 31 December 2011 and 31 December 2010 were reclassified in the current reporting period.

Initial margin

During the current reporting period, the Group reclassified certain initial margins placed as collateral which were previously disclosed as 'Other assets' to 'Loans and advances to banks' and 'Loans and advances to customers' in order to reflect the true nature of these balances as collateralised loans. This has resulted in comparatives being reclassified for 2011 and 2010 reporting periods as reflected in the table that follows:.

	2011		
	(Audited)		
	As previously reported	Reclassifications	Reclassified
	Rm	Rm	Rm
Loans and advances to banks	57 432	67	57 499
Other assets	16 219	(1 489)	14 730
Loans and advances to customers	503 503	1 422	504 925
	2010		
	(Audited)		
	As previously reported	Reclassifications	Reclassified
	Rm	Rm	Rm
Loans and advances to banks	27 495	77	27 572
Other assets	12 855	(895)	11 960
Loans and advances to customers	508 780	818	509 598

21.2 Some items within the statement of comprehensive income for the reporting period ended 31 December 2011 were reclassified in the current reporting period.

Elimination of funding interest

During the current reporting period, the Group refined the elimination of funding interest between 'Interest and similar income' and 'Interest expense and similar charges'. This has resulted in comparatives being reclassified for 2011 reporting period as reflected in the table that follows:

	2011		
	As previously reported	Reclassification	Reclassified
	Rm	Rm	Rm
Interest and similar income	51 221	(30)	51 191
Interest expense and similar charges	(26 792)	30	(26 762)

21.3 Segment reclassifications

The following segment reclassifications have taken place during the current reporting period

- As part of the 'One Absa' strategy, the segments of Retail Markets (previously known as Retail Banking) and Business Markets (previously known as Absa Corporate and Business Bank) were merged into the RBB segment.
- Absa Cash Solutions Group Processing Centre and Integrated Processing Services were moved from Corporate Centre to RBB.
- Absa Development Company Holding Proprietary Limited, a subsidiary of the Group, was segmented into Retail Markets and Business Markets. Its results were previously reported in Retail Markets.
- The Group's corporate customers and products were transferred from Business Markets to CIBW following an initiative to optimise product delivery to its corporate customers.
- Support Services was renamed to Enterprise Core Services, which consists of a significant division namely the Corporate Centre
- Foreign Exchange Operations and Group Payments were moved from Corporate Centre to CIBW.

Profit and dividend announcement

Salient features

- Diluted headline earnings per share (HEPS) declined 9% to 1224.6 cents.
- Pre-provision profit increased 3% to R21.0 billion.
- Maintained dividend per share (DPS) of 684 cents.
- Revenue grew 2% to R46.9 billion.
- Net interest margin on average interest-bearing assets narrowed to 3.87% from 4.11%.
- Non-interest income increased 6% to R22.7 billion and accounted for 48.5% of total revenue.
- With operating expenses growth contained to 2%, Absa's cost-to-income ratio improved to 55.2% (2011: 55.5%).
- Loans and advances to customers grew 5% to R528.2 billion.
- Credit impairments increased 63% to R8.3 billion, resulting in a 1.59% credit loss ratio (2011: 1.01%).
- Return on average equity (RoE) decreased to 13.6% (2011: 16.4%).
- Return on average risk-weighted assets (RoRWA) declined to 2.07% and return on average assets to 1.09% (2011: 2.35% and 1.32% respectively).
- Net asset value (NAV) per share grew 7% to 9319 cents.
- Absa Group's Core Tier 1 capital adequacy ratio remained 13.0%, well above regulatory requirements and Board targets.

Overview of results

Absa Group's headline earnings decreased 9% to R8 807 million (2011: R9 719 million). Diluted HEPS also declined 9% to 1224.6 cents (2011: 1350.0 cents). Our RoE decreased to 13.6% (2011: 16.4%), marginally above our internal cost of equity. We maintained a total DPS of 684 cents, after considering regulatory changes, our strong capital position, strategy, growth plans, and near-term business objectives.

Higher credit impairments, particularly in retail mortgages and commercial property finance, were the principal reason for lower earnings. Pre-provision profit increased 3% to R21.0 billion, largely due to continued focus on sustainable operating model changes.

