

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations set out on pages 6 to 10 of this Circular apply, *mutatis mutandis*, to this whole Circular.

If you are in any doubt as to what action you should take in relation to this Circular, please consult your CSDP, Broker, banker, accountant, attorney or other professional advisor immediately.

Action required:

In respect of the General Meeting:

1. If you have disposed of all your Shares, this Circular should be handed to the purchaser of such Shares or to the CSDP, Broker, banker or other agent through whom such disposal was effected.
2. The General Meeting will be convened in the PW Scales Auditorium, Absa Towers, 160 Main Street, Johannesburg, South Africa at 10:00 on Monday, 25 February 2013 in order for Shareholders to vote on the Resolutions.
3. If you are a Certificated Shareholder or a Dematerialised Shareholder holding as an own-name Shareholder and are unable to attend the General Meeting but wish to be represented thereat or, if you wish to participate via electronic communication, you are requested to complete and return the form of proxy attached hereto in respect of the General Meeting, in accordance with the instructions therein, and lodge it with, or post it to, so as to reach Absa Group's Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001, South Africa (PO Box 61051, Marshalltown, 2107) by no later than the Relevant Time, being 10:00, Thursday, 21 February 2013.
4. If you are a Dematerialised Shareholder other than with own-name registration, then your CSDP or Broker, as the case may be, should contact you to ascertain how you wish to cast your vote at the General Meeting, and thereafter cast your vote in accordance with your instructions. This should be done in terms of the agreement entered into between you, as a Dematerialised Shareholder, and the CSDP or Broker. If you wish to attend the General Meeting in person, via electronic participation or wish to be represented thereat, you should inform your CSDP or Broker, as the case may be, of your intention to attend and vote at the General Meeting or to be represented by proxy thereat in order for your CSDP or Broker to issue you with the necessary letter of representation to do so. If you, as a Dematerialised Shareholder, have not been contacted by your CSDP or Broker, it would be advisable for you to contact your CSDP or Broker, as the case may be, as soon as possible and furnish them with your instructions in the manner and by the cut-off time stipulated in the aforesaid agreement between you and the CSDP or Broker.



Absa Group Limited

(Incorporated in the Republic of South Africa, to be renamed Barclays Africa Group Limited)

(Registration number 1986/003934/06)

ISIN: ZAE000067237 Share code: ASA

("Absa Group" or the "Company")

CIRCULAR TO SHAREHOLDERS

regarding

- the proposed combination of the majority of Barclays Africa Portfolio and BARO with Absa Group through an acquisition by Absa Group of all of the issued share capital in Barclays Africa Limited in consideration for the Consideration Shares to be issued to Barclays (or one of its wholly-owned subsidiaries);
- approving the issue of Consideration Shares to Barclays (or one of its wholly-owned subsidiaries) and the Horizon Trust as consideration payable by the Company to Barclays (or one of its wholly-owned subsidiaries) for the Barclays Africa Limited Shares pursuant to the Proposed Transaction in terms of section 41(1) of the Companies Act;
- the change of name of "Absa Group Limited" to "Barclays Africa Group Limited";

and incorporating

- a notice of General Meeting;
- a form of proxy (to be completed by Certificated Shareholders and own-name Dematerialised Shareholders only); and
- a form of surrender (for use by Certificated Shareholders only).

Lead financial advisor

J.P.Morgan

Independent Accountant



Independent lead Sponsor to Absa Group

J.P.Morgan

Equities South Africa Proprietary Limited

Joint financial advisor
Corporate and Investment Banking



Independent Reporting Accountant



Joint Sponsor to Absa Group
Corporate and Investment Banking



Independent Expert to Absa Group



Legal advisors



Linklaters

Date of issue: 14 December 2012

This Circular is available in English only and copies thereof may be obtained from the registered office of Absa Group and the Sponsor at the addresses set out in the "Corporate Information" section of this Circular.

CORPORATE INFORMATION

Directors

G Griffin (*Group Chairman*)*
M Ramos (*Group Chief Executive*)
D W P Hodnett (*Group Financial Director*)
C Beggs*
Y Z Cuba*
S A Fakie*
M J Husain*
A P Jenkins+
R Le Blanc+
P B Matlare*
T M Mokgosi-Mwantembe*
E C Mondlane Jr.+
T S Munday*
S G Pretorius*
I R Ritossa+
L L von Zeuner
B J Willemse*

* Independent
+ Non-executive

Company Secretary and registered office of Absa Group

Nadine Drutman
Absa Group Limited
(Registration number 1986/003934/06)
7th Floor, Absa Towers West
15 Troye Street
Johannesburg, 2001
(PO Box 7735, Johannesburg, 2000)
Telephone: +27 11 350 4000
Email: groupsec@absa.co.za

Website

www.absa.co.za

Group Investor Relations

Alan Hartdegen
Tel: +27 11 350 2598
Email: investorrelations@absa.co.za

Lead financial advisor to Absa Group

J.P. Morgan Chase Bank, N.A. (Johannesburg Branch)
(Registration number 2001/016069/10)
1 Fricker Road, Corner Hurlingham Road
Illovo, Johannesburg, 2196
(Private Bag X9936, Sandton, 2146)

Independent Expert

Deutsche Securities (SA) Proprietary Limited
(A non-banking member of the Deutsche Bank Group)
(Registration number 1995/011798/07)
3 Exchange Square
87 Maude Street
Sandton, 2196
(Private Bag X9933, Sandton, 2146)

Independent Reporting Accountant on the unaudited *pro forma* financial information of Absa Group

Ernst & Young Inc.
(Registration number 2005/002308/21)
Wanderers Office Park
52 Corlett Drive
Illovo, Johannesburg, 2196
(Private Bag X14, Northlands, 2116)

Absa Group Limited

Incorporated in the Republic of South Africa
(Registration number 1986/003934/06)
Share code: ASA
ISIN: ZAE000067237

Listing

JSE

Registered office

7th Floor, Absa Towers West
15 Troye Street
Johannesburg, 2001
(PO Box 7735, Johannesburg, 2000)

Website

www.absa.co.za

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Ground Floor, 70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)
South Africa
Tel: +27 11 370 5000
Fax: +27 11 688 5248

Legal advisors to Absa Group

Webber Wentzel
10 Fricker Road
Illovo Boulevard
Illovo, 2196
Sandton
(PO Box 61771, Marshalltown, 2107)

Linklaters LLP
One Silk Street
London, EC2Y 8HQ, United Kingdom

Independent lead sponsor to Absa Group

J.P. Morgan Equities South Africa Proprietary Limited
(Registration number 1995/011815/07)
1 Fricker Road, Corner Hurlingham Road
Illovo, Johannesburg, 2196
(Private Bag X9936, Sandton, 2146)

Joint sponsor and advisor to Absa Group

Absa Corporate and Investment Banking,
a division of Absa Bank Limited
(Registration number 1986/004794/06)
15 Alice Lane
Sandton, 2196
(Private Bag X1056, Sandton, 2146)

Independent accountant

KPMG LLP
15 Canada Square
London, E14 5GL, United Kingdom

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INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Generally, the words “will”, “may”, “should”, “continue”, “believes”, “expects”, “intends”, “anticipates”, “plans” or similar expressions that are predictive or indicative of future events identify forward-looking statements. These statements are based on the current expectations of management and are naturally subject to risks, uncertainties and changes in circumstances. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors, many of which are outside the control of Absa Group and its Directors, that could cause actual results, and management’s plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. As such, forward-looking statements are no guarantee of future performance.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory environment, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Absa Group does not undertake any obligation (except as required by the Listings Requirements or any other legal or regulatory requirement) to revise or update any forward-looking statement contained in this document, regardless of whether that statement is affected as a result of new information, future events or otherwise.

No statement in this document is intended as a profit forecast and no statement in this document should be interpreted to mean that the earnings per Share for the current or future years would necessarily match or exceed the historical published earnings per Share.

IMPORTANT DATES AND TIMES

All times indicated below are local times in South Africa. The definitions and interpretations set out on pages 6 to 10 of this Circular apply *mutatis mutandis* to this section.

2012/2013

Salient dates and times in relation to the Resolutions

Circular posted to Shareholders	Tuesday, 18 December
Last day to trade in order to be eligible to attend and vote at the General Meeting	Friday, 8 February
Absa results announcement for the year ended 31 December 2012	Tuesday, 12 February
Record date for attending and voting at the General Meeting	Friday, 15 February
Last day to lodge forms of proxy in respect of the General Meeting by 10:00	Thursday, 21 February
General Meeting of Shareholders to be held at 10:00 at PW Sceaes Auditorium, Absa Towers, 160 Main Street, Johannesburg, South Africa for the purpose of considering and, if deemed fit, approving, with or without modification, some or all of the Resolutions	Monday, 25 February
Form 15.2 (Notice of amendment of the Memorandum of Incorporation), copy of the amended Memorandum of Incorporation and special resolution in respect of the change of name filed with CIPC	Monday, 25 February
Results of General Meeting released on SENS	Monday, 25 February
Results of General Meeting published in the South African press	Tuesday, 26 February
<i>The following dates are provided by way of indicative guidance, are subject to change and will depend, amongst other things, on the date on which the regulatory (and other Conditions Precedent) are satisfied or, if capable of waiver, waived (see note 1 below)</i>	
Estimated date for fulfilment of the Conditions Precedent (on or about)	Friday, 29 March
Finalisation information in respect of name change released on SENS	Friday, 5 April
Finalisation information in respect of name change published in the South African press	Monday, 8 April
Last day to trade under the old name "Absa Group Limited" in respect of the proposed name change	Friday, 12 April
Shares trade under the new name "Barclays Africa Group Limited" under the JSE share code "BGA", abbreviated name "B-Africa" and new ISIN code "ZAE000174124" from commencement of trading	Monday, 15 April
Record date for the change of name	Friday, 19 April
Dematerialised Shareholders will have their accounts at their CSDP or Broker updated with the new name "Barclays Africa Group Limited"	Monday, 22 April
New "Barclays Africa Group Limited" share certificates, reflecting the change of name, posted, by registered post in South Africa, to Certificated Shareholders at their own risk who have surrendered their documents of title on or before 12:00 on the record date (see note 3 below) for the change of name (on or about)	Monday, 22 April

Notes:

1. The dates and times indicated in the table above are subject to change. Any such changes will be released on SENS and published in the South African press.
2. Shareholders are reminded that shares in companies listed on the JSE can no longer be bought or sold on that exchange unless they have been Dematerialised onto the Strate system. It is therefore suggested that Certificated Shareholders on Absa Group's Share Register should consider Dematerialising their Absa Group Shares and replacing them with electronic records of ownership. In this regard Shareholders may contact either their own Broker or a preferred CSDP, details of which are available from Strate at queries@strate.co.za or telephone +27 11 759 5300 or fax +27 11 759 5505.
3. Certificated Shareholders who surrender their existing documents of title after 12:00 on the record date for the change of name, will have their new share certificates, reflecting the change of name, posted (within five business days of receipt of their surrendered documents) by registered post in South Africa, at the risk of the Shareholders concerned.

ACTION TO BE TAKEN BY SHAREHOLDERS

A form of proxy is attached for the convenience of Certificated Shareholders and own-name Dematerialised Shareholders who are unable to attend the General Meeting, but who wish to be represented thereat. In order to ensure validity, duly completed forms of proxy must be returned to the Transfer Secretaries, so as to reach them by no later than the Relevant Time (as defined on page 9).

If the Shareholder is a Dematerialised Shareholder other than with own-name registration, then the CSDP or Broker, as the case may be, should contact the Dematerialised Shareholder to ascertain how they wish to cast their vote at the General Meeting, and thereafter cast the vote in accordance with the instructions. This should be done in terms of the agreement entered into between the Dematerialised Shareholder and the CSDP or Broker. If the Dematerialised Shareholder wishes to attend the General Meeting in person, via electronic participation or wishes to be represented thereat, they should inform their CSDP or Broker, as the case may be, of their intention to attend and vote at the General Meeting or to be represented by proxy thereat in order for their CSDP or Broker to issue them with the necessary letter of representation to do so. If a Dematerialised Shareholder, has not been contacted by their CSDP or Broker, it would be advisable for them to contact their CSDP or Broker, as the case may be, as soon as possible and furnish them with their instructions in the manner and by the cut-off time stipulated in the aforesaid agreement between the Dematerialised Shareholder and the CSDP or Broker.

In terms of section 61(10) of the Companies Act, every shareholders meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders.

Note that Shareholders will merely be able to participate, but not vote, via electronic communication.

Shareholders wishing to participate electronically in the General Meeting are required to deliver written notice to Absa Group at 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg, South Africa (marked for the attention of Nadine Drutman, the Company Secretary) by no later than the Relevant Time that they wish to participate via electronic communication at the General Meeting (the "**Electronic Notice**"). In order for the Electronic Notice to be valid it must contain: (a) if the Shareholder is an individual, a certified copy of his identity document and/or passport; (b) if the Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and (c) a valid email address and/or facsimile number (the "**Contact Address/Number**"). By no later than 10:00 on Friday, 22 February 2013 the Company shall use its reasonable endeavours to notify a Shareholder at its Contact Address/Number who has delivered a valid Electronic Notice of the relevant details through which the Shareholder can participate via electronic communication.

Procedure for the implementation of the change of name

1. The General Meeting of Absa Group Shareholders, convened in terms of the notice of General Meeting forming part of this Circular, will, *inter alia*, consider and, if deemed fit, pass, with or without modification, the resolution necessary to give effect to the change of name. In terms of section 16 of the Companies Act and paragraph 11.36 of the Listings Requirements, the change of name is subject to the approval by special resolution passed, by at least 75% of Absa Group Shareholders (including Barclays) present or represented by proxy at the General Meeting and entitled to vote on the resolution for the change of name.
2. Procedure for the surrender of documents of title
 - 2.1 Certificated Shareholders must complete the attached form of surrender (*blue*) and lodge it with the Transfer Secretaries.
 - 2.2 Dematerialised Shareholders do not need to do anything with regard to the change of name as this will be automatically updated by their CSDP or Broker.
 - 2.3 Share certificates reflecting the new name of the Company will be posted on or about Monday, 22 April 2013, by registered post in South Africa, to Certificated Shareholders, at their own risk, who have surrendered their documents of title by 12:00 on the record date for the change of name, or within five business days of receipt of the existing documents of title, whichever is the later.

