

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" or "the Group")

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

CATEGORY 2 ANNOUNCEMENT REGARDING THE ACQUISITION OF THE PRIVATE LABEL STORE CARD PORTFOLIO OF EDCON PROPRIETARY LIMITED ("EDCON")

1.) Background and rationale

Absa is pleased to announce that Absa Bank, a wholly-owned subsidiary of Absa Group, has entered into an agreement with Edcon to acquire the accounts and receivables relating to the private label store cards of Edcon in South Africa (the "Card Portfolio") (the "Acquisition").

Absa Bank and Edcon have further agreed to enter into a long-term, strategic relationship under which Absa Bank will provide retail credit to Edcon customers and Edcon will be responsible for all customer facing activities (the "Program").

Absa Bank will acquire the Card Portfolio for a cash consideration equal to the net book value of the Card Portfolio receivables at the effective date of the Acquisition. Absa Bank and Edcon expect the purchase price of the Card Portfolio to be approximately R10 billion. The transaction is expected to close during the second half of 2012.

In terms of the Program, Absa Bank will have responsibility for credit, management of fraud, risk, finance, legal and compliance operations of the store card business, while Edcon will retain all customer facing activities, including sales and marketing, customer services and collections. This should ensure a simple and seamless customer experience. Edcon and Absa will balance continued growth of the credit book with appropriate credit quality.

The transaction is strategically attractive to Absa as it will (i) leverage the core competencies of both Absa and Edcon; (ii) strengthen Absa Bank's position in the unsecured retail credit sector; (iii) build a strategic relationship with one of South Africa's leading retailers; and (iv) allow Absa to make a greater range of financial services products available to existing and new customers.

The Edcon store card business operates primarily in South Africa (approximately 94% of net receivables as at 31 March 2012), with smaller operations in Botswana, Namibia, Lesotho and Swaziland. While it is the intention of Absa Bank (or one of its affiliates) to acquire these portfolios in the neighbouring countries, it is not a condition precedent to the South African transaction.

2.) Conditions precedent to the Acquisition and the Program

The Acquisition and the Program are subject to a number of conditions precedent customary for a transaction of this nature, which include, but are not limited to, the following:

- the obtaining of regulatory approval for the Acquisition and/or the Program, as required; and
- the release of security interests over the Card Portfolio assets under Edcon's various existing notes and funding structures.

3.) Categorisation of the Acquisition in terms of the JSE Listings Requirements

The Acquisition is classified as a Category 2 transaction in terms of the JSE Listings Requirements. The JSE does not require the approval of shareholders for a Category 2 transaction.

4.) Financial effects of the Acquisition

Going forward the Acquisition and the Program are financially attractive to Absa, although the pro forma financial effects of the Acquisition are not significant with regards to earnings per share, headline earnings per share, net asset value per share, tangible net asset value per share.

5.) Further announcement

Absa shareholders will be advised by way of a SENS announcement when all the conditions precedent have been fulfilled and the transaction becomes effective.

Johannesburg
6 June 2012

Enquiries:

Mr Alan Hartdegen – Head: Investor Relations
(+2711) 350-2598
e-mail: alan.hartdegen@absa.co.za

Lead Sponsor:

J.P. Morgan Equities Limited

Joint Sponsor:

Absa Capital

Legal advisor to Absa:

Norton Rose

Financial advisor to Absa:

Absa Capital, affiliated with Barclays

TELEPHONE CONFERENCE

Date: Wednesday 6 June 2012

Time: 17.00 – 18.00

Interested parties can join a conference call at 17:00. To join the telephone conference facility, please dial the number listed below that corresponds with your country. The operator will request you to provide your full name and company details and then transfer you into the conference. You will hear on-hold music until the presentation commences. Should you have any problems or require assistance during the presentation, please dial "0" for the operator.

Country	Live call access number
South Africa (Johannesburg)	011 535 3600
South Africa (Johannesburg alternate)	010 201 6616
South Africa (Toll-free)	0 800 200 648
South Africa (Cape Town)	021 819 0900
South Africa (Durban)	031 812 7600
UK (Toll-free)	0 800 917 7042
USA (Toll)	412 858 4600
USA (Toll-free)	1 800 860 2442
Canada (Toll-free)	1 866 605 3852
Other Countries (International toll)	+27 11 535 3600

A audio recording will be available for 3 days

Country	Playback access number (pin 21204)
South Africa	011 305 2030
USA and Canada (Toll)	412 317 0088
Other Countries (International toll)	+27 11 305 2030
UK (Toll-free)	0 808 234 6771
Australia (Toll-free)	1 800 091 250