Retail and Business Banking's (RBB) headline earnings fell 29%, due to substantial credit impairments and large commercial property equity investment write downs. Corporate, Investment Banking and Wealth's (CIBW) headline earnings increased 26%, given strong Markets growth, while Financial Services' decreased 3%.

Operating environment

Global growth remained subdued in 2012. Central banks in advanced economies injected liquidity into the financial system, helping to improve market sentiment and investor risk appetite. South Africa's growth slowed sharply in the third quarter to 1.2% from 3.4% the previous quarter, the lowest growth rate since emerging from recession in 2009. Household consumption expenditure continued to slow, reflecting subdued consumer confidence, moderating real wage growth, a lacklustre job market and higher inflation. While private sector credit extension gained traction in 2012, it was mostly in non-asset backed categories. Inflation moderated in the early part of the year to a low of 4.9%, but has since started to rise steadily, driven by food and petrol prices.

Group performance

Statement of financial position

Total group assets increased 3% to R807.9 billion on 31 December 2012, largely due to 5% growth in loans and advances to customers and 10% higher statutory liquid assets. Loans and advances to banks decreased 22%.

Loans and advances to customers

Gross loans and advances to customers increased 5% to R542.2 billion, almost all in the second half of 2012, in part due to acquiring Edcon's book, which saw credit cards increase 54% to R32.8 billion. Retail Markets' gross loans increased 3%, despite 2% lower mortgages, given this growth in credit cards and 9% higher vehicle finance. New retail volumes improved materially in the second half. Gross Business Markets loans declined 2%, after 9% lower commercial property finance. Gross CIBW loans grew 17%, as overnight finance and foreign currency loans increased 65% and 36% respectively.

Deposits due to customers

We maintained our strong liquidity position, growing customer deposits 8% or by R36.5 billion to R477.4 billion. Our funding tenor also remained robust with an average long-term funding ratio of 26.2% for 2012 from 26.8% in 2011. The weighted average life of wholesale funding at 31 December 2012 was 17.6 months from 15.3 months the previous year. Deposits due to customers contributed 76.8% of total funding from 72.3% in 2011, while the proportion of debt securities in issue dropped to 17% from 21%. Retail Markets' deposits increased 4% to R131.7 billion to maintain its leading market share. Business Markets' deposits rose 4%, due to 9% growth in cheque accounts. CIBW's deposits increased 12%, mainly due to a significant R27.3 billion rise in notice deposits.

Our loans-to-deposits ratio increased to 90% from 88%.

Net asset value

The Group's NAV increased 7% to R66.9 billion, as we generated retained earnings of R3.1 billion. Absa's NAV per share grew 7% to 9319 cents.

Capital to risk-weighted assets

After implementing Basel II.5 and the AIRB approach on our wholesale book, and growing loans and advances to customers 5% in 2012, the Group's risk-weighted assets increased 3% to R438.2 billion (2011: R424.5 billion). We maintained our strong capital levels, which remain above board targets and regulatory requirements. At 31 December 2012, Absa Group's Core Tier 1 and Tier 1 capital adequacy ratios were steady at 13.0% and 14.0% respectively (2011: 13.0% and 14.1%). The Group's total capital ratio improved to 17.4%

(2011: 16.7%). Maintaining our 684 cent total DPS is well considered, based on our strong capital position, internal capital generation, strategy and growth plans. With strong free cash flow generation, our leverage remains low at 12.5 times.

Statement of comprehensive income

Net interest income

Net interest income decreased 1% to R24 111 million (2011: R24 429 million), despite 5% higher average interest earning assets. Our net interest margin declined to 3.87% from 4.11%, largely because of a lower margin in CIBW. Higher average foreign currency loans and reverse repos with banks, which have narrow margins, was the main cause for this decline, although it was offset by related foreign currency hedging gains in non-interest income. Our deposit margins decreased and liquidity costs increased. These outweighed our improved margin from loan mix and better Home Loan pricing.

Credit losses

Credit impairments rose 63% to R8 290 million (2011: R5 081 million), resulting in a credit loss ratio of 1.59% from 1.01%. Retail Market's charge grew 53% to R6.1 billion, increasing its credit loss ratio to 1.89% from 1.23%.