- 2.4 Certificated Shareholders should be aware that share certificates are no longer accepted as tradeable instruments on the JSE. Certificated Shareholders are therefore urged to Dematerialise their share certificates as per the requirements of Strate.
- 2.5 If any existing documents of title have been lost or destroyed and the Certificated Shareholder provides evidence to this effect to the satisfaction of the Directors, then the Company may dispense with the surrender of such documents of title against provision of an acceptable indemnity.
- 2.6 Receipts will not be issued for the surrender of existing documents of title. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping together with the documents of title lodged.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates a contrary intention, the words in the first column shall have the meanings assigned to them in the second column; the singular includes the plural and *vice versa*; an expression which denotes one gender includes the other gender; a natural person includes a juristic person and *vice versa* and cognate expressions shall bear corresponding meanings:

“Absa Bank”	means Absa Bank Limited, registration number 1986/004794/06, a public company duly incorporated under the laws of South Africa, a wholly-owned subsidiary of Absa Group and registered as a bank in terms of the Banks Act;
“Absa Capital”	means Absa Corporate and Investment Banking, a division of Absa Bank;
“Absa Group” or the “Company”	means Absa Group Limited, registration number 1986/003934/06, a public company duly incorporated under the laws of South Africa and registered as a bank controlling company in terms of the Banks Act;
“Accounting Date”	means 31 December 2012;
“Agreement”	means the sale and purchase agreement entered into between Absa Group, Barclays Africa Group Holdings Limited and Barclays dated 6 December 2012, which sets out the terms of the Proposed Transaction, the salient terms of which are set out in section 4 of this Circular;
“ATM”	means Automated Teller Machine;
“Banks Act”	means the Banks Act, 94 of 1990, as amended;
“Barclays”	means Barclays Bank Plc, company number 1026167, a public company duly incorporated under the laws of England and Wales, having its registered office at 1 Churchill Place, London, E14 5HP;
“Barclays Africa Group Holdings Limited”	means Barclays Africa Group Holdings Limited, company number 08116604, a company duly incorporated under the laws of England and Wales with its registered office at 1 Churchill Place, London, E14 5HP, a wholly-owned subsidiary of Barclays that may hold 528 315 581 Absa Group Shares constituting 62.3% of the total issued share capital of Absa Group as a result of the Proposed Transaction;
“Barclays Africa Limited”	means Barclays Africa Limited, company number 08116606, a company duly incorporated under the laws of England and Wales with its registered office at 1 Churchill Place, London, E14 5HP, a wholly-owned subsidiary of Barclays (or one of its wholly-owned subsidiaries) and the entity that is intended to own all of the Barclays Africa Portfolio and all of the BARO Shares;
“Barclays Africa Limited Shares”	means 100% of the shares in the issued share capital of Barclays Africa Limited;
“Barclays Africa Portfolio”	means Barclays ownership interests in banking operations in Botswana, Ghana, Kenya, Mauritius, Seychelles, Tanzania, Uganda and Zambia. The relevant shareholdings in each of the aforesaid operations are set out on page 13 of this Circular;
“Barclays Africa Regional Office” or “BARO”	means Barclays Africa Regional Office Proprietary Limited, registration number 2011/110944/07, a private company duly incorporated under the laws of South Africa and the regional office situated in Johannesburg supporting (i) the Barclays Africa Portfolio (ii) Barclays interests in Egypt and Zimbabwe and (iii) Absa Group’s interests in Namibia, Tanzania and Mozambique;

"Barclays Bank Botswana" or "BBB"	means Barclays Bank of Botswana Limited, registration number 1732, a company duly incorporated under the laws of Botswana;
"Barclays Bank Ghana" or "BBG"	means Barclays Bank of Ghana Limited, registration number 4775, a company duly incorporated under the laws of Ghana;
"Barclays Bank Kenya" or "BBK"	means Barclays Bank of Kenya Limited, registration number C18208, a company duly incorporated under the laws of Kenya;
"Barclays Bank Mauritius" or "BBM"	means Barclays Bank Mauritius Limited, registration number 68913, a company duly incorporated under the laws of Mauritius;
"Barclays Bank Seychelles" or "BBS"	means Barclays Bank (Seychelles) Limited, registration number 810505-1, a company duly incorporated under the laws of Seychelles;
"Barclays Bank Tanzania" or "BBT"	means Barclays Bank of Tanzania Limited, registration number 38557, a company duly incorporated under the laws of Tanzania;
"Barclays Bank Uganda" or "BBU"	means Barclays Bank of Uganda Limited, a company duly incorporated under the laws of Uganda;
"Barclays Bank Zambia" or "BBZ"	means Barclays Bank Zambia Plc, registration number 6444, a company duly incorporated under the laws of Zambia;
"BARO Shares"	means 100% of the shares in the issued share capital of BARO;
"Basel 2.5" or "Basel 3"	means the relevant Basel Capital Accord of the Bank for International Settlements;
"Board" or "Directors"	means the board of directors of Absa Group, as set out in the section headed "Corporate Information" in this Circular;
"Broker"	any person registered as a "broker member equities" in terms of the rules of the JSE in accordance with the provisions of the Securities Services Act;
"Cents"	means South African cents, being the lawful currency of South Africa;
"Certificated Share"	means a Share represented by a share certificate or other physical documents of title, which has not been surrendered for dematerialisation in terms of the requirements of Strate and which may not be traded on the JSE;
"Certificated Shareholder"	means a Shareholder who holds Certificated Shares;
"CIPC"	means the Companies and Intellectual Property Commission of South Africa;
"Circular"	means this circular, dated 14 December 2012, including the annexures, appendices, notice of General Meeting and the forms of proxy and surrender attached hereto;
"Companies Act"	means the Companies Act, 71 of 2008, as amended;
"Company Secretary"	means the company secretary of Absa Group or her successor in title, as more fully detailed in the "Corporate Information" section of this Circular;
"Computershare" or "Transfer Secretaries"	means Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company duly incorporated under the laws of South Africa;
"Conditions Precedent"	means the conditions precedent to which the Proposed Transaction is subject, as summarised in paragraph 4.4 of this Circular;
"Consideration Shares"	means 129 540 636 Absa Group Shares to be issued to Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited and the Horizon Trust) as consideration for the transfer of the Barclays Africa Limited Shares from Barclays to Absa Group as determined in accordance with paragraph 4.2 as summarised in section 4 of this Circular;

"CSDP"	means a Central Securities Depository Participant in terms of the Securities Services Act;
"Dematerialise"	means the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares for the purpose of Strate, as contemplated in the Securities Services Act;
"Dematerialised Shares"	means Shares that have been Dematerialised in accordance with the rules of Strate, evidencing ownership of shareholding in electronic format, which Shares may be traded on the JSE;
"Dematerialised Shareholder"	means a Shareholder who holds Dematerialised Shares;
"Deutsche Bank"	means Deutsche Securities (SA) Proprietary Limited, registration number 1995/011798/07, a private company duly incorporated under the laws of South Africa;
"First Closing Conditions"	means in respect of the First Closing Target Companies and BARO, the conditions to be fulfilled or waived (if applicable) prior to the First Closing Date as set out in paragraph 4.4 of the Circular;
"First Closing Target Companies"	means at least BBB, BBG, BBK, BBM and BARO;
"First Closing Date"	means five business days after the fulfilment or waiver (if applicable) of the First Closing Conditions set out in paragraph 4.4 of the Circular;
"First Closing Long Stop Date"	means 6 June 2013 (or such later date as the parties may agree, provided that either Absa Group or Barclays may extend such date in order to obtain any outstanding regulatory approval, such extension not being longer than 90 days);
"Fitch"	means Fitch Ratings;
"GDP"	means gross domestic product;
"General Meeting"	means the general meeting of Shareholders to be held at PW Scales Auditorium, Absa Towers, 160 Main Street, Johannesburg, South Africa, at 10:00 on Monday, 25 February 2013, for the purpose of considering and if deemed fit, passing some or all of the Resolutions;
"Horizon Trust"	means the trust established in terms of section 40(5) of the Companies Act and which will hold the Subsequent Consideration Shares until either the earlier of each of the Subsequent Closing Dates or the Subsequent Closing Long Stop Date. The Independent Trustee is GMG Trust Company (SA) Proprietary Limited represented by Brendan Harmse (ID No: 661129 5167 082) and Rishendrie Thanthony (ID No: 830718 0044 084);
"IFRS"	means International Financial Reporting Standards;
"IMF"	means International Monetary Fund;
"Ince"	means Ince Proprietary Limited, registration number 1939/012146/07, a private company duly incorporated under the laws of South Africa;
"Independent Expert"	means Deutsche Bank;
"Independent Reporting Accountant" or "Ernst & Young"	means Ernst & Young Inc., registration number 2005/002308/21, a company duly incorporated under the laws of South Africa;
"Initial Consideration Shares"	means such number of Consideration Shares as is equivalent to the value of the Target Companies that have been transferred into Barclays Africa Limited as at the First Closing Date;
"J.P. Morgan"	means J.P. Morgan Chase Bank, N.A. (Johannesburg Branch), registration number 2001/016069/10, a branch of J.P. Morgan Chase Bank, N.A., registered as a bank in terms of the Banks Act;
"J.P. Morgan Equities"	means J.P. Morgan Equities South Africa Proprietary Limited, registration number 1995/011815/07, a branch of J.P. Morgan Chase Bank, N.A., registered as a bank in terms of the Banks Act;

“JSE”	means JSE Limited, registration number 2005/022939/06, a public company trading as the “Johannesburg Stock Exchange” and duly incorporated under the laws of South Africa, licensed as an exchange under the Securities Services Act;
“KPMG LLP”	KPMG LLP, registration number OC301540, 15 Canada Square, London, E14 5GL, United Kingdom;
“Last Practicable Date”	means the last practicable date prior to the finalisation of this Circular, being Tuesday, 11 December 2012;
“Linklaters”	means Linklaters LLP of One Silk Street, London, EC2Y 8HQ, United Kingdom;
“Listings Requirements”	means the listings requirements of the JSE;
“MOI”	means the Memorandum of Incorporation of Absa Group;
“Moody’s”	means Moody’s Investors Service;
“NAV”	means net asset value;
“own-name Dematerialised Shareholders”	means Dematerialised Shareholders who have instructed their CSDP to hold their Dematerialised Shares in their own name on the sub-register maintained by the CSDP and forming part of the Register;
“PAT”	means profit after tax;
“P/B”	means price to book ratio;
“P/E”	means price to earnings ratio;
“Pound” or “£” or “GBP”	means Pound Sterling, being the lawful currency of the United Kingdom;
“Proposed Transaction”	means the proposed combination of the Barclays Africa Portfolio and BARO with Absa Group through an acquisition by Absa Group of the Barclays Africa Limited Shares from Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited), in consideration for the issue by Absa Group of Consideration Shares to Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited and the Horizon Trust);
“Rand” or “R” or “ZAR”	means South African Rand, being the lawful currency of South Africa;
“Recused Directors”	means Ivan Ritossa, Robert Le Blanc and Antony Jenkins, being the Directors nominated by Barclays to the Board, having declared Barclays personal interest pursuant to section 75(5) of the Companies Act and having recused themselves from participating in the evaluation of the Proposed Transaction;
“Register”	means the register of Certificated Shareholders maintained by the Transfer Secretaries on behalf of the Company and the sub-registers of Dematerialised Shareholders maintained by the relevant CSDPs;
“Related Party”	means a party as described in paragraph 10.1(vi) of the Listings Requirements and includes, without limitation, a person who is, or within the 12 months preceding the date of the Proposed Transaction was, entitled to exercise or control the exercise of 10% or more of the votes able to be cast on all or substantially all matters at general meetings of Absa Group or its subsidiaries or holding company or fellow subsidiaries of its holding company;
“Relevant Time”	means 10:00 on Thursday, 21 February 2013 or 48 hours prior to the recommencement of the relevant Shareholders’ meeting (in case of a postponement or an adjournment);
“Resolutions”	means the special and ordinary resolutions set out in the notice of General Meeting attached to and forming part of this Circular;

“ROAA”	means return on average assets;
“ROAE”	means return on average equity;
“ROE”	means return on equity;
“S&P”	means Standard & Poor’s Ratings Services;
“SARB”	means the South African Reserve Bank;
“Securities Services Act”	means the Securities Services Act, 36 of 2004, as amended;
“SENS”	means the Securities Exchange News Service of the JSE;
“Shareholder”	means a registered holder of Absa Group Shares as registered on the Register;
“Shares” or “Absa Group Shares”	means ordinary shares with a par value of R2.00 (two Rand) each in the share capital of Absa Group;
“South Africa”	means the Republic of South Africa;
“Sponsor”	means Absa Group’s sponsor appointed pursuant to the Listings Requirements, being J.P. Morgan Equities;
“Strate”	means Strate Limited, registration number 1998/022242/06, a public company duly incorporated under the laws of South Africa and a registered central securities depository in terms of the Securities Services Act;
“Subsequent Closing Conditions”	means in respect of each of the Target Companies not already transferred into Barclays Africa Limited on the First Closing Date, the conditions to be fulfilled or waived (if applicable) as set out in paragraph 4.4 of the Circular;
“Subsequent Closing Dates”	means in respect of each of the Target Companies not already transferred into Barclays Africa Limited, on the First Closing Date, five business days after the fulfilment or waiver (if applicable) of the relevant Subsequent Closing Conditions;
“Subsequent Closing Long Stop Date”	means, subject to the First Closing Date occurring, 6 September 2013 (or such later date as the parties may agree, provided that either Absa Group or Barclays may extend such date in order to obtain any outstanding regulatory approvals, such extension not being longer than 90 days);
“Subsequent Consideration Shares”	means those Consideration Shares issued to the Horizon Trust in respect of each of the Target Companies not yet transferred to Barclays Africa Limited on the First Closing Date, which Consideration Shares shall be released in favour of Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited) as and when each Target Company not already transferred into Barclays Africa Limited, transfers into Barclays Africa Limited;
“Subsequent Closing Target Companies”	means the Target Companies that do not transfer to Barclays Africa Limited on the First Closing Date;
“Subsequent Closing Target Company”	means any one of the Subsequent Closing Target Companies;
“Target Companies”	means collectively, BARO and the companies comprising the Barclays Africa Portfolio, being BBB, BBG, BBK, BBM, BBS, BBT, BBU and BBZ and “Target Company” means any one of them;
“VAT”	means South African Value-Added Tax, as per the Value-Added Tax Act, 89 of 1991, as amended;
“VWAP”	means volume weighted average price; and
“Webber Wentzel”	means Webber Wentzel attorneys of 10 Fricker Road, Illovo Boulevard, Johannesburg, 2196.



Absa Group Limited

(Incorporated in the Republic of South Africa, to be renamed Barclays Africa Group Limited)
(Registration number 1986/003934/06)
ISIN: ZAE000067237 Share code: ASA
("Absa Group" or the "Company")

Directors

G Griffin (*Group Chairman*)*
M Ramos (*Group Chief Executive*)
D W P Hodnett (*Group Financial Director*)
C Beggs*
Y Z Cuba *
S A Fakie*
M J Husain*
A P Jenkins+
R Le Blanc+
P B Matlare*
T M Mokgosi-Mwantembe*
E C Mondlane Jr.+
T S Munday*
S G Pretorius*
I R Ritossa+
L L von Zeuner
B J Willemse*

* Independent
+ Non-executive

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

1.1 Background

Shareholders were advised on SENS on 21 August 2012 that Absa Group and Barclays were in discussions with regard to the Proposed Transaction and on SENS on 6 December 2012 and in the press on 7 December 2012 that Absa Group and Barclays had agreed the terms of the Proposed Transaction.

The Proposed Transaction involves the strategic combination of the Barclays Africa Portfolio and BARO with Absa Group through Absa Group acquiring the Barclays Africa Limited Shares in consideration for Absa Group issuing the Consideration Shares to Barclays (or its wholly-owned subsidiary, Barclays Africa Group Holdings Limited and the Horizon Trust). On completion of the Proposed Transaction, Barclays will own 62.3% in Absa Group. The issue of 129 540 636 Shares implies a transaction value of R18 330 million and P/E and P/B multiples of 10.1x and 1.7x, respectively. Barclays Africa Limited will hold as at the First Closing Date, the BARO Shares and all or a significant majority of the Barclays Africa Portfolio. The listings of Barclays Bank Kenya on the Nairobi Securities Exchange and Barclays Bank Botswana on the Botswana Stock Exchange will not be affected by the Proposed Transaction and only Barclays Africa Limited's shares in these listed subsidiaries will be transferred in terms of the Proposed Transaction. The Proposed Transaction will not impact the number of shares held by the minorities in Barclays Bank Kenya Limited and Barclays Bank Botswana Limited.

Absa Group will continue to own 100% of Absa Bank Limited, 95.8% of Barclays Bank of Mozambique, and 55% of the National Bank of Commerce in Tanzania. The scope of the Proposed Transaction excludes Barclays operations in Egypt and Zimbabwe.

The Proposed Transaction will accelerate Barclays and Absa Group's plans to operate as "One Bank in Africa" and allow for a consolidation of the Barclays Africa Portfolio and Absa Group under one entity.

