

**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 BANK LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number: 1986/004794/06)  
ISIN: ZAE000079810  
JSE share code: ABSP  
(Absa Bank)

**ABSA GROUP AND ABSA BANK TRADING STATEMENT IN RESPECT OF THE SIX MONTHS ENDED 30 JUNE 2010**

At the release of the Absa Group's financial results for the year ended 31 December 2009, the Absa Group board indicated that the economic outlook would remain challenging both globally and locally. A return to growth in the domestic economy supported by a modest upturn in consumption and continued investment in infrastructure spending by government was expected. The market was cautioned against a number of operating environment risks, namely the weak employment market, high levels of existing debt and concern about the sustainability of the global recovery.

The operating environment for the six months ended 30 June 2010 (1H10) was subdued and revenue levels have not grown during the period. Consumers' appetite for credit remained low and volumes in all businesses have remained under pressure. In addition, the results for the first six months of 2009 (1H09) included one-off gains on the sale of various investments and weak equity markets at the end of June 2010 impacted negatively on the Group's listed investments. The level of Retail impairments declined during the period under review in line with expectations.

Shareholders are accordingly advised that:

1. Absa Group's earnings per share (EPS) for 1H10 are expected to be between 10% and 12% higher than 1H09. However, headline earnings per share (HEPS) for 1H10 are expected to be between 3% and 5% lower than 1H09. The decline in diluted HEPS will be slightly lower than HEPS as the impact of the shares issued to Batho Bonke Capital (Proprietary) Limited in 2009 was already partially discounted in the June 2009 diluted number of shares.

The difference between the change in EPS and HEPS mainly relates to the impairments against the value of equity positions acquired resulting from single stock future defaults incurred in 1H09.

2. Due to the greater impact on Absa Bank's smaller earnings base of the single stock future impairment recorded in 1H09, Absa Bank's EPS for 1H10 are expected to be between 28% and 30% higher than 1H09. HEPS for 1H10 are expected to be between 1% and 3% higher than 1H09.

The above information has not been reviewed or reported on by Absa Bank or Absa Group's auditors.

Johannesburg

29 July 2010

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**Sponsor:**

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