

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 30 September 2011 (Quarter 3, 2011).

	Absa Group
	30
	September
	2011

				R m
Qualifying capital				
Primary capital				
Share capital and reserves	(Note 2)			48,490
Preference share capital and premium				4,644
Non-controlling interest - ordinary shares				1,368
Less: Deductions				2,773
Total primary capital				51,729
Secondary capital				
Debt instruments				12,611
General allowance for credit impairment, after deferred tax:				
Standardised approach				26
Less: Deductions				1,287
Total secondary capital				11,350
Total qualifying capital and reserve funds				63,079
Capital adequacy ratios (Note 3)				
Total capital adequacy ratio				15.21%
Primary capital ratio				12.47%
Minimum required capital and reserve funds per risk type				
	Risk type	Pillar 1	Pillar 2a	Total
	Rm	Rm	Rm	Rm
	Credit risk			29,191
	Operational risk	24,582	4,609	5,609
	Market risk	4,723	886	898
	Equity risk	756	142	2,098
	Non-customer assets	1,767	331	1,611
		1,357	254	
Total minimum required capital and reserve funds		33,185	6,222	39,407
Total minimum required capital ratio		8.00%	1.50%	9.50%

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 exceeded over the reporting period ending 30 September 2011.

Johannesburg
29 November 2011

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