The Proposed Transaction is categorised as a Category 2 transaction and a Related Party transaction in terms of the Listings Requirements. The Related Party relationship between Absa Group and Barclays is more fully described in paragraph 6 of this Circular. As a Related Party transaction, the Proposed Transaction requires:

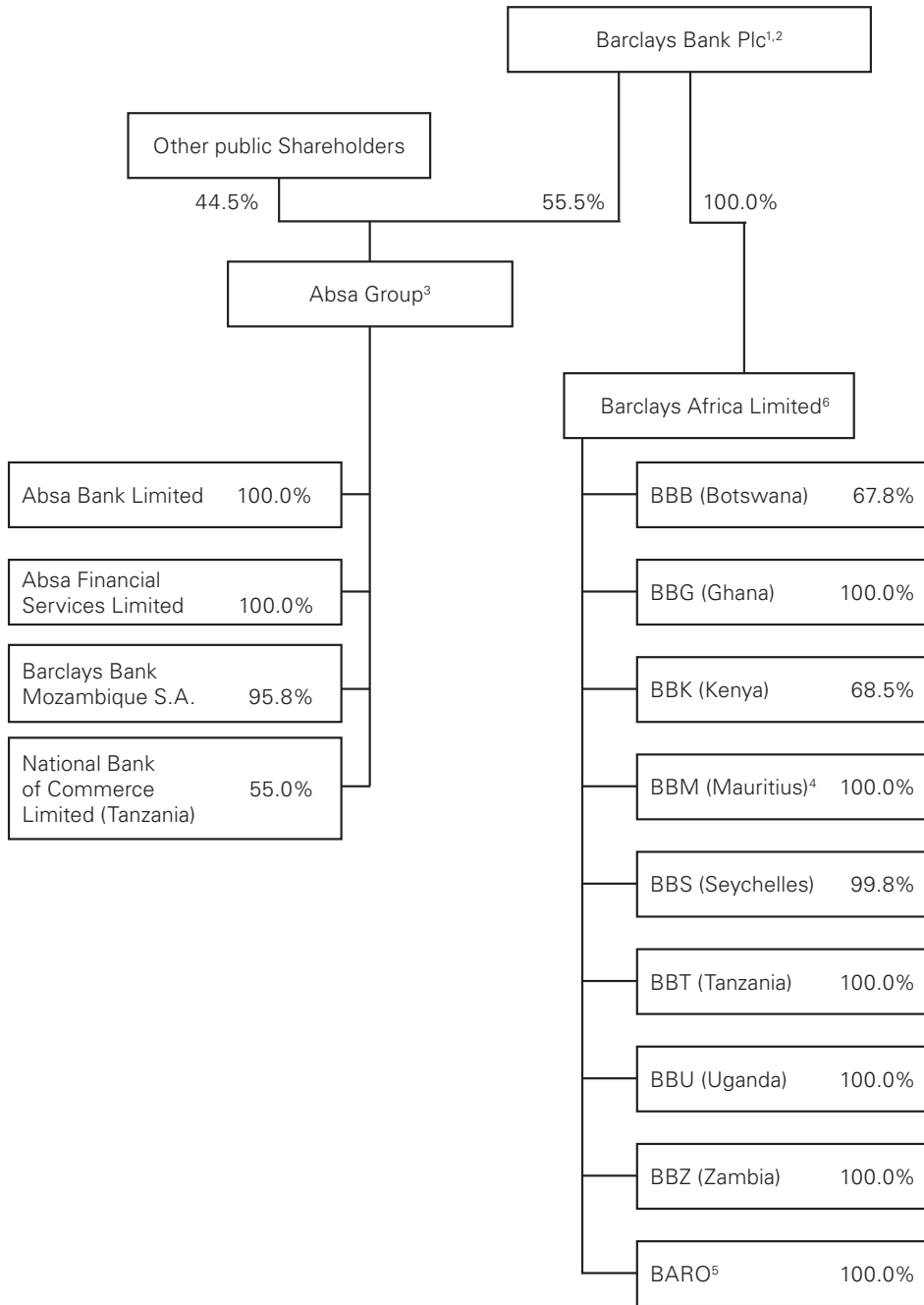
- the approval by ordinary resolution of the Shareholders prior to the completion of the Proposed Transaction at the General Meeting, provided that Barclays and its associates will be taken into account in determining a quorum at the General Meeting but that the votes of Barclays and its associates will not be taken into account in determining the results of the voting in relation to such ordinary resolution; and
- a fairness opinion, which has been provided by the Independent Expert and is set out in Annexure I of this Circular.

In terms of section 41(1) of the Companies Act, the issue of the Consideration Shares to Barclays (or its wholly-owned subsidiary, Barclays Africa Group Holdings Limited and the Horizon Trust), being persons related to the Company, requires Shareholder approval by special resolution. Barclays is eligible to vote at the General Meeting in respect of this special resolution.

Furthermore, as part of the Proposed Transaction, it is the intention to change the name of Absa Group to "Barclays Africa Group Limited". In terms of the Companies Act, this requires Shareholder approval by special resolution at the General Meeting. Barclays is eligible to vote at the General Meeting in respect of this special resolution.

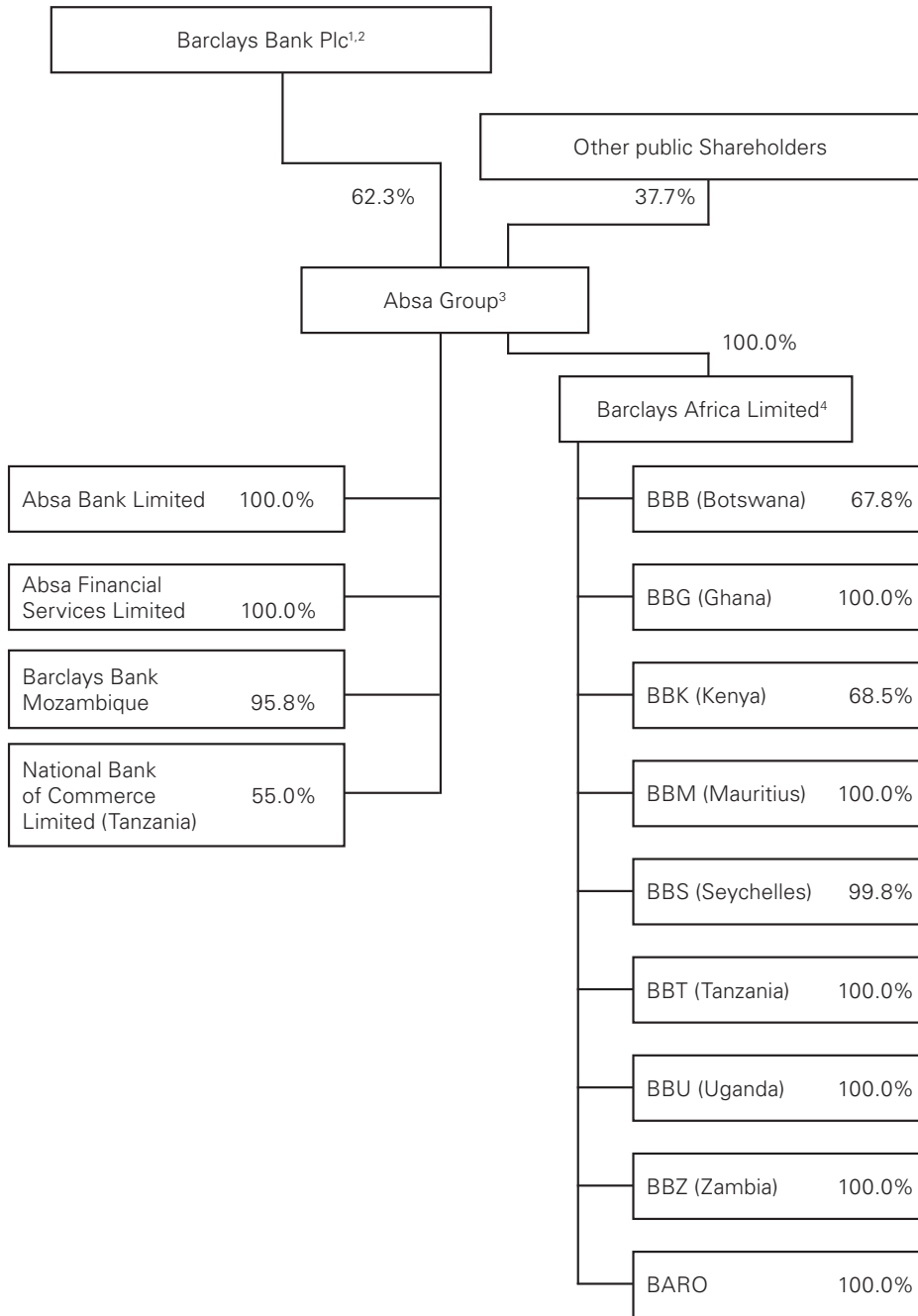
The purpose of this Circular is to provide information to Shareholders with regard to the Proposed Transaction and the Barclays Africa Portfolio so as to enable Absa Group to obtain the requisite Shareholder approval for the Proposed Transaction and its implementation, including the proposed name change from Absa Group to "Barclays Africa Group Limited".

1.2 Pre-acquisition structure



1. Excludes Barclays in Egypt and Zimbabwe which are outside the scope of the Proposed Transaction.
2. Barclays along with its subsidiaries.
3. Absa Group along with its subsidiaries.
4. In relation to Mauritius, this assumes the business currently carried on by Barclays through its Mauritius branch has been transferred to BBM.
5. BARO is currently held by Barclays Technology Centre Limited, a wholly-owned subsidiary of Barclays.
6. This assumes all the Target Companies have been transferred to Barclays Africa Limited.

1.3 Post-acquisition structure



1. Excludes Barclays in Egypt and Zimbabwe which are outside the scope of the Proposed Transaction.
2. Barclays along with its subsidiaries.
3. Absa Group along with its subsidiaries.
4. This assumes all the Target Companies have been transferred to Barclays Africa Limited.

2. RATIONALE

The Proposed Transaction represents a unique opportunity to further Absa Group's strategic ambitions in the rest of Africa by combining its operations with a leading sub-Saharan African franchise operating across eight countries. This will accelerate Barclays and Absa Group's "One Bank in Africa" strategy, for the benefit of shareholders, customers, colleagues and communities. The Proposed Transaction will diversify Absa Group's earnings geographically. Investors will gain exposure to several attractive countries, where high forecast GDP growth and under-penetrated credit, capital and insurance markets should produce strong growth in their banking-related revenue pools. The combined operations will also be able to leverage an integrated operating model across the continent, while enhancing collaboration on product innovation.

The Proposed Transaction is an important step in realising the shared goal to become the "Go-To" bank in Africa by making customers' lives much easier and is significant in aligning the integrated operating model across sub-Saharan Africa. It will accelerate plans to expand corporate banking, market activities and bancassurance in Africa. It is also expected to provide benefits to the individual Barclays Africa operations through leveraging strong product capabilities across expanded operations and is expected to facilitate the sharing of expertise between, and further development of skills within, the Barclays Africa Portfolio.

In 2011, Barclays and Absa Group commenced operational integration of Absa Group and the Barclays Africa operations, which included relocating the Dubai regional office of Barclays to Johannesburg and aligning the management structure. The consolidated ownership structure is expected to align the oversight and strategic direction of the African businesses and facilitate the pursuit of a common strategy for growth and expansion.

Following the Proposed Transaction, investors will have a liquid entry point into a leading sub-Saharan African financial group.

3. OVERVIEW OF ASSETS FORMING PART OF THE PROPOSED TRANSACTION

The Barclays Africa Portfolio is a leading sub-Saharan African franchise which currently services 2.2 million retail consumer accounts through a network of approximately 400 branches, approximately 800 ATMs, as well as mobile phone and internet banking platforms, and employs approximately 9 100 employees.

These African economies have exhibited strong growth in the past decade, supported by economic reforms. Africa, which remains under-banked relative to developed and many emerging markets, represents a significant opportunity for which the Barclays Africa Portfolio is well-positioned.

Each business within the Barclays Africa Portfolio is led by an experienced in-country management team and board of directors. In addition, the regional team in Johannesburg (within BARO) provides management oversight and functional expertise.

The table below presents key macro-economic statistics for 2011 for each country in the Barclays Africa Portfolio.

Data	Metric	Botswana	Ghana	Kenya	Mauritius	Seychelles	Tanzania	Uganda	Zambia
Population (2011)	million	1.9	24.3	40.9	1.3	0.1	42.2	34.5	13.6
Real GDP (2011)	\$bn	17.7	38.4	34.1	11.3	1.0	23.9	17.4	19.2
GDP/capita (2011)	\$	9 537	1 580	833	8 742	11 204	566	505	1 414
Real GDP growth (2011 on 2010)	%	5.1%	14.4%	4.4%	4.1%	5.1%	6.4%	5.1%	6.6%
Inflation	%	8.5%	8.7%	14.0%	6.5%	2.6%	12.7%	18.7%	8.7%

Source: IMF World Economic Outlook Database October 2012.

The Target Companies generated attributable PAT of R912 million for the six months to 30 June 2012 (calculated based on an aggregation of the Barclays Africa Portfolio and BARO) (R1 544 million for the 12 months to 31 December 2011), with ROAE of 22.3% for the six months to 30 June 2012 (20.5% for the 12 months to 31 December 2011). Revenues of the Barclays Africa Portfolio for the six months to 30 June 2012 was R3 874 million (R6 845 million for the 12 months to 31 December 2011). As at 30 June 2012, the Barclays Africa Portfolio had total assets, net customer loans and customer deposits of R81.6 billion, R38.3 billion and R60.5 billion, respectively (R82.4 billion, R38.2 billion and R61.9 billion for total assets, net customer loans and customer deposits respectively as at 31 December 2011).

The Barclays Africa Portfolio is strongly capitalised. The total level of capitalisation of the Barclays Africa Portfolio will be sufficient to comply with the capital requirements of the SARB. The Barclays Africa Portfolio operates within a sound control environment that is very familiar to Absa Group, as a fellow member of the Barclays group.

The SARB will continue to regulate Absa Group (to be renamed "Barclays Africa Group Limited") as a bank controlling company after the Proposed Transaction. Individual businesses within the combined group will continue to be regulated by the relevant country regulatory authorities, while Barclays will continue to be subject to the regulatory authorities of the United Kingdom.

The table below represents salient operational and financial details (in ZAR where applicable) for each of the countries in the Barclays Africa Portfolio:

	<i>Botswana</i>	<i>Ghana</i>	<i>Kenya</i>	<i>Mauritius</i>	<i>Seychelles</i>	<i>Tanzania</i>	<i>Uganda</i>	<i>Zambia</i>
Barclays operating statistics								
Branches	43	67	123	27	7	32	43	55
ATMs	103	135	230	41	14	54	69	151
Employees	1 076	1 251	3 070	870	218	509	786	1 186
Barclays Africa Portfolio sizing								
Net customer loans (Rm) at 30 June 2012	6 487	3 015	9 773	12 111	606	1 399	1 493	3 407
Deposits (Rm) at 30 June 2012	10 486	6 206	11 828	18 303	3 372	2 096	2 731	5 467
PAT (Rm) to 30 June 2012	280	234	353	140	28	(28)	63	96

Source: Based on numbers incorporated in Barclays consolidated results, based on Barclays materiality level.

Note: BARO has 165 employees.

For further information we include below the aggregated financial information of the underlying Target Companies (prepared in accordance with IFRS). The aggregation presented is not the same as a fully compliant IFRS consolidation:

R million	For the 12 months ended 31 Dec 2009	For the 12 months ended 31 Dec 2010	For the 12 months ended 31 Dec 2011	For the six months ended 30 Jun 2012
Income statement items				
Net interest income	5 396	4 796	4 390	2 471
Non-interest income	2 718	3 423	2 455	1 403
Total income	8 113	8 219	6 845	3 874
Customer loan impairments	(1 389)	(806)	(271)	(234)
Operating expenses¹	(5 137)	(4 392)	(3 792)	(2 081)
PAT	974	2 668	1 920	1 113
PAT excluding sale of custody business ²	974	1 833	1 903	1 113
Balance sheet items				
	As at 31 Dec 2009	As at 31 Dec 2010	As at 31 Dec 2011	As at 30 Jun 2012
Net customer loans	38 260	30 048	38 189	38 292
Total assets	76 316	70 451	82 426	81 636
Customer deposits	58 497	54 358	61 941	60 489
Total liabilities	68 779	61 686	72 420	71 706
Total equity	7 537	8 765	10 005	9 931

Key ratios	As at 31 Dec 2009	As at 31 Dec 2010	As at 31 Dec 2011	As at 30 Jun 2012
Non-interest income/total income	33.50%	41.65%	35.87%	36.22%
Loan loss ratio	2.92%	2.36%	0.80%	1.22%
Cost/income ratio	63.31%	53.43%	55.40%	53.70%
Return on average equity ²	13.63%	22.49%	20.27%	22.33%
Return on average assets ²	1.08%	2.50%	2.49%	2.71%
Key items at constant currency conversion³				
Net customer loans	41 016	37 573	39 156	38 292
Customer deposits	62 704	67 968	63 509	60 489
Total income	7 731	9 095	7 387	3 874
PAT	1 112	2 976	2 090	1 113
PAT excluding sale of custody business ²	1 112	1 958	2 073	1 113

Source: Based on numbers incorporated in Barclays consolidated results, based on Barclays materiality level.