Our Home Loans credit impairments rose to R4.5 billion from R2.2 billion following a thorough review of our mortgage provisioning. Higher provisioning for our legal book, particularly insolvencies, increased our Home Loans non-performing loan (NPL) coverage to 28.5% from 17.1% in December 2011 and 22.6% last June. We moved more mortgages into legal during the second half, necessitating a higher charge due to lower expected recoveries. Our mortgage collections processes were strengthened, which reduced the age of our legal portfolio in the second half. We also provided an additional R145 million for performing mortgages given a more conservative approach to restructured accounts.

Vehicle and Asset Finance's credit loss ratio improved to 0.64% from 1.88%, reflecting improved collections, while Personal Loans increased, in line with expectations, to 4.68% from 3.87%. Early arrears continue to improve across most portfolios.

Business Markets' R2.1 billion charge increased its credit loss ratio to 2.28% from 0.93%, including commercial property finance which rose to R979 million (2011: R219 million) due to one large exposure and lower expected collateral realisation values.

Our total NPLs declined 11% or by R4.1 billion to R31.5 billion. Retail Markets' NPLs fell by 20% to R24.0 billion. Group NPLs coverage improved to 37.0% from 27.8%, given the significant rise in our mortgage cover. NPLs as a percentage of customer loans and advances improved to 5.8% from 6.9% in December 2011 and 6.4% last June, despite a large increase in Business Markets' NPLs.

Non-interest income

Non-interest income increased 6% to R22 741 million (2011: R21 403 million). Net fee and commission income rose 1%, as 17% higher fee and commission expenses offset 8% growth in cheque accounts fees and an 11% increase in merchant income.

Retail Markets' non-interest income was flat at R10.8 billion, largely due to R0.4 billion lower AllPay revenue after it lost a government tender. Excluding AllPay, its non-interest income grew 4%, with 11% growth in Card and 24% in Vehicle and Asset Finance. Net retail fee and commission income declined 1% to R10.4 billion, reflecting increased competition and changing customer transactional behaviour.

Business Markets' net fee and commission income increased 11%, due to enhanced transactional capabilities, introducing new products and reducing revenue leakage. Its equities revaluations were negative R318 million. Financial Services' net revenue grew marginally to R4.0 billion, driven by 8% growth in net insurance premium income, despite higher claims. CIBW's non-interest income increased 31%, mainly due to a 64% increase in net trading.

Operating expenses

Operating expenses increased 2% to R25 874 million (2011: R25 458 million). Excluding higher investment property charges it was flat. Staff costs decreased 4% to R13.1 billion, reflecting 23% lower bonuses and continued focus on operational efficiencies. Non-staff expenses grew 8%, due to 13% higher property costs and a 49% rise in other operating expenses. The latter included R150 million in costs for our proposed Barclays Africa transaction and higher costs for frauds and losses. Professional fees declined 20%. Total IT-related spend, which declined 7% to R5.1 billion, accounted for 20% of Group costs. Amortisation of intangible assets decreased 12% to R255 million. Retail Markets' operating expenses declined 1% and Financial Services' were flat, while CIBW grew 2%. Business Markets' costs rose 13% due to a large negative change in fair value of investment property. Absa's cost-to-income ratio improved to 55.2% from 55.5%. Our burden (non-interest income over costs) improved to 88% from 84%.

Taxation

Our taxation decreased 16% to R3 377 million, as our effective tax rate declined to 27.9% from 28.3%. The lower rate was mainly due to replacing secondary tax on companies with dividend withholding tax.

Segment performance

Retail Markets

Headline earnings fell 19% to R3 436 million (2011: R4 243 million), due to 53% higher credit impairments of R6.1 billion. However, pre-provision profits grew 6% to R11.4 billion, as 2% revenue growth exceeded 1% lower expenses. Retail Markets' cost-to-income ratio improved to 54.0% from 55.6%. Excluding AllPay's lower contribution, non-interest income grew 4%. A R4.5 billion credit impairment produced a R992 million loss in Home Loans, despite 7% lower costs and an improved margin. Vehicle and Asset Finance earnings grew 96%, due to far lower credit impairments and 24% higher non-interest revenue. Card earnings increased 19% to R2.1 billion and represent 24% of Group headline earnings, with Edcon contributing R141 million. Personal Loans earnings declined 18%, reflecting lower revenue. Lower costs helped Retail Bank's earnings increase 47% to R0.9 billion. Retail Markets' return on regulatory capital (RoRC) decreased to 20.1% from 27.5%. We maintained our leading share of retail deposits, customers, branches and ATMs.

