

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

#### ABSA GROUP - BASEL II PILLAR 3 DISCLOSURE

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

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

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

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

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

The table below represents the consolidated regulatory capital position for the Absa Group as at 31 March 2012 (Quarter 1, 2012).

Absa Group  
31 March 2012  
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Qualifying capital			
Primary capital			
Share capital and reserves (Note 2)			48,234
Preference share capital and premium			4,644
Non-controlling interest - ordinary shares			1,433
Less: Deductions			3,047
Total primary capital			51,264
Secondary capital			
Debt instruments			12,611
General allowance for credit impairment, after deferred tax:			
Standardised approach			22
Less: Deductions			1,357
Total secondary capital			11,276
Total qualifying capital and reserve funds			62,540
Capital adequacy ratios (Note 3)			
Total capital adequacy ratio			15.12
Primary capital ratio			12.40
Minimum Required Capital per Risk type:			
	Pillar 1	Pillar 2a	Total
Credit Risk	23,972	4,495	28,467
Operational Risk	4,757	892	5,649
Market Risk	1,113	209	1,322
Equity Risk	1,909	358	2,267
Other	1,333	250	1,583
Total minimum required capital and reserve funds	33,084	6,204	39,288
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 2012 Absa Group Board approved target capital ranges are 12,50%-14,00% for the Total and 9,50%-11,00% for the Core Tier 1 Capital Adequacy Ratios (inclusive of unappropriated profits). Absa Group has complied with these internal capital ranges over the reporting period.

Johannesburg  
29 May 2012

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