1. 2009 to 2011 financials take into account BARO costs of R227 million per year.
2. Excluding sale of custody business in 2010 and 2011.
3. The numbers reflected in this section have been converted into Rand using constant exchange rates (as of 30 June 2012 for balance sheet figures and average six months 2012 for profit and loss figures) to remove the impact of cross currency fluctuations.

Note: Absa Group results are reported under IFRS. This Circular also includes certain non-IFRS measures. These measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational management. Non-IFRS measures have not been subject to audit or review.

Botswana

Barclays Bank Botswana commenced operations in 1950 and was the first bank to list on the Botswana Stock Exchange. As at the Last Practicable Date, BBB had a market capitalisation of BWP5 582 million, representing the second largest bank listed on the Botswana Stock Exchange as measured by market capitalisation. Barclays currently owns 67.8% of Barclays Bank Botswana. BBB has achieved an ROAE of approximately 38.9% in 2011, and has a tier 1 capital ratio of 16.4%.

Botswana has a credit rating of Aa3/A-(stable) from Moody's and S&P, respectively, on a foreign currency basis. According to IMF statistics, Botswana has experienced real average annual GDP growth of 3.0% over the last five years, and is forecast to achieve real GDP growth of 3.8% and 4.1% in 2012 and 2013, respectively.

BBB is the largest bank in Botswana in the consumer segment as measured by customer base, deposits, loans and advances and by distribution network (43 branches and 103 ATMs). BBB has a significant presence in the retail sector and its strategy is to grow its secured lending and small and medium enterprise segment through its network and to expand its corporate and treasury businesses, as it continues to leverage international expertise.

The key income statement and balance sheet line items have been set out below for illustrative purposes only and are not audited:

R million	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Net interest income	1 177	1 047	999	499
Non-interest income	385	491	400	195
Customer loan impairments	246	176	120	71
Operating expenses	621	545	555	265
PAT	534	620	569	280
PAT excluding sale of custody business ¹	534	533	551	280
Net customer loans	6 448	5 713	6 575	6 487
Total assets	13 576	12 129	12 539	12 680
Customer deposits	11 307	10 136	10 169	10 486
Total liabilities	12 378	10 668	10 793	11 158

Source: Based on numbers incorporated in Barclays consolidated results, based on Barclays materiality level.

Local currency income statements and balance sheets have been provided in Annexure IV.

1. Excluding sale of custody business in 2010 and 2011.

Ghana

Barclays has operated in Ghana for close to 100 years, and currently owns 100% of Barclays Bank Ghana. BBG has achieved an ROAE of approximately 29.7% in 2011, and has a tier 1 capital ratio of 23.0%.

Ghana has a credit rating of B(stable)/B+(stable) from S&P and Fitch, respectively, on a foreign currency basis. According to IMF statistics, Ghana has experienced real average annual GDP growth of 8.3% over the last five years, and is forecast to achieve real GDP growth of 8.2% and 7.8% in 2012 and 2013, respectively.

The BBG franchise has the largest network of ATMs and the second largest branch network in the Ghanaian banking sector with 135 ATMs and 67 branches. BBG also maintains a top three position in the Ghanaian banking sector based on revenue and deposit holdings and has a staff complement of 1 251.

Similar to other operations of Barclays in Africa, BBG is introducing new investment banking products to enhance its offering to corporate customers. BBG's strategic focus in retail is to further penetrate the personal instalment loans segment with its scheme loans offering.

The key income statement and balance sheet line items have been set out below for illustrative purposes only and are not audited:

R million	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Net interest income	826	941	822	385
Non-interest income	273	297	231	186
Customer loan impairments	355	107	29	37
Operating expenses	856	685	490	277
PAT	(81)	311	386	234
PAT excluding sale of custody business ¹	(81)	231	386	234
Net customer loans	2 654	1 952	2 926	3 015
Total assets	7 468	7 310	9 457	8 296
Customer deposits	4 880	4 888	6 594	6 206
Total liabilities	6 519	6 221	7 878	7 022

Source: Based on numbers incorporated in Barclays consolidated results, based on Barclays materiality level.

Local currency income statements and balance sheets have been provided in Annexure IV.

1. Excluding sale of custody business in 2010 and 2011.

Kenya

Barclays has had a presence in Kenya since 1925. BBK is listed on the Nairobi Securities Exchange, with Barclays holding a 68.5% stake in the entity. As at the Last Practicable Date, BBK had a market capitalisation of KHS76 585 million, representing the third largest bank listed on the Nairobi Securities Exchange as measured by market capitalisation. BBK has achieved an ROAE of approximately 26.6% in 2011, and has a tier 1 capital ratio of 24.1%.

Kenya has a credit rating of B+(stable)/B+(stable) from S&P and Fitch, respectively, on a foreign currency basis. According to IMF statistics, Kenya has experienced real average annual GDP growth of 4.3% over the last five years, and is forecast to achieve real GDP growth of 5.1% and 5.6% in 2012 and 2013, respectively.

BBK is in the top three in the Kenyan banking sector based on branch and ATM foot print and has a network of 123 branches and 230 ATMs employing over 3 000 people.

BBK is a leading bank in Kenya for multinationals, large corporates and premier retail clients. BBK is planning to introduce new corporate and investment banking products to its corporate customers. Barclays is considering building a regional business process and outsourcing hub in Kenya.

The key income statement and balance sheet line items have been set out below on an aggregated basis for illustrative purposes only and the aggregation is not audited:

R million	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Net interest income	1 553	1 310	1 241	788
Non-interest income	941	1 278	817	446
Customer loan impairments	58	112	60	43
Operating expenses	1 456	1 241	1 023	595
PAT	673	1 005	613	353
PAT excluding sale of custody business ¹	673	707	613	353
Net customer loans	9 062	7 170	9 388	9 773
Total assets	16 207	14 240	15 886	17 611
Customer deposits	12 278	10 172	11 779	11 828
Total liabilities	13 882	11 572	13 160	14 906

Source: Based on numbers incorporated in Barclays consolidated results, based on Barclays materiality level.

Local currency income statements and balance sheets have been provided in Annexure IV.

1. Excluding sale of custody business in 2010 and 2011.

Mauritius

Barclays has operated in Mauritius since 1919, and currently operates through a branch office in Mauritius. Subject to required regulatory and other approvals, Barclays intends to transfer the entire business of the Mauritius branch to BBM by way of a court approved scheme of arrangement. Barclays currently owns 100% of BBM. The Barclays Mauritius branch has achieved an ROAE of approximately 14.5%, and had a tier 1 capital ratio of 24.7% in 2011.

Barclays Mauritius has a credit rating of Baa1 (stable) from Moody's, on a foreign currency basis. According to IMF statistics, Mauritius has experienced real average annual GDP growth of 4.5% over the last five years, and is forecast to achieve real GDP growth of 3.4% and 3.7% in 2012 and 2013, respectively.

Barclays Mauritius is the country's third largest bank by total revenues, with 27 branches, 41 ATMs and nearly 900 staff which serve more than 110 000 customers.

Barclays Mauritius focuses both on the domestic and offshore sectors taking advantage of Mauritius' status as an "International Financial Center". It is shifting its strategic focus for the offshore operations to African customers and it is planning to introduce new investment banking products to its customers in the domestic sector.

The key income statement and balance sheet line items have been set out below for illustrative purposes only and are not audited:

R million	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Net interest income	570	494	422	285
Non-interest income	359	591	289	148
Customer loan impairments	114	185	(10)	52
Operating expenses	468	403	381	197
PAT	197	755	247	140
PAT excluding sale of custody business ¹	197	469	247	140
Net customer loans	12 713	9 783	12 715	12 111
Total assets	23 108	21 858	25 637	25 009
Customer deposits	18 727	17 716	19 047	18 303
Total liabilities	21 720	19 914	23 674	22 873

Note that as at the date of this Circular, the scheme of arrangement to transfer the Mauritius branch will not be effective, hence the following information represents the financial results of the branch.

Source: Based on numbers incorporated in Barclays consolidated results, based on Barclays materiality level.

Local currency income statements and balance sheets have been provided in Annexure IV.

1. Excluding sale of custody business in 2010 and 2011.

Seychelles

Barclays commenced operations in the Seychelles in 1959, and currently owns 99.8% of Barclays Bank Seychelles. BBS has achieved an ROAE of approximately 28.1% in 2011, and has a tier 1 capital ratio of 22.3%.

Seychelles has a credit rating of B(stable) from Fitch, on a foreign currency basis. According to IMF statistics, Seychelles has experienced real average annual GDP growth of 4.2% over the last five years, and is forecast to achieve real GDP growth of 3.0% and 3.5% in 2012 and 2013, respectively.

BBS has the largest banking network, with 7 branches and 14 ATMs, in the Seychelles, spread across the country's three main islands.

The key income statement and balance sheet line items have been set out below for illustrative purposes only and are not audited:

R million	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Net interest income	162	121	121	47
Non-interest income	80	76	96	54
Customer loan impairments	14	–	6	(1)
Operating expenses	109	96	92	52
PAT	93	74	94	28
PAT excluding sale of custody business ¹	93	74	94	28
Net customer loans	827	628	646	606
Total assets	3 348	3 277	4 020	3 841
Customer deposits	2 963	2 751	3 369	3 372
Total liabilities	3 059	2 973	3 684	3 507

Source: Based on numbers incorporated in Barclays consolidated results, based on Barclays materiality level.

Local currency income statements and balance sheets have been provided in Annexure IV.

1. Excluding sale of custody business in 2010 and 2011.

Tanzania

Barclays has had a presence in Tanzania since 1925, and currently owns 100% of Barclays Bank Tanzania.

According to IMF statistics, Tanzania has experienced real average annual GDP growth of 6.8% over the last five years, and is forecast to achieve real GDP growth of 6.5% and 6.8% in 2012 and 2013, respectively.

BBT has the second largest network in the Tanzanian banking sector, with 32 branches and 54 ATMs. BBT has more than 500 employees who serve more than 209 000 corporate and retail customers.

The key income statement and balance sheet line items have been set out below for illustrative purposes only and are not audited:

R million	12 months ended 31 Dec 2009	12 months ended 3 1 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Net interest income	183	145	130	62
Non-interest income	99	109	103	63
Customer loan impairments	73	64	(1)	15
Operating expenses	232	218	221	139
PAT	(22)	(22)	14	(28)
PAT excluding sale of custody business ¹	(22)	(31)	14	(28)
Net customer loans	1 283	982	1 341	1 399
Total assets	2 637	2 309	3 209	2 724
Customer deposits	1 815	1 763	2 254	2 096
Total liabilities	2 357	2 028	2 871	2 425

Source: Based on numbers incorporated in Barclays consolidated results, based on Barclays materiality level.

Local currency income statements and balance sheets have been provided in Annexure IV.

1. Excluding sale of custody business in 2010 and 2011.

It is currently envisaged that Barclays Bank Tanzania and National Commerce Bank (in which Absa Group has majority stake) will continue to operate as two separate entities.

Uganda

Barclays opened for business in Uganda in 1927 and currently owns 100% of Barclays Bank Uganda. BBU has achieved an ROAE of approximately 12.0% in 2011, and has a tier 1 capital ratio of 16.4%.

Uganda has a credit rating of B+(stable)/B(stable) from S&P and Fitch, respectively, on a foreign currency basis. According to IMF statistics, Uganda has experienced real average annual GDP growth of 6.9% over the last five years, and is forecast to achieve real GDP growth of 4.2% and 5.7% in 2012 and 2013, respectively.

BBU has the second largest distribution network in the Ugandan banking sector, with 43 branches and 69 ATMs. As at the Last Practicable Date BBU employed 786 full time employees.

The key income statement and balance sheet line items have been set out below for illustrative purposes only and are not audited:

R million	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Net interest income	294	251	242	147
Non-interest income	182	182	173	107
Customer loan impairments	31	74	41	13
Operating expenses	536	331	304	166
PAT	(74)	57	56	63
PAT excluding sale of custody business ¹	(74)	31	56	63
Net customer loans	1 918	1 418	1 590	1 493
Total assets	3 892	3 273	3 943	3 805
Customer deposits	2 955	2 538	3 001	2 731
Total liabilities	3 279	2 784	3 350	3 103

Source: Based on numbers incorporated in Barclays consolidated results, based on Barclays materiality level.

Local currency income statements and balance sheets have been provided in Annexure IV.

1. Excluding sale of custody business in 2010 and 2011.

Zambia

Barclays has operated in Zambia for close to 100 years, and currently owns 100% of Barclays Bank Zambia. BBZ has achieved an ROAE of approximately 15.4% in 2011, and has a tier 1 capital ratio of 15.7%.

Zambia has a credit rating of B+(stable)/B+(stable) from S&P and Fitch, respectively, on a foreign currency basis. According to IMF statistics, Zambia has experienced real average annual GDP growth of 6.5% over the last five years, and is forecast to achieve real GDP growth of 6.5% and 8.2% in 2012 and 2013, respectively.

BBZ has the widest distribution network in the Zambian banking sector, with 55 branches and 151 ATMs. BBZ employs more than 1 100 people.

The key income statement and balance sheet line items have been set out below for illustrative purposes only and are not audited:

R million	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Net interest income	631	487	412	257
Non-interest income	400	399	347	203
Customer loan impairments	498	89	27	1
Operating expenses	632	647	500	319
PAT	(120)	96	168	96
PAT excluding sale of custody business ¹	(120)	45	168	96
Net customer loans	3 355	2 402	3 009	3 407
Total assets	6 080	6 055	7 735	7 645
Customer deposits	3 572	4 394	5 727	5 467
Total liabilities	5 585	5 526	7 009	6 631

Source: Based on numbers incorporated in Barclays consolidated results, based on Barclays materiality level.

Local currency income statements and balance sheets have been provided in Annexure IV.

1. Excluding sale of custody business in 2010 and 2011.

BARO

BARO has overall management and oversight responsibility for the Barclays Africa Portfolio (as well as Absa Group's businesses in Africa) and drives strategic objectives across the region.

BARO was relocated from Dubai to Johannesburg in 2011 in order to enhance cooperation with Absa Group and to streamline the cost structure.

It is structured as a matrix with in-country divisional heads for Consumer, Corporate and Treasury reporting to both the country head and the regional divisional heads. Operations, Risk, Finance, Legal and HR regional management provide support to their respective in-country counterparts.

4. DETAILS OF THE PROPOSED TRANSACTION

4.1 Description of the Proposed Transaction

In line with their combined strategy to operate as "One Bank in Africa", Absa Group and Barclays have been engaged in discussions about the strategic combination of the Barclays Africa Portfolio with Absa Group. This involves the combination of Barclays interests in the Barclays Africa Portfolio and BARO with Absa Group (whilst Barclays remains the ultimate majority shareholder of the combined African operations).

In order to give effect to the Proposed Transaction, Barclays ownership interests in the Target Companies will be transferred to Barclays Africa Limited and the Barclays Africa Limited Shares will thereafter be transferred to Absa Group in consideration for the issue of the Consideration Shares by Absa Group to Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited and the Horizon Trust).