Business Markets

Headline earnings dropped 51% to R910 million (2011: R1 863 million). The decline reflects a R1 152 million pre-tax loss on our equity investment portfolio, lower commercial property finance advances and significantly higher credit impairments in commercial property and the rest of Africa. Customer loans and advances declined 3%, largely due to lower commercial property finance. New business volumes improved during the period, however. Net fees and commissions increased 11% and deposits 4%, in line with our strategy. Although underlying local costs rose only 2%, Business Markets' cost-to-income ratio increased to 67.9% from 58.8%. RoRC declined to 8.2% from 15.6%.

CIBW

Headline earnings grew 26% to R2 810 million (2011: R2 230 million), as 9% higher net revenue was well above expenses growth. Markets revenue increased 19% to R3 843 million largely due to growth in Fixed Income and Credit and Africa desk of 35% and 36% respectively. Corporate net revenue decreased 2%, as increased impairments in trade and working capital solutions offset growth in cash management, payments and liquidity revenue. Investment Banking's net revenue increased 8% to R1 365 million. Private Equity and Infrastructure revenue grew 25% to R397 million, given revaluations on improved underlying company performance. Wealth's net revenue increased 9% mainly on improved investment management and advisory activities. Containing operating expenses growth to 2% improved CIBW's cost-to-income ratio to 54.1% from 58.8%. CIBW's RoRC increased to 20.1% from 18.0%.

Financial Services

Headline earnings decreased 3% to R1 338 million (2011: R1 375 million), due mainly to lower life and short-term insurance earnings. Net operating income declined 7% to R1 564 million. Life premiums grew 12%, but due to a strengthening of the policyholder reserves, profits declined 7% to R676 million. Net short-term insurance premiums grew 5% and short term insurance profit for the period decreased 16% to R254 million. However, our South African operations' underwriting margin of 4.3% is satisfactory in a year where the industry was impacted by significant claims from weather and fire-related events. Absa Investments' assets under management grew 14% and its profit for the period increased 6% to R331 million. Net premium income from the rest of Africa increased more than 100% to R369 million and net operating income was R27 million. Financial Services' RoE declined to 28.2% from 32.0%.

Prospects

Fiscal austerity measures across most advanced economies are the main drag facing the global economy in 2013. Emerging markets are expected to perform better, supported by fiscal stimulus and monetary easing. Global growth is expected to remain subdued at 3.3% in 2013 from around 3.0% last year. We expect Sub-Saharan Africa to grow 5.7% this year.

South Africa's strong links with advanced economies are a headwind to growth in 2013, even as trade with the rest of Africa and other emerging markets grow robustly. Growth in household consumption (albeit muted) and a rebound in mining production following labour unrest late last year, should boost growth. We expect 2.8% growth in 2013 from last year's estimated 2.5%. Given the moderate growth in household consumption expenditure, we expect limited demand pressures on inflation in 2013. Our base case for the next upward move in rates is in early 2014.

Against this backdrop, we expect mid-single digit loan growth this year. Improved momentum in our revenue growth and continued focus on efficiency should reduce our cost to income ratio again. Our credit loss ratio is expected to improve materially from last year's elevated levels. Together with capital management initiatives, these drivers should increase our RoE. We are excited by our proposed Barclays Africa transaction and the opportunity it offers to increase our exposure to higher growth economies in the rest of Africa.

Basis of presentation

The Group's condensed consolidated financial results have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS), Interpretations issued by the IFRS Interpretations Committee and AC 500 standards as issued by the South African Accounting Practices Board or its successor. The presentation and disclosure complies with International Accounting Standard (IAS) 34.

The preparation of financial information requires the use of estimates and assumptions about future conditions. The accounting policies that are deemed critical to the Group's results and financial position and which involve a high degree of judgement including the use of assumptions and estimation, are impairment of loans and advances, goodwill impairment, valuation of financial instruments, impairment of available-for-sale financial assets, impairment of investments in associates and joint ventures, deferred tax assets, post-retirement benefits, provisions, share-based payments, liabilities arising from claims made under short-term insurance contracts, liabilities arising from claims made under life-term insurance contracts, income taxes and offsetting of financial assets and liabilities.