The listings of Barclays Bank Kenya (on the Nairobi Securities Exchange) and Barclays Bank Botswana (on the Botswana Stock Exchange) will not be affected by the Proposed Transaction and only Barclays Africa Limited's shares in these listed subsidiaries will be transferred in terms of the Proposed Transaction. The Proposed Transaction will not impact the number of shares held by the minorities in Barclays Bank Kenya Limited and Barclays Bank Botswana Limited.

Absa Group will continue to own 100% of Absa Bank, 95.8% of Barclays Bank of Mozambique, and 55% of the National Bank of Commerce in Tanzania. The scope of the Proposed Transaction excludes Barclays operations in Egypt and Zimbabwe.

To reflect the enlarged portfolio and the pan-African focus of the business, it is intended that "Absa Group Limited" will be renamed "Barclays Africa Group Limited" and the composition of the Board of Absa Group will be reconstituted accordingly.

The Proposed Transaction is subject to the fulfilment (or, if applicable, waiver) of First Closing Conditions summarised in paragraph 4.4 of this Circular.

The Proposed Transaction is categorised as a Category 2 transaction and a Related Party transaction in terms of the Listings Requirements. The Related Party relationship between Absa Group and Barclays is more fully described in section 6 of this Circular. As a Related Party transaction, the Proposed Transaction requires:

- the approval by ordinary resolution of the Shareholders prior to the completion of the Proposed Transaction at the General Meeting, provided that Barclays and its associates will be taken into account in determining a quorum at the General Meeting but that the votes of Barclays and its associates will not be taken into account in determining the results of the voting in relation to such ordinary resolution; and
- a fairness opinion, which has been provided by the Independent Expert and is set out in Annexure I of this Circular.

In terms of section 41(1) of the Companies Act, the issue of the Consideration Shares to Barclays (or its wholly-owned subsidiary, Barclays Africa Group Holdings Limited and the Horizon Trust), being persons related to the Company, requires Shareholder approval by special resolution. Barclays is eligible to vote at the General Meeting in respect of this special resolution.

Furthermore, as part of the Proposed Transaction, it is the intention to change the name of "Absa Group Limited" to "Barclays Africa Group Limited". In terms of the Companies Act, this requires Shareholder approval by special resolution at the General Meeting. Barclays is eligible to vote at the General Meeting in respect of this special resolution.

Barclays, Absa Group and BARO (on behalf of themselves and their respective subsidiaries) have entered into a service level agreement as at the date of the Agreement (which will come into effect on the First Closing Date), which sets out the terms and conditions under which, Barclays (and its subsidiaries, together the "Barclays Group") will continue to render services to the Target Companies upon implementation of the Proposed Transaction. The services provided by the Barclays Group to the Target Companies under this agreement are substantially the same services currently received by the Target Companies from the Barclays Group (the "Initial Services"). The charges in respect of the Initial Services paid to Barclays are capped and Barclays is obliged under the agreement to incur certain technology related capital expenditure for Absa Group's benefit for a period of five years.

4.2 Proposed consideration

The parties to the Agreement have agreed to the issue of the Consideration Shares by Absa Group in consideration for the Barclays Africa Limited Shares. This implies a value of R18 330 million for Barclays Africa Limited and increases Barclays membership of Absa Group from 55.5% to 62.3%.

It is a Condition Precedent to the Proposed Transaction that at least the First Closing Target Companies which account for approximately 80% of the Barclays Africa Portfolio based on total assets are transferred to Barclays Africa Limited on or before the First Closing Date which must occur on or before the First Closing Long Stop Date.

On the First Closing Date, Absa Group shall issue:

- to Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited) such number of Consideration Shares as is equivalent to the value of the Target Companies that have been transferred into Barclays Africa Limited as at the First Closing Date (referred to as the "**Initial Consideration Shares**"); and
- to the Horizon Trust, the remainder of the Consideration Shares, which Consideration Shares shall be released in favour of Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited), as and when each Target Company not already transferred into Barclays Africa Limited on the First Closing Date, transfers into Barclays Africa Limited (referred to as the "**Subsequent Consideration Shares**"). These Subsequent Consideration Shares will not be listed and will be non-voting until transferred from the Horizon Trust to Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited) pursuant to the terms of the Agreement.

The remaining Target Companies that have not transferred to Barclays Africa Limited by the First Closing Date will become the subject of subsequent closings, as and when they are transferred into Barclays Africa Limited. The Subsequent Closing Dates must occur on or before the Subsequent Closing Long Stop Date.

In the event that any of the Subsequent Closing Target Companies do not transfer into Barclays Africa Limited on or before the Subsequent Closing Long Stop Date (and therefore do not form part of the Proposed Transaction), then the number of Subsequent Consideration Shares equivalent to the value of each such Subsequent Closing Target Company shall be returned to Absa Group by the Horizon Trust and shall be cancelled.

The Horizon Trust will receive and deal with the Subsequent Consideration Shares as described above. In addition, any adjustments to the purchase price payable in cash (as set out in paragraph 4.3 below) or dividends in respect of the Subsequent Consideration Shares shall be paid to and held by the Horizon Trust. The amounts received by the Horizon Trust shall be released in favour of Barclays together with the Subsequent Consideration Shares to the extent the Subsequent Consideration Shares are released to Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited) or to Absa Group to the extent the Subsequent Consideration Shares are returned to Absa Group.

4.3 **Price adjustment mechanisms**

Absa Group has based its valuation of the Barclays Africa Portfolio on an assumption that the aggregate attributable NAV of the Barclays Africa Portfolio will be a minimum of approximately R10.6 billion as at 31 December 2012 which will be adjusted for any Target Companies that do not transfer by the Subsequent Closing Long Stop Date. If there is a shortfall, Barclays will pay to Absa Group on a Rand for Rand basis the full shortfall in the actual minimum attributable NAV if it exceeds R211.5 million. Barclays will also compensate Absa Group for any aggregate net pension scheme deficit.

In addition to the Consideration Shares, Absa Group shall pay in cash an adjustment payment equal to any dividend which would have been paid by Absa Group in respect of the Consideration Shares had they been in issue for the period from the Accounting Date to the First Closing Date.

The consideration for the Proposed Transaction is calculated by reference to relative values, as at 31 December 2012, i.e. the Accounting Date. Between the Accounting Date and the First and Subsequent Closing Dates respectively, in order to preserve the value in the businesses, the parties will compensate each other in cash for any leakage events and capital injections. These leakage events and capital injections are pre-defined as follows and are considered commercial in nature:

- dividends declared by Barclays Africa Limited or any of the Target Companies and certain other payments which may be made by Barclays Africa Limited or any of the Target Companies to Barclays or its other group companies (Barclays to settle Absa Group with the relevant attributable dividend or other payment in cash, other than dividends declared or paid by Barclays Bank Botswana or Barclays Bank Kenya other than to Barclays or its other group companies, in the ordinary course of business); and
- capital contributions made by Barclays to Barclays Africa Limited or any of the Target Companies by Barclays (Absa Group to settle Barclays in cash for any such capital contribution).

The maximum amount of consideration plus the aggregate amount of all adjustment payments shall not, in any circumstance, exceed an amount equal to R1.00 less than the monetary amount which would result in the Proposed Transaction being recategorised as a Category 1 transaction under the Listings Requirements.

4.4 **Conditions Precedent**

The Proposed Transaction will be subject to the fulfilment or, where appropriate, waiver of, amongst others, the following conditions precedent:

Conditions for First Closing ("First Closing Conditions"):

- the Minister of Finance of South Africa or his nominee, through the Registrar of Banks in South Africa, giving notice in writing of his approval of the acquisition of the Absa Group Shares by Barclays Africa Group Holdings Limited in accordance with section 37 of the Banks Act;
- the Registrar of Banks in South Africa giving notice in writing of his approval of the acquisition of the Barclays Africa Limited Shares by Absa Group in accordance with section 52 of the Banks Act;
- the Financial Surveillance Department of the SARB giving notice in writing of its exchange control approval for the transactions contemplated under the Proposed Transaction;

- the JSE giving notice in writing of its approval of the listing of the Consideration Shares in respect of the First Closing Target Companies on the JSE;
- the Registrar of Banks in South Africa giving notice in writing approving the application by Absa Group for the change of its name in accordance with section 56 of the Banks Act;
- the Registrar of Banks in South Africa giving notice in writing approving the issue by Absa Group of its shares in the name of the Horizon Trust in accordance with section 38 of the Banks Act.
- the passing of the Resolutions;
- as at the time all First Closing Conditions (other than this condition) have been fulfilled or (if applicable) waived in accordance with the Agreement, there having been no material adverse change;
- receipt of all relevant regulatory approvals for the transfer of BBM to Barclays Africa Limited, including certain approvals from the Bank of Mauritius and the Mauritius Financial Services Commission;
- receipt of all relevant regulatory approvals for the transfer of BBB to Barclays Africa Limited, including certain approvals from the Bank of Botswana, the Botswana Stock Exchange and the Non-Bank Financial Institutions Regulatory Authority of Botswana;
- receipt of all relevant regulatory approvals for the transfer of BBK to Barclays Africa Limited, including certain approvals from the Central Bank of Kenya and the Capital Markets Authority of Kenya;
- receipt of approval from the Bank of Ghana for the transfer of BBG to Barclays Africa Limited; and
- receipt of all relevant regulatory approvals for the acquisition of Barclays Africa Limited by Absa Group, including from the Mauritius Financial Services Commission, the Botswana Stock Exchange, the Central Bank of Kenya and the Bank of Ghana.

If the First Closing Conditions are not fulfilled (or waived, if applicable) on or before the First Closing Long Stop Date, either Absa Group or Barclays may terminate the Agreement on written notice to the other.

Conditions for the Subsequent Closings (the “Subsequent Closing Conditions”):

- receipt of all relevant regulatory approvals for the transfer of BBS to Barclays Africa Limited, including certain approvals from the Central Bank of Seychelles, the Ministry of Finance of Seychelles and Government of Seychelles;
- receipt of all relevant regulatory approvals for the transfer of BBT to Barclays Africa Limited, including certain approvals from the Bank of Tanzania;
- receipt of approval from the Bank of Uganda for the transfer of BBU to Barclays Africa Limited; and
- receipt of all relevant regulatory approvals for the transfer of BBZ to Barclays Africa Limited, including certain approvals from the Bank of Zambia, the Zambia Securities and Exchange Commission and the Lusaka Stock Exchange.

4.5 Interim Period

Barclays (and its wholly-owned subsidiary Barclays Africa Group Holdings Limited) have agreed that between the signature date of the Agreement and the closing date in respect of each Target Company (“**Interim Period**”), they shall procure that each Target Company carries on its business as a going concern in all material respects in the ordinary course of business. A number of additional, specific obligations and restrictions in respect of Barclays Africa Limited and each Target Company are contained in the Agreement (which operate during the Interim Period) unless consented to by Absa Group, including not: (i) increasing capital unless required to do so; (ii) terminating or materially amending a material contract other than in the ordinary course of business; (iii) materially varying the terms of employment or remuneration of a material group of its employees; and (iv) acquiring or disposing of any asset material to its business.

Absa Group undertakes that it shall, and will procure that each member of its group shall, carry on its business as a going concern in all material respects as carried on prior to the signature date of the Agreement and in accordance with all applicable laws and legally binding regulations.

4.6 **Board reconstitution**

In line with the pan-African nature of the Proposed Transaction, it is the intention to reconstitute the Board subject to the necessary shareholder and regulatory approvals and in accordance with the King Code of Governance Principles and the King Report on Governance for South Africa (King III), the Companies Act, the Banks Act and the Listings Requirements.

4.7 **Warranties and Indemnities**

Each of Absa Group, Barclays and Barclays Africa Group Holdings Limited give standard commercial warranties which are usual for a transaction of this nature.

Barclays and Barclays Africa Group Holdings Limited also agree to provide certain specific indemnities to Absa Group.

The obligations of Barclays Africa Group Holdings Limited under the Agreement are deemed to also be an obligation on Barclays and their obligations under the Agreement are joint and several.

4.8 **Termination**

The parties may only terminate the Agreement if: (i) the First Closing Conditions are not fulfilled (or waived, if applicable) by the First Closing Long Stop Date; or (ii) Absa Group or Barclays fails or is unable to comply with any closing obligations on the First Closing Date.

5. **THE CHANGE OF NAME**

As a result of the Proposed Transaction, Absa Group will acquire ownership of Barclays Africa Limited (and therefore, the Barclays Africa Portfolio and BARO), while Barclays will increase its shareholding in Absa Group from 55.5% to 62.3%. The Directors believe that it is appropriate, in line with this unified strategy, to have a common name for all operations encompassing the Proposed Transaction, and propose, subject to Shareholder approval, that the name "Absa Group Limited" be changed to "Barclays Africa Group Limited".

6. **RELATED PARTY TRANSACTION**

Barclays (directly or indirectly through its wholly-owned subsidiaries) is entitled to exercise or control the exercise of 10% or more of the votes able to be cast on all or substantially all matters at general meetings of Absa Group, which entitlement qualifies Barclays and its associates as a "Related Party" of Absa Group in terms of the Listings Requirements.

In terms of the Listings Requirements, the Proposed Transaction is a "Related Party" transaction and therefore requires, amongst other things:

- the approval of the Shareholders by ordinary resolution at the General Meeting prior to the completion of the Proposed Transaction, provided that Barclays and its associates will be taken into account in determining a quorum at the General Meeting but that the votes of Barclays and its associates will not be taken into account in determining the results of the voting in relation to such ordinary resolution; and
- the Board confirming that the transaction is fair insofar as the Shareholders are concerned and that the Board has also obtained an opinion from an independent professional expert acceptable to the JSE to the effect that the Proposed Transaction is fair insofar as the Shareholders are concerned.

As the Proposed Transaction represents in excess of 5% but less than 25% of Absa Group's market capitalisation on 6 December 2012 (being the date on which the Proposed Transaction was announced on SENS), the Proposed Transaction is a Category 2 transaction in terms of the Listings Requirements.

7. **UNAUDITED *PRO FORMA* FINANCIAL EFFECTS**

The unaudited *pro forma* financial effects of the Proposed Transaction are set out below. The unaudited *pro forma* financial effects have been prepared for illustrative purposes only to provide information on how the Proposed Transaction might have affected the reported historical financial information of Absa Group assuming that the Proposed Transaction was implemented on 1 January 2012 for purposes of the *pro forma* income statement and 30 June 2012 for purposes of the *pro forma* statement of financial position.

Because of their nature, the unaudited *pro forma* financial effects may not fairly present Absa Group's financial position, changes in comprehensive income, changes in equity, and results of operations or cash flows after the Proposed Transaction. It does not purport to be indicative of what the financial results would have been had the Proposed Transaction been implemented on a different date.

The Directors are solely responsible for the preparation of the unaudited *pro forma* financial effects.

The table below sets out the unaudited *pro forma* financial effects on Absa Group of the Proposed Transaction based on reviewed interim results of Absa Group for the six months ended 30 June 2012 and financial position at 30 June 2012.

The unaudited *pro forma* consolidated statement of the financial position of Absa Group and the consolidated statement of comprehensive income are presented in a manner consistent with IFRS and with the basis on which the historical financial information of Absa Group is presented.

The Independent Reporting Accountant's limited assurance report on the unaudited *pro forma* financial information of Absa Group for the six months ended 30 June, 2012 is set out in Annexure II to the Circular.

Unaudited *pro forma* financial effects

Six-month period ended 30 June 2012

	Before the Proposed Transaction ⁽¹⁾	The Proposed Transaction	After the Proposed Transaction ⁽²⁾	Percentage change ⁽³⁾
Earnings per share – Cents	583.8	(3.3)	580.5	(0.6)
Headline (loss)/earnings per share – Cents	603.8	(6.6)	597.2	(1.1)
Net asset value per share – Cents	8 949.8	(362.8)	8 587.1	(4.1)
Net tangible asset value per share – Cents	8 655.1	(389.7)	8 265.5	(4.5)

Notes to the *pro formas*:

- (1) The "Before the Proposed Transaction" financial information has been extracted, without adjustment from the published, unaudited interim results of Absa Group for the six-month period ended 30 June 2012.
- (2) The "After the Proposed Transaction" financial information includes the following adjustments:
 - (a) the inclusion of the adjusted, unaudited income and expenditure relating to the Barclays Africa Portfolio on the assumption that the Proposed Transaction took place on 1 January 2012;
 - (b) the inclusion of the adjusted, unaudited assets and liabilities relating to the Barclays Africa Portfolio on the assumption that the Proposed Transaction took place on 30 June 2012;
 - (c) an increase in operating expenses due to the actuarial gains and losses arising on the retirement benefit funds being recognised in Other Comprehensive Income to align with Absa Group accounting policies;
 - (d) the expensing of transaction costs of R179 million;
 - (e) the capitalisation of transaction costs of R9 million;
 - (f) the reversal of the revaluation reserve which arose on the revaluation of a property in Barclays Bank Uganda to align with Absa Group accounting policy of recognising property at its historical cost less accumulated depreciation;
 - (g) the purchase consideration being settled by the issue of 129 540 636 new Absa Group Shares at a Share price of R141.50;
 - (h) the excess of the purchase consideration over the net asset value of the Barclays Africa Portfolio is recognised against share premium as no goodwill is recognised due to Absa Group and Barclays Africa Portfolio being under common control; and
 - (i) the number of Shares and weighted average number of Shares in issue have been adjusted for the 129 540 636 new Shares to be issued as settlement for the acquisition of the Barclays Africa Portfolio.
- (3) The "% change" column compares the "After the Proposed Transaction" column to the "Before the Proposed Transaction" column.
- (4) With the exception of the transaction costs discussed under 2(d) and 2(e) above, the other adjustments are anticipated to have continuing effect.
- (5) The *pro forma* balance sheet reflects a liability and the equal asset, while the *pro forma* income statement excludes the effects of some uncertain tax positions existing in some of the Barclays Africa entities which originate from previous financial periods. These uncertain tax exposures were partially provided for in the Barclays consolidated financial statements. The Absa Group is indemnified by Barclays from any losses in this regard.

8. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any such proceedings which are pending or threatened of which Absa Group is aware, which may have, or have had in the recent past, being at least the previous 12 months, a material effect on the financial position of the Absa Group.

9. MAJOR SHAREHOLDERS

Insofar as is known to Absa Group, the following Shareholders, beneficially held, directly or indirectly, an interest of 5% or more of the Shares in issue on the Last Practicable Date:

Shareholder	Total number of Shares (held directly and indirectly)	Percentage of Shares*
Barclays	398 774 945	55.5
Public Investment Corporation	50 343 884	9.2
Total	449 118 829	64.7

* Based on 718 210 043 Shares in issue as at the Last Practicable Date.

Barclays is currently Absa Group's largest beneficial and controlling Shareholder.

There is no history of any change in controlling shareholder(s) and trading objects of Absa Group and its subsidiaries during the previous five years.

10. MATERIAL CHANGES

There have been no material changes in the financial or trading position of Absa Group and its subsidiaries since the end of the last financial period for which either audited annual financial statements or unaudited interim reports have been published.

In respect of Absa Group and its subsidiaries, there have been no material acquisitions (or disposals) within the three years preceding the date of this Circular, and, other than the Proposed Transaction, there are no proposed material acquisitions (or disposals) to be made by Absa Group and its subsidiaries, of any securities in or the business undertakings of any other company/(ies) or business enterprises or any immovable property/(ies) or other property/(ies) in the nature of a fixed asset or any option to acquire (or dispose of) such property/(ies).

11. MATERIAL CONTRACTS

There have been no material contracts, other than in the ordinary course of business, within the two years preceding the Last Practicable Date, or concluded at any time, and which contain an obligation or settlement that is material to Absa Group or any of its subsidiaries as at the date of this Circular.

12. DIRECTORS' INTERESTS IN THE TRANSACTIONS

There are no material beneficial interests, whether direct or indirect, of Directors including a director who has resigned in the last 18 months, in transactions that were effected by the Company during the current or immediately preceding year or during an earlier financial year and which remain in any respect outstanding or unperformed.

The Group Chief Executive Officer of Absa Group serves as a member of the Barclays executive committee. However, she has recused herself from participating in any discussions or evaluation of the Proposed Transaction from such Barclays committee.

13. EXPENSES

The expenses of the Proposed Transaction are anticipated to be approximately R186 million (excluding VAT). All expenses will be for the account of Absa Group. These expenses include the following:

Expenses	Payable to	R'000 (excluding VAT)
Advisor fee	J.P. Morgan	61 740
Independent Expert	Deutsche Bank	23 060
JSE documentation fee	JSE	16
JSE listing fee	JSE	952
Legal expenses	Webber Wentzel/Linklaters	42 000
Printing, publication, distribution and advertising expenses	Ince	1 500
Independent Accountant (including due diligence)	KPMG LLP	48 745
Reporting Accountant's report – <i>pro forma</i> financial information and historical financial information	Ernst & Young	800
Other	Other	8 047
Total		186 860

There are no preliminary or issue expenses incurred.

14. OPINIONS AND RECOMMENDATIONS

14.1 Opinion of the Independent Expert

As required in terms of section 10.4(f) of the Listings Requirements, the Board is required to obtain an opinion from an independent expert acceptable to the JSE regarding the fairness of the Proposed Transaction to the Shareholders. The Board has appointed Deutsche Bank to provide an opinion as to the whether the terms and conditions of the Proposed Transaction are fair to Shareholders. Subject to the conditions set out in Deutsche Bank's opinion letter that is included in Appendix 1 to the Circular, Deutsche Bank has provided an opinion that the terms and conditions of the Proposed Transaction are fair to the Shareholders.

14.2 Statement of the Board of Directors

The Board has considered the terms and conditions of the Proposed Transaction and the Independent Expert's opinion. The Board (excluding the Recused Directors) is of the opinion that the Proposed Transaction is fair insofar as the Shareholders are concerned and should be supported. Accordingly, the Board (excluding the Recused Directors) unanimously recommends that Shareholders vote in favour of the Resolutions, at the General Meeting.

Each of the Directors who holds Absa Group Shares and is permitted to vote intends to vote his or her Absa Group Shares in favour of the Resolutions as set out in the notice of General Meeting.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out in the "Corporate Information" section on page 1 of this Circular, individually and collectively, accept full responsibility for the accuracy of the information given in relation to Absa Group in this Circular and certify that, to the best of their knowledge and belief, no facts have been omitted that would make any statement in this Circular false or misleading and have made all reasonable enquiries to ascertain such facts and that this Circular contains all information required by law and the Listings Requirements.

16. CONSENTS

J.P. Morgan, Webber Wentzel, Linklaters, J.P. Morgan Equities, Deutsche Bank, Absa Corporate and Investment Banking, Ernst & Young, Ince, KPMG LLP and Computershare have consented in writing to act in their capacities and to their names being stated in this Circular and in the case of the Independent Reporting Accountant and the Independent Expert, the inclusion of their reports in the form and context in which they appear, and none of the aforementioned parties have withdrawn their consent prior to the publication of this Circular.

17. NOTICE OF GENERAL MEETING

The General Meeting will be held at PW Scales Auditorium, Absa Towers, 160 Main Street, Johannesburg, at 10:00 on Monday, 25 February 2013 for the purposes of considering and, if deemed fit, passing with or without modification, some or all of the Resolutions.

18. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the office of the Company Secretary during normal business hours at the registered office of Absa Group, 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg from 18 December 2012 to 22 February, 2013:

- a signed copy of this Circular (available in English only);
- the MOI of Absa Group and its subsidiaries;
- the Agreement;
- the trust deed in respect of the Horizon Trust;
- the audited annual financial statements of Absa Group for the years ended 31 December 2009, 2010 and 2011 and for the six months ended 30 June 2012;

- the Independent Expert's fairness opinion as reproduced in Annexure I;
- the Independent Reporting Accountant's limited assurance report on the unaudited *pro forma* financial information of Absa Group, as reproduced in Annexure II of this Circular; and
- the letters of consent referred to in section 16 above.

By order of the Board

Absa Group Limited

Maria Ramos

Group Chief Executive

Johannesburg
South Africa

Registered office of Absa Group

7th Floor, Absa Towers West
15 Troye Street
Johannesburg, 2001
(PO Box 7735, Johannesburg, 2000)

INDEPENDENT EXPERT'S FAIRNESS OPINION

"3 Exchange Square, 87 Maude Street
Sandton, 2196
Private Bag X9933, Sandton, 2146
South Africa

Herman Bosman
Tel +27 11 775 7360
Email: herman.bosman@db.com

5 December 2012

The Board of Directors
Absa Group Limited
7th Floor, Absa Towers
15 Troye Street
Johannesburg
2001

Dear Sirs,

Fairness opinion rendered pursuant to paragraph 10.4(f) of the Listings Requirements of the JSE Limited in relation to the acquisition by Absa Group Limited of ordinary shares in Barclays Africa Limited currently held by Barclays Bank Plc.

Deutsche Securities (SA) Proprietary Limited ("**Deutsche Bank**"), a member of the DB Group (as defined below), is acting as the independent professional expert (which role is more particularly described below) in connection with the proposed acquisition by Absa Group Limited ("**Absa**") from Barclays Bank Plc ("**Barclays**") of 100% of the issued ordinary shares in the share capital of Barclays Africa Limited ("**BAL**" and such acquisition, the "**Proposed Transaction**").

Deutsche Bank understands that BAL has been incorporated as a wholly-owned subsidiary of Barclays and will hold:

- (i) A controlling stake in the share capital of each of (i) Barclays Bank Botswana Limited, (ii) Barclays Bank Ghana Limited, (iii) Barclays Bank Kenya Limited, (iv) Barclays Bank Mauritius Limited, (v) Barclays Bank Seychelles Limited, (vi) Barclays Bank Tanzania Limited, (vii) Barclays Bank Uganda Limited and (viii) Barclays Bank Zambia Limited (each, a "**Barclays Africa Portfolio Company**"); and
- (ii) 100% of the issued ordinary shares in the share capital of Barclays Africa Regional Office Proprietary Limited ("**BARO**" and, together with the Barclays Africa Portfolio Companies, the "**Proposed BAL Subsidiaries**" and each, a "**Proposed BAL Subsidiary**").

For the purposes of rendering the opinion in this letter, Deutsche Bank has assumed that each such controlling stake in the share capital of the Barclays Africa Portfolio Companies and 100% of the issued ordinary shares in the share capital of BARO will be transferred to BAL and, hence, that, pursuant to the Proposed Transaction, Absa will indirectly hold each such controlling stake in the share capital of the Barclays Africa Portfolio Companies and 100% of the issued ordinary shares in the share capital of BARO.

The Proposed Transaction is to be effected pursuant to the terms and conditions set forth in the sale and purchase agreement to be entered into by Absa and Barclays (the "**Purchase Agreement**"), a draft of which Purchase Agreement, dated 6 December 2012 has been reviewed by Deutsche Bank.

Barclays holds, as at the date hereof, 55.5% of the issued ordinary shares in the share capital of Absa ("**Absa Shares**") and, as a result of such holding of Absa Shares, is entitled to exercise or control more than 10% of the votes which are capable of being cast in relation to all or substantially all matters at a general meeting of the holders of Absa Shares from time to time (the "**Absa Shareholders**"). As a result of such entitlement, Barclays constitutes a related party of Absa for the purposes of paragraph 10.1(b)(i) of the JSE Limited ("**JSE**") Listings Requirements (the "**JSE Listings Requirements**").

Pursuant to paragraph 10.4(f) of the JSE Listings Requirements, Absa is required to provide the JSE with a fairness opinion (the "**Opinion**") rendered to the Absa Board by an independent professional expert acceptable to the JSE as to whether the Consideration (defined below) proposed to be paid by Absa pursuant to the Proposed Transaction is fair, from a financial point of view, to the Absa Shareholders.

Deutsche Bank has been engaged by Absa, pursuant to the terms of a letter agreement entered into between Deutsche Bank and Absa, and dated 5 March 2012 (the "**Engagement Letter**"), as the independent professional expert to render to the Absa Board such Opinion. This letter constitutes the Opinion.

Consideration

The consideration proposed to be paid by Absa pursuant to the Proposed Transaction (the "**Consideration**") is to comprise of 129 540 636 Absa Shares, which Absa Shares will be issued by Absa to Barclays (or wholly-owned subsidiary). The draft Purchase Agreement provides that the issue price of the Absa Shares constituting the Consideration is to be calculated with reference to a price of Absa Shares of R141.50. Following the consummation of the Proposed Transaction, Barclays will indirectly hold 62.3% of the Absa Shares.

Further terms of the Proposed Transaction will be set out in a circular to Absa Shareholders to be dated on or about 14 December 2012 (the "**Absa Shareholder Circular**").

Definition of the term "fair"

Pursuant to paragraph 5.7 of Schedule 5 of the JSE Listings Requirements, the consideration payable pursuant to a transaction will be considered fair to the acquiring company's shareholders if such consideration is considered to be equal to or less than the value of the assets which are the subject of the relevant transaction, fairness being based on quantitative issues.

Pursuant to paragraph 10.1(b) of the JSE Listings Requirements, in the case of a transaction entered into with a related party for the purposes of paragraph 10.1(b)(i) of the Listings Requirements (a "**Related Party Transaction**"), the board of directors of the relevant company must procure a fairness opinion from an independent professional expert.

Accordingly, any such Related Party Transaction shall be considered to be fair if the consideration payable to such related party pursuant to such Related Party Transaction is within the fair value range (as such range is determined by the relevant independent professional expert) of the business or asset that is the subject of the Related Party Transaction.

Deutsche Bank's assessment of the fairness of the Consideration is made solely from a financial point of view.

Sources of information

In connection with Deutsche Bank's role as the independent professional expert, and in arriving at the opinion contained in this letter, Deutsche Bank has reviewed certain publicly available financial and other information concerning Absa and BAL, certain internal analyses, financial forecasts and other information furnished to it by Absa, Barclays and/or their respective professional advisors. Deutsche Bank has also participated in discussions with members of the senior management of Absa and certain Barclays Africa Portfolio Companies regarding the businesses and prospects of Absa and the Proposed BAL Subsidiaries, respectively, and of Absa after giving effect to the Proposed Transaction.

In addition, Deutsche Bank has: (i) to the extent publicly available, compared certain financial and stock market information for Absa and the Barclays Africa Portfolio Companies with similar financial and stock market information for selected companies in similar sectors whose securities are publicly traded; (ii) reviewed certain publicly available information in relation to Absa and each Barclays Africa Portfolio Company, and certain other market data and public information available relating to the banking sector in South Africa and on the African continent; (iii) certain legal and accounting due diligence reports relating to the Barclays Africa Portfolio Companies and individual countries on the African continent prepared by Absa's other professional advisors; (iv) reviewed the financial terms of the Proposed Transaction as set out in the Purchase Agreement; (v) reviewed the terms of the Purchase Agreement dated 6 December 2012; and (vi) performed such other studies and analyses and considered such other factors as it deemed appropriate.

Without prejudice to the generality of the foregoing, the principal sources of information utilised by Deutsche Bank in arriving at the opinion contained in this letter were:

- (i) The audited annual financial statements of Absa and each Barclays Africa Portfolio Company for the years ended 31 December 2009, 31 December 2010 and 31 December 2011;

- (ii) The unaudited interim results of Absa and each Barclays Africa Portfolio Company for the six-month period ended 30 June 2012;
- (iii) An information memorandum provided to Absa by Barclays and its professional advisors (dated 2 February 2012);
- (iv) Certain financial and management information relating to the performance and prospects of the Proposed BAL Subsidiaries provided to Absa by Barclays;
- (v) Presentations given by the management of certain of the Barclays Africa Portfolio Companies in relation to the operations of such Barclays Africa Portfolio Companies in Botswana, Ghana, Kenya, Mauritius, Seychelles, Tanzania and Uganda (dated 16 – 25 October 2012);
- (vi) Financial forecasts in relation to the Proposed BAL Subsidiaries provided to Absa by Barclays and its professional advisors, and approved by the senior management of Absa;
- (vii) Financial forecasts in relation to Absa based on management business plans provided by, and approved by, the senior management of Absa;
- (viii) An update on the 2012 year-to-date performance of the Barclays Africa Portfolio Companies; and
- (ix) A draft of this Absa Shareholder Circular and the terms announcement in relation to the Proposed Transaction to be released to Absa Shareholders by Absa on 6 December 2012.