Accounting policies

The accounting policies applied in preparing the financial results during the reporting period are the same as the accounting policies in place for the year ended 31 December 2011. Amendments and changes to IFRS that are mandatory for 31 December 2012 financial year are specified in the most recent audited annual consolidated financial statements. These amendments resulted in additional disclosures being presented but had a minimal impact on the financial results during the reporting period.

Change in accounting estimate – Policyholder liabilities under insurance contracts

Policyholder liabilities under insurance contracts are valued using Standard of Actuarial Practices (SAP) 104, issued by the Actuarial Society of South Africa. SAP104 allows for additional margins if the Statutory Actuary believes that the compulsory margins are insufficient for prudent provisioning and/or to defer the release of profits in line with policy design and Company practice. These margins are incorporated into the liability calculations.

It is the Company's policy that profit margins contained in the premium basis, which are expected to be released in future as the business runs off, should not be capitalised and recognised pre-maturely. Such margins should only be released to profits once premiums have been received and the risk cover has been provided.

Management considered it appropriate to provide for these margins as a result of not having sufficiently large volumes of business and accompanying data. As a result there were random fluctuations in the policyholder liabilities and the discretionary margins provided to some extent a buffer against these fluctuations. However the volumes of business have shown positive growth over the past reporting periods and a more credible volume of data has emerged. Management have set the margins to 0% (2011: 0%). The only remaining discretionary margin is to hold a liability equal to the surrender value of a policy and the elimination of all negative liabilities. This margin mainly represents a mass lapse scenario to ensure that solvency is maintained if all in-force policies are cancelled.

Reclassifications

During the current reporting period, the Group reclassified certain initial margins placed as collateral which were previously disclosed as 'Other assets' to 'Loans and advances to banks' and 'Loans and advances to customers' in order to better reflect the true nature of these balances as collateralised loans. This has resulted in comparatives being reclassified for 31 December 2011 (loans and advances to banks R67 million, other assets (R1 489 million) and loans and advances to customers R1 422 million) and 31 December 2010 (loans and advances to banks R77 million, other assets (R895 million) and loans and advances to customers R818 million).

During the current reporting period, the Group refined the elimination of funding interest between 'Interest and similar income' and 'Interest expense and similar charges'. This has resulted in comparatives being reclassified for the 2011 reporting period (interest and similar income R30 million, and interest expense and similar charges (R30 million)).

Auditors report

Ernst & Young Inc. and PricewaterhouseCoopers Inc., Absa Group Limited’s independent auditors, have audited the consolidated annual financial statements of Absa Group Limited from which management prepared the condensed consolidated financial results. The auditors have expressed an unqualified audit opinion on the consolidated annual financial statements. The condensed consolidated financial results comprise the condensed consolidated statement of financial position at 31 December 2012, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended, and selected explanatory notes, excluding items not indicated as audited. The audit report of the consolidated annual financial statements is available for inspection at Absa Group Limited’s registered office.

Events after the reporting period

The directors are not aware of any events occurring between the reporting date of 31 December 2012 and the date of authorisation of these condensed consolidated financial results as defined in IAS 10.

On behalf of the board

G Griffin
Group Chairman

M Ramos
Group Chief Executive

Johannesburg
12 February 2013

Declaration of final ordinary dividend number 53

Shareholders are advised that a final ordinary dividend of 369 cents per ordinary share was declared today, 12 February 2013, for the year ended 31 December 2012. This brings the total dividend for the year ended 31 December 2012 to 684 cents per share. The ordinary dividend is payable to shareholders recorded in the register of members of the Company at the close of business on 5 April 2013. The directors of Absa Group confirm that the Group will satisfy the solvency and liquidity test immediately after completion of the dividend distribution.

The dividend will be subject to the dividend tax that was introduced with effect from 1 April 2012. In accordance with paragraphs 11.17 (a) (i) to (x) 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 fifteen per centum (15%).
- The gross local dividend amount is 369 cents per ordinary share for shareholders exempt from the dividend tax.
- The net local dividend amount is 313,65000 cents per ordinary share for shareholders liable to pay for the dividend tax.
- Absa Group currently has 718 210 043 ordinary shares in issue (includes 547 750 treasury shares).
- Absa Group’s income tax reference number is 9150116714.