For the purposes of rendering the opinion in this letter, Deutsche Bank was granted access to a virtual dataroom containing certain information and data in respect of, *inter alia*, the Proposed BAL Subsidiaries (the “**Virtual Dataroom**”). Deutsche Bank has assumed that Absa and its professional advisors have conducted their own due diligence in relation to the Proposed Transaction, including, without limitation, with respect to any information and data contained in such Virtual Dataroom. The only information and data obtained by Deutsche Bank from such Virtual Dataroom were certain financial forecasts and other financial information in relation to the Proposed BAL Subsidiaries, which financial forecasts and other financial information were subsequently also provided to Deutsche Bank by Absa and/or its other professional advisors. Notwithstanding the access it was granted to such Virtual Dataroom, Deutsche Bank has assumed that it has separately been provided with all material data and information and with each material document relating to the Proposed Transaction that may affect any of the assumptions upon which the opinion contained in this letter is based.

Deutsche Bank has assumed and relied upon the accuracy and completeness of any and all information provided to it or otherwise received by it for the purpose of rendering the opinion contained in this letter, whether in writing or obtained orally in the course of any discussion with any director, officer or other representative of Absa, BAL or any Barclays Africa Portfolio Company, and Deutsche Bank does not assume any responsibility or liability with respect to any such information.

Deutsche Bank has not assumed responsibility for, and has not independently verified, any information, whether publicly available or furnished to it, concerning Absa, BAL or any Proposed BAL Subsidiary, including, without limitation, any financial information, forecasts or projections considered in connection with the rendering of its opinion contained in this letter. Accordingly, for the purposes of such opinion, Deutsche Bank has, with Absa’s permission, assumed and relied upon the accuracy and completeness of all such information. Deutsche Bank has not conducted a physical inspection of any of the properties or assets, and has not prepared or obtained any independent valuation or appraisal of any of the assets or liabilities (including any contingent, derivative or off-balance sheet assets and liabilities) of Absa, BAL or any Proposed BAL Subsidiary, nor has Deutsche Bank evaluated the solvency or fair value of Absa, BAL or any Proposed BAL Subsidiary or any of the businesses owned by any such person or in which any such person is interested under any applicable law relating to bankruptcy, insolvency or similar matters.

With respect to the financial forecasts and projections made available to, and approved by Absa, for use by, Deutsche Bank and used in its analyses, Deutsche Bank has assumed, with the permission of Absa, that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Absa, as to the future financial performance of Absa, BAL or, as applicable, such Proposed BAL Subsidiary. In rendering its opinion, Deutsche Bank expresses no view as to the reasonableness of such forecasts and projections or the assumptions on which they are based. In rendering this opinion, Deutsche Bank has not undertaken to perform a due diligence exercise in relation to Absa, BAL or any Proposed BAL Subsidiary.

Methodology

In arriving at the opinion contained in this letter, Deutsche Bank performed a valuation of Absa and BAL based on financial forecasts, public information and additional information on Absa or, as applicable, BAL as set out above. Furthermore, Deutsche Bank has, where appropriate, evaluated and determined the appropriateness of using such sources of information in performing such valuation for the purposes of rendering the opinion contained in this letter. In conducting its analyses and arriving at the opinion contained in this letter, Deutsche Bank utilised a variety of generally accepted valuation methods including, *inter alia*, dividend discount model and comparable company analysis. Deutsche Bank considered the impact of certain value drivers for each of Absa and BAL on the valuation of Absa and BAL and the sensitivity of the valuations to changes in these assumptions. In addition, Deutsche Bank discussed with the managements of Absa and BAL the impact on the business and prospects of Absa and BAL of, *inter alia*, changes to macro-economic factors (eg. real and nominal GDP growth), selected industry and company-specific considerations, cost of capital determinants and the impact of Basel II.5 and Basel III.

The analyses prepared by Deutsche Bank were prepared solely for the purpose of enabling Deutsche Bank to provide its opinion to the Absa Board as to the fairness of the Consideration, from a financial point of view, to the Absa Shareholders, and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities may actually be sold, which are inherently subject to uncertainty.

Opinion

Based upon the terms and procedures set forth in this letter, and subject to the assumptions and qualifications contained in this letter, it is Deutsche Bank's opinion as investment bankers that, as at the date hereof, the Consideration is fair, from a financial point of view, to the Absa Shareholders.

For the purposes of rendering the opinion in this letter, Deutsche Bank has assumed with Absa's permission that, in all respects material to its analysis, the Proposed Transaction will be consummated in accordance with its terms, without any material waiver, modification or amendment of any term, condition or agreement. Deutsche Bank has also assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Proposed Transaction will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, no material restrictions will be imposed. Deutsche Bank is not a legal, regulatory, tax or accounting expert and has relied on the assessments made by Absa and its professional advisors with respect to such issues. Representatives of Absa have informed Deutsche Bank that, and Deutsche Bank has further assumed that, the final terms of the Purchase Agreement will not differ materially from the terms set forth in the draft Purchase Agreement which Deutsche Bank has reviewed.

This letter has been approved and authorised for issuance by a fairness opinion review committee, is addressed to, and for the use and benefit of, the Absa Board and is not a recommendation to the Absa Shareholders to approve the Proposed Transaction. The opinion contained in this letter is limited to the fairness of the Consideration, from a financial point of view, to the Absa Shareholders, and is subject to the assumptions, limitations, qualifications and other conditions contained herein and is necessarily based on financial, economic, market and other conditions, and the information made available to Deutsche Bank, as at the date hereof. Absa has not asked Deutsche Bank to, and the opinion contained in this letter does not, address the fairness of the Proposed Transaction, or any consideration received in connection therewith, to the holders of any class of securities, creditors or other constituencies of Absa other than the Absa Shareholders. The opinion contained in this letter also does not address the fairness of the contemplated benefits of the Proposed Transaction. In rendering the opinion contained in this letter, Deutsche Bank has not considered the effect or consequences of the Proposed Transaction on any individual Absa Shareholder. Deutsche Bank expressly disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting its opinion of which it becomes aware after the date hereof. Deutsche Bank expresses no opinion as to the merits of the underlying decision by Absa to engage in the Proposed Transaction. This opinion contained in this letter does not address the prices at which the Absa Shares or any other securities will trade following the announcement or consummation of the Proposed Transaction.

Relevant information about Deutsche Bank

Deutsche Bank will be paid a fee for its services as the independent professional expert in connection with the Proposed Transaction, which fee is contingent upon the delivery of this letter as set out in the Engagement Letter. Absa has also agreed to indemnify Deutsche Bank against certain liabilities in connection with its engagement. In this letter, Deutsche Bank AG and its subsidiaries are referred to as the "DB Group". One or more members of the DB Group has, from time to time, provided investment banking, commercial banking

(including extension of credit) and other financial services to Absa, Barclays and/or their respective affiliates for which it has received compensation. In particular, Deutsche Bank AG, acting through its London branch acts as corporate broker to Barclays.

In the ordinary course of their business, members of the DB Group may actively trade in the securities and other instruments and obligations of Absa, Barclays and/or any of their respective listed affiliates (including, without limitation, any of the Barclays Africa Portfolio Companies) for their own accounts and for the accounts of their customers. Accordingly, one or more members of the DB Group may at any time hold a long or short position in such securities, instruments and obligations. For the purpose of arriving at its opinion, Deutsche Bank has not considered any information that may have been provided to it in any of those capacities or in any capacity other than as provider of the opinion contained in this letter.

Other

This letter and the opinion contained in this letter may not be reproduced, summarised or referred to in any public document or given to any person without the prior written consent of Deutsche Bank. Notwithstanding the foregoing, (i) this letter may, if required by law, be included in any disclosure document filed by Absa with any applicable securities regulatory authorities with respect to the Proposed Transaction, provided, however, that it is reproduced in full, and that any description of or reference to Deutsche Bank in such disclosure document is in a form reasonably acceptable to Deutsche Bank and its legal advisors, and (ii) such letter may be disclosed in accordance with the JSE Listings Requirements.

The opinion contained in this letter is rendered by Deutsche Bank to the Absa Board in relation to the Proposed Transaction pursuant to paragraph 10.4(f) of the JSE Listings Requirements. This letter and the opinion contained in this letter should not be used or relied upon for any other purpose and Deutsche Bank assumes no liability or responsibility to any person if this letter and/or the opinion contained in this letter is used or relied upon for any other purpose.

Consent

Deutsche Bank hereby consents to the inclusion of this letter and references thereto in the form and context in which they appear in the Absa Shareholder Circular.

Yours faithfully,

Deutsche Securities (SA) Proprietary Limited"

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE UNAUDITED
PRO FORMA FINANCIAL INFORMATION**

"The Directors
Absa Group Limited
15 Troye Street
Johannesburg
2001
Gauteng
South Africa

12 December 2012

Dear Members of the Board

**INDEPENDENT REPORTING ACCOUNTANT'S LIMITED ASSURANCE REPORT ON THE UNAUDITED
PRO FORMA FINANCIAL EFFECTS ON THE INCOME STATEMENT, STATEMENT OF COMPREHENSIVE
INCOME AND STATEMENT OF FINANCIAL POSITION OF ABSA GROUP LIMITED ("ABSA GROUP")****Introduction**

We have performed our limited assurance engagement with regard to the unaudited *pro forma* financial effects on the income statement, statement of comprehensive income and statement of financial position (collectively "the *pro forma* financial information") of Absa Group set out in section 7 and Annexure III of this Circular to be issued on or about 14 December 2012 in connection with the Proposed Transaction.

The *pro forma* financial information has been prepared for purposes of complying with the Listings Requirements, for illustrative purposes only, to provide information about how the Proposed Transaction might have affected the reported financial information, had the Proposed Transaction been undertaken on 1 January 2012 for income statement and statement of comprehensive income purposes and 30 June 2012 for statement of financial position purposes.

Because of its nature, the *pro forma* financial information may not present a fair reflection of the financial position or results of operations after the Proposed Transaction.

Directors' responsibility

The Directors are solely responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared.

Their responsibility includes determining that the *pro forma* financial information contained in this Circular has been properly compiled on the basis stated, the basis is consistent with the accounting policies of Absa Group and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information as disclosed in terms of the Listings Requirements.

Independent Reporting Accountant's responsibility

Our responsibility is to express a limited assurance conclusion on the *pro forma* financial information included in this Circular. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by the South African Institute of Chartered Accountants.

This standard requires us to comply with ethical requirements and to plan and perform the assurance engagement to obtain sufficient appropriate audit evidence to support our limited assurance conclusion, expressed below.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted audited historical financial information of Absa Group with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Absa Group, considering the evidence supporting the *pro forma* adjustments, recalculating the amounts based on the information obtained and discussing the *pro forma* financial information with the Directors.

In arriving at our conclusion, we have relied upon financial information prepared by the Directors and other information from various public, financial and industry sources.

Whilst our work performed has involved an analysis of the historical published financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information undertaken in accordance with the International Standards on Auditing or the International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Opinion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that in terms of sections 8.17 and 8.30 of the Listings Requirements:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Absa Group; and
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed pursuant to section 8.30 of the Listings Requirements.

Consent

We consent to the inclusion of this letter and the reference to our opinion in this Circular in the form and context in which it appears.

Yours faithfully

Ernst and Young Inc.

Emilio Pera

Chartered Accountant (SA)

Registered Auditor

Ernst and Young

Wanderers Office Park

52 Corlett Drive

Illovo, Johannesburg, 2196

UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

The unaudited *pro forma* consolidated statement of the financial position of Absa Group as at 30 June 2012 and the consolidated statement of comprehensive income of Absa Group for the six months ended 30 June 2012 are set out below and have been prepared for illustrative purposes only to reflect the *pro forma* financial information of Absa Group after the Proposed Transaction.

Because of their nature, the unaudited *pro forma* consolidated statement of the financial position of Absa Group and the consolidated statement of comprehensive income, jointly the unaudited *pro forma* financial information, may not fairly present Absa Group's financial position, changes in equity, results of operations or cash flows. The unaudited *pro forma* financial information is the responsibility of the Board.

The unaudited *pro forma* consolidated statement of the financial position of Absa Group and the consolidated statement of comprehensive income are presented in a manner consistent with IFRS and with the basis on which the historical financial information of Absa Group is presented.

The Independent Reporting Accountant's limited assurance report on the unaudited *pro forma* financial information of Absa Group for the six months ended 30 June, 2012 is set out in Annexure II to the Circular.

Absa Group consolidated income statement

for the six-month period ended 30 June 2012

	Before the Proposed Transaction ⁽¹⁾	The Proposed Transaction	After the Proposed Transaction
Net interest income ⁽²⁾⁽⁴⁾	11 909	2 471	14 380
Impairment losses on loans and advances	(4 020)	(234)	(4 254)
Net interest income after impairment losses on loans and advances	7 889	2 237	10 126
Non-interest income ⁽²⁾	11 174	1 403	12 577
Operating profit before operating expenditure	19 063	3 640	22 703
Operating expenditure ⁽²⁾⁽³⁾⁽⁵⁾⁽⁷⁾	(13 011)	(2 266)	(15 277)
Share of post-tax results of associates and joint ventures	35	–	35
Operating profit before income tax	6 087	1 374	7 461
Taxation expense ⁽⁶⁾	(1 767)	(444)	(2 211)
Profit for the period/year	4 320	930	5 250

(1) The "Before" financial information has been extracted, without adjustment from the published, unaudited interim results of Absa Group for the six-month period ended 30 June 2012.

(2) Net interest income, non-interest income, operating expenditure and taxation has been adjusted to include the income and expenditure relating to the Barclays Africa Portfolio.

(3) Operating expenses and taxation have been adjusted to include the income and expenditure relating to Barclays Africa Regional Office.

(4) Interest and similar income and interest expense and similar charges have been adjusted to eliminate intercompany transactions between the Barclays Africa Portfolio.

(5) Operating expenses has been adjusted to account for the actuarial gains and losses arising on the retirement benefit funds being recognised in "Other Comprehensive Income" to align with Absa Group accounting policies.

(6) Taxation has been adjusted for the tax effects of the actuarial gains and losses on the retirement benefit fund.

(7) Operating expenses have further been adjusted for the expensing of transaction costs. As transaction costs are deemed to be capital in nature no tax effects have been calculated.

(8) With the exception of transaction costs all other journal entries are expected to have a continuing effect.