In compliance with the requirements of Strate, the electronic settlement and custody system used by the JSE Limited, the following salient dates for the payment of the dividend are applicable:

Last day to trade cum dividend Wednesday, 27 March 2013
Shares commence trading ex dividend Thursday, 28 March 2013
Record date Friday, 5 April 2013
Payment date Monday, 8 April 2013
Share certificates may not be dematerialised or rematerialised between Thursday, 28 March 2013 and Friday, 5 April 2013, both dates inclusive.

On Monday, 8 April 2013, the dividend will be electronically transferred to the bank accounts of certificated shareholders who use this facility. In respect of those who do not, cheques dated 8 April 2013 will be posted on or about that date. The accounts of those shareholders who have dematerialised their shares (which are held at their participant or broker) will be credited on Monday, 8 April 2013.

On behalf of the board
NR Drutman
Company Secretary
Johannesburg

12 February 2013

Absa
Group Limited is a company domiciled in South Africa. Its registered office is the 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg, 2001.

Administration and contact details

These audited condensed consolidated financial results are a summary of the audited annual consolidated financial statements of the Group, which were prepared by Absa Group Financial Reporting under the direction and supervision of the Group Financial Director, DWP Hodnett CA(SA). A copy of the audited annual consolidated financial statements will be available from 31 March 2013, either on www.absa.co.za or, on request at the registered address of the Group.

Absa Group Limited is a company domiciled in South Africa.

Absa Group Limited
Registered office
7th Floor, Absa Towers West
15 Troye Street
Johannesburg, 2001
PO Box 7735
Johannesburg, 2000
Telephone: (+27 11) 350 4000
E-mail: groupsec@absa.co.za

Board of directors
Group independent non-executive directors
C Beggs, YZ Cuba,
SA Fakie, G Griffin (Group Chairman),
MJ Husain, PB Matlare,
TM Mokgosi-Mwantembe,EC Mondlane Jr[1],
TS Munday, SG Pretorius,BJ Willemse

Group non-executive directors
AP Jenkins[2], R Le Blanc[2],
IR Ritossa[3,4] ,LL von Zeuner[5]

Group executive directors
DWP Hodnett (Group Financial Director),
M Ramos (Group Chief Executive)

Notes
1Mozambican
2British
3Australian
4Resigned 31 December 2012
5Became a non-executive, effective 1 January 2013

Transfer secretary

South Africa
Computershare Investor Services
Proprietary Limited
70 Marshall Street
Johannesburg, 2001
PO Box 61051
Marshalltown, 2107
Telephone: (+27 11) 370 5000
Telefax: (+27 11) 370 5271/2

ADR depositary
BNY Mellon
101 Barclay Street, 22W
New York, NY, 10286
Telephone: +1 212 815 2248

Auditors
PricewaterhouseCoopers Inc.
Ernst & Young Inc.

Lead Independent Sponsor
J P Morgan Equities South Africa Proprietary Limited,
No 1 Fricker Road, Cnr. Hurlingham Road,
Illovo, Johannesburg, 2196
Private Bag X9936
Sandton, 2146
Telephone: (+27 11) 507 0300
Telefax: (+27 11) 507 0503

Joint Sponsor
Absa Corporate and Investment Banking,
a division of Absa Bank Limited,
15 Alice Lane
Sandton, 2196
Private Bag X10056
Sandton, 2146
Telephone: (+27 11) 506 7951/(+27 11) 895 6821
Telefax: (+27 11) 895 7809

Shareholder contact information
Shareholder and investment queries about the
Absa Group should be directed to the following areas:

Group Investor Relations
AM Hartdegen (Head of Investor Relations)
Telephone: (+27 11) 350 2598
E-mail: investorrelations@absa.co.za

Company Secretary
NR Drutman
Telephone: (+27 11) 350 5347
E-mail: groupsec@absa.co.za

Other contacts
Group Media Relations
M Pirikisi (General Manager: Media Relations)
Telephone: (+27 11) 350 4787
E-mail: maxwellp@absa.co.za

Head office switchboard
Telephone: (+27 11) 350 4000

Group Finance
R Stromsoe (Head: Group Finance)
Telephone: (+27 11) 895 6365

Website address
www.absa.co.za