Absa Group consolidated balance sheet
as at 30 June 2012

	Before the Proposed Transaction ⁽¹⁾	The Proposed Transaction	After the Proposed Transaction
ASSETS			
Cash, cash balances and balances with central banks ⁽⁶⁾	25 620	5 476	31 096
Statutory liquid asset portfolio	60 061	–	60 061
Loans and advances to banks	58 044	17 084	75 128
Trading portfolio assets	96 768	10 207	106 975
Hedging portfolio assets	4 868	17	4 885
Other assets	20 112	3 538	23 650
Current tax assets	703	47	750
Non-current assets held for sale	6	–	6
Loans and advances to customers	506 661	38 292	544 953
Reinsurance assets	1 010	–	1 010
Investment securities	21 530	4 880	26 410
Investments in associates and joint ventures	373	–	373
Goodwill and intangible assets	2 115	610	2 725
Investment properties	2 699	–	2 699
Subsidiaries	–	–	–
Property and equipment	7 781	1 282	9 063
Deferred tax assets	455	301	756
Total assets⁽²⁾	808 806	81 734	890 540
LIABILITIES			
Deposits from banks	25 827	6 446	32 273
Trading portfolio liabilities	60 446	(9)	60 437
Hedging portfolio liabilities	3 251	8	3 259
Other liabilities	30 071	3 448	33 519
Provisions	1 136	356	1 492
Current tax liabilities	247	127	374
Deposits due to customers	457 880	60 489	518 369
Debt securities in issue	125 127	20	125 147
Liabilities under investment contracts	15 427	–	15 427
Policyholder liabilities under insurance contracts	3 239	1	3 240
Borrowed funds	14 268	954	15 222
Deferred tax liabilities	1 619	83	1 702
Total liabilities⁽²⁾	738 538	71 924	810 462
EQUITY			
Capital and reserves			
Attributable to ordinary equity holders of the Absa Group:			
Share capital ⁽⁵⁾	1 434	259	1 693
Share premium ⁽⁵⁾⁽⁶⁾	4 572	8 129	12 701
Retained earnings ⁽⁴⁾	55 502	(240)	55 262
Other reserves ⁽⁴⁾	2 725	373	3 098
Non-controlling interest – ordinary shares	1 391	1 289	2 680
Non-controlling interest – preference shares	4 644	–	4 644
Total equity	70 268	9 809	80 077
Total equity and liabilities	808 806	81 734	890 540

- (1) The "Before" financial information has been extracted, without adjustment from the published, unaudited interim results of Absa Group for the six-month period ended 30 June 2012.
- (2) Total assets and total liabilities have been adjusted to include the assets and liabilities relating to the Barclays Africa Portfolio.
- (3) Elimination journal entries are in respect of the reversal of intercompany transactions between the Barclays Africa Portfolio.
- (4) Other reserves and the retained income have been adjusted to account for the actuarial gains and losses arising on the retirement benefit funds being recognised in Other Comprehensive Income to align with Absa Group accounting policies.
- (5) Share capital and share premium have been adjusted to include the issue of ordinary shares in settlement of the purchase consideration which has been calculated utilising a valuation of Barclays Africa Portfolio of GBP1.3 billion, an exchange rate of GBP1:ZAR14.10 and an Absa share price of R141.50.
- (6) Cash resources have been adjusted for the payment of transaction costs and retained earnings have been adjusted for the portion of transaction costs that have been expensed. Share premium has been adjusted for that portion of the transaction costs to be deducted against share premium in accordance with IAS 32.
- (7) With the exception of transaction costs, all other journal entries are expected to have a continuing effect.

BARCLAYS AFRICA PORTFOLIO INFORMATION (IN LOCAL CURRENCY)

The financial information set out below for each of the Barclays Africa Portfolio operations is based on audited full year, reviewed interim and unaudited published financial results.

(Botswana Pula million)	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Total revenue	1 347	1 355	1 344	670
Customer loan impairments	204	162	116	67
Operating expenses	538	535	584	316
PAT	455	573	539	235
Total loans	5 829	5 572	6 092	6 081
Total assets	11 798	11 669	11 363	11 587
Total deposits	9 590	9 348	9 093	9 504
Tier 1 capital ratio (%)	13.5	17.7	16.4	15.7
ROAE (%)	53.4	46.0	38.9	35.2
ROAA (%)	3.5	4.3	4.6	4.1
Net interest margins (%)	8.2	8.8	8.9	8.8
Non-interest income/total income (%)	24.0	26.1	26.6	27.5
Loan loss ratio (%)	3.7	2.8	2.0	2.2
Cost/income ratio (%)	39.9	39.5	43.5	47.1

Source: Based on in-country statutory financial statements/published unaudited financial results.

Note: ROAE, ROAA exclude sale of custody business in 2010 and 2011.

(Ghanaian Cedi million)	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Total revenue	188	242	227	133
Customer loan impairments	61	21	6	8
Operating expenses	152	115	106	64
PAT	(20)	59	83	56
Total loans	514	436	589	714
Total assets	1 464	1 637	1 907	1 991
Total deposits	953	1 094	1 332	1 473
Tier 1 capital ratio (%)	22.0	24.2	23.0	13.5
ROAE (%)	(12.8)	22.3	29.7	35.4
ROAA (%)	(1.4)	3.0	4.7	5.7
Net interest margins (%)	11.4	11.9	9.3	10.2
Non-interest income/total income (%)	23.6	30.9	32.0	32.5
Loan loss ratio (%)	9.9	4.4	1.2	2.6
Cost/income ratio (%)	80.9	47.4	46.7	48.1

Source: Based on in-country statutory financial statements/published unaudited financial results.

Note: ROAE, ROAA exclude sale of custody business in 2010 and 2011.

(Kenyan Shilling million)	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Total revenue	23 397	26 025	26 339	13 696
Customer loan impairments	513	1 200	729	459
Operating expenses	13 882	14 049	13 597	6 924
PAT	6 091	10 599	8 073	4 267
Total loans	93 543	87 147	99 072	101 100
Total assets	165 151	172 415	167 029	168 899
Total deposits	125 869	123 826	124 207	122 484
Tier 1 capital ratio (%)	19.1	26.6	24.1	18.5
ROAE (%)	27.3	28.1	26.6	31.1
ROAA (%)	3.6	4.6	4.8	5.1
Net interest margins (%)	9.4	10.0	10.4	11.6
Non-interest income/total income (%)	36.9	39.8	38.0	34.5
Loan loss ratio (%)	0.5	1.3	0.8	0.9
Cost/income ratio (%)	59.3	54.0	51.6	50.6

Source: Based on in-country statutory financial statements/published unaudited financial results.

Note: ROAE, ROAA exclude sale of custody business in 2010 and 2011.

(Mauritian Rupee million)	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Total revenue	3 604	4 781	2 979	1 555
Customer loan impairments	568	603	56	194
Operating expenses	1 853	1 791	1 575	818
PAT	1 085	2 378	1 180	545
Total loans	49 514	43 829	45 876	45 845
Total assets	86 731	92 450	91 690	93 811
Total deposits	73 486	79 670	68 718	69 160
Tier 1 capital ratio (%)	17.0	27.6	24.7	26.5
ROAE (%)	15.7	13.8	14.5	13.7
ROAA (%)	1.1	1.2	1.3	1.2
Net interest margins (%)	2.4	2.7	2.1	2.4
Non-interest income/total income (%)	35.7	52.9	37.8	32.0
Loan loss ratio (%)	1.0	1.3	0.1	0.8
Cost/income ratio (%)	51.4	37.5	52.9	52.6

Source: Based on in-country statutory financial statements/published unaudited financial results.

Note: ROAE, ROAA exclude sale of custody business in 2010 and 2011.

(Seychelles Rupee million)	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Total revenue	324	323	373	220
Customer loan impairments	31	(18)	10	(0)
Operating expenses	206	161	159	78
PAT	69	132	154	83
Total loans	1 339	1 154	1 081	1 083
Total assets	5 103	5 786	6 458	6 885
Total deposits	4 527	5 043	5 622	5 977
Tier 1 capital ratio (%)	19.9	29.3	22.3	22.3
ROAE (%)	17.6	27.4	28.1	28.9
ROAA (%)	1.2	2.4	2.5	2.5
Net interest margins (%)	4.0	3.7	3.5	3.8
Non-interest income/total income (%)	33.7	39.5	44.3	44.5
Loan loss ratio (%)	2.1	(1.4)	0.9	(0.1)
Cost/income ratio (%)	63.7	49.7	42.7	39.5

Source: Based on in-country statutory financial statements/published unaudited financial results.

Note: ROAE, ROAA exclude sale of custody business in 2010 and 2011.

(Tanzanian Shilling million)	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Total revenue	44 271	52 407	50 263	25 700
Customer loan impairments	12 752	11 968	(298)	3 071
Operating expenses	35 454	45 322	48 953	28 295
PAT	(4 220)	(3 428)	170	(5 666)
Total loans	232 266	221 408	261 075	266 577
Total assets	433 407	514 087	607 307	513 270
Total deposits	328 717	401 677	439 811	402 075
Tier 1 capital ratio (%)	15.2	17.6	17.2	16.3
ROAE (%)	(8.0)	(8.4)	0.3	(19.5)
ROAA (%)	(0.9)	(1.0)	0.0	(2.0)
Net interest margins (%)	6.5	6.5	5.3	4.5
Non-interest income/total income (%)	33.7	45.8	43.8	51.6
Loan loss ratio (%)	4.8	5.3	(0.1)	2.3
Cost/income ratio (%)	80.1	86.5	97.4	110.1

Source: Based on in-country statutory financial statements/published unaudited financial results.

Note: ROAE, ROAA exclude sale of custody business in 2010 and 2011.

(Ugandan Shilling million)	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Total revenue	115 890	129 664	145 013	78 480
Customer loan impairments	8 402	21 088	14 218	3 728
Operating expenses	117 758	97 814	105 598	43 417
PAT	(4 687)	9 729	21 190	19 746
Total loans	486 036	495 831	488 326	452 616
Total assets	996 898	1 143 776	1 209 785	1 146 553
Total deposits	726 873	866 740	905 996	814 750
Tier 1 capital ratio (%)	15.0	15.6	16.4	18.7
ROAE (%)	(3.0)	1.2	12.0	20.2
ROAA (%)	(0.5)	0.2	1.8	3.4
Net interest margins (%)	8.2	8.4	8.2	8.6
Non-interest income/total income (%)	40.1	39.3	40.5	40.7
Loan loss ratio (%)	1.7	4.3	2.9	1.6
Cost/income ratio (%)	101.6	75.4	72.8	55.3

Source: Based on in-country statutory financial statements/published unaudited financial results.

Note: ROAE, ROAA exclude sale of custody business in 2010 and 2011.

(Zambian Kwacha million)	12 months ended 31 Dec 2009	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	Six months ended 30 Jun 2012
Total revenue	643 800	608 531	522 725	280 339
Customer loan impairments	299 685	63 384	17 681	997
Operating expenses	408 544	464 838	358 501	168 777
PAT	(42 944)	73 813	60 884	62 812
Total loans	1 970 271	1 721 139	1 864 501	2 097 004
Total assets	3 630 065	4 191 043	4 622 193	4 634 494
Total deposits	2 247 375	3 177 138	3 638 726	3 441 351
Tier 1 capital ratio (%)	7.1	11.6	15.7	12.3
ROAE (%)	(12.5)	11.3	15.4	28.6
ROAA (%)	(1.1)	1.0	1.4	2.7
Net interest margins (%)	11.9	9.2	7.4	6.8
Non-interest income/total income (%)	37.1	47.1	42.4	48.6
Loan loss ratio (%)	12.7	3.4	1.0	0.1
Cost/income ratio (%)	63.5	76.4	68.6	60.2

Source: Based on in-country statutory financial statements/published unaudited financial results.

Note: ROAE, ROAA exclude sale of custody business in 2010 and 2011.

Absa Group Limited

(Incorporated in the Republic of South Africa, to be renamed Barclays Africa Group Limited)
(Registration number 1986/003934/06)
ISIN: ZAE000067237 Share code: ASA
("Absa Group" or the "Company")

NOTICE OF GENERAL MEETING

Record date: 14 December 2012

Notice is hereby given that a General Meeting of ordinary Shareholders will be held in the PW Scales Auditorium, Absa Towers, 160 Main Street, Johannesburg, South Africa at 10:00 on Monday, 25 February 2013, for the purposes of considering and, if deemed fit, passing, with or without modification, the Resolutions below.

The definitions and interpretations set out on pages 6 to 10 of the Circular of which this notice of General Meeting forms part, apply, *mutatis mutandis*, herein.

The Board has determined that the record date for the purposes of determining which Shareholders are entitled to receive notice of the General Meeting was Friday, 14 December 2012 and the record date for purposes of determining which Shareholders are entitled to participate in and vote at the General Meeting is Friday, 15 February 2013. Accordingly, only Shareholders who are registered in the Register on Friday, 15 February 2013 will be entitled to participate in and vote at the General Meeting.

Shareholders are reminded that:

- a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend, participate in and vote at the General Meeting in the place of the Shareholder, and Shareholders are referred to the attached form of proxy;
- a proxy need not also be a Shareholder; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of Shareholders must present reasonably satisfactory identification to the chairperson and the chairperson must be reasonably satisfied that the right of any person to participate in and vote (whether as Shareholder or as proxy for a Shareholder) has been reasonably verified.

This document is important and requires your immediate attention.

If you are in any doubt as to what action you should take, please consult your Broker, CSDP, legal advisor, banker, financial advisor, accountant or other professional advisor immediately. If you have disposed of any of your Absa Group Shares, please forward this document, together with the enclosed form of proxy, to the purchaser of such shares or the Broker, banker or other agent through whom you disposed of such Absa Group Shares.

1. Ordinary resolution number 1 – Approval for the Proposed Transaction

"Resolved that the Proposed Transaction, being the proposed acquisition by the Company of all of the issued share capital of Barclays Africa Limited, which owns or will own the Barclays Africa Portfolio and BARO, from Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited), in consideration for the issue of 129 540 636 Absa Group Shares pursuant to the sale and purchase agreement concluded between Barclays Bank Plc, Barclays Africa Group Holdings Limited and the Company on 6 December 2012, on terms and conditions more fully set out in paragraph 4 of the Circular, be and is hereby approved."

Percentage of voting rights required to pass this Ordinary Resolution number 1: 50% + 1 vote, excluding, for purposes of the JSE Listings Requirements, the votes of Barclays and its associates.

2. **Special resolution number 1 – Approval for name change**

“Subject to and conditional upon the First Closing Conditions being fulfilled and Ordinary Resolution number 1 being approved by the Shareholders, resolved that, in terms of section 16 of the Companies Act, the name of the Company be and is hereby changed from “Absa Group Limited” to “Barclays Africa Group Limited”, with effect from the date set out in the amended registration certificate issued by CIPC as contemplated in section 16(9)(a) of the Companies Act, 71 of 2008.”

Percentage of voting rights required to pass this Special resolution number 1: at least 75%

3. **Special resolution number 2 – Granting authority to allot and issue Absa Group Shares to Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited) and the Horizon Trust, related parties in terms of section 41(1) of the Companies Act**

“Subject to and conditional upon the First Closing Conditions being fulfilled and Ordinary Resolution number 1 being approved by the Shareholders, resolved that the authorised but unissued Shares (other than those specifically identified and authorised for issue in terms of any other authority by Shareholders) are hereby placed under the control of the Directors, subject to any applicable legislation and the Listings Requirements, and the Directors are hereby authorised to allot and issue 129 540 636 Absa Group Shares to Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited) and the Horizon Trust as consideration payable by the Company to Barclays for the Barclays Africa Limited Shares pursuant to the Proposed Transaction.”

Percentage of voting rights required to pass this Special resolution number 2: at least 75%

4. **Ordinary resolution number 2 – Authority to give effect to the above Resolutions**

“Resolved that the Company Secretary and, failing the Company Secretary any one Director be, and is hereby authorised, on behalf of the Company, to do or cause all such things to be done and to sign all such documentation as may be necessary to give effect to and implement all the Resolutions to be considered at the General Meeting at which this Resolution will be proposed and considered.”

Percentage of voting rights required to pass this Ordinary resolution number 2: 50% + 1 vote

Electronic participation

Note that Shareholders will merely be able to participate, but not vote, via electronic communication.

Shareholders wishing to participate electronically in the General Meeting are required to deliver written notice to the Company at 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg, South Africa (marked for the attention of Nadine Drutman, Company Secretary) or email notice to groupsec@absa.co.za by no later than the Relevant Time that they wish to participate via electronic communication at the General Meeting (the “**Electronic Notice**”). In order for the Electronic Notice to be valid it must contain: (a) if the Shareholder is an individual, a certified copy of his identity document and/or passport; (b) if the Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and (c) a valid email address and/or facsimile number (the “**Contact Address/Number**”). By no later than 10:00 on Friday, 22 February 2013, the Company shall use its reasonable endeavours to notify a Shareholder at its Contact Address/Number who has delivered a valid Electronic Notice of the relevant details through which the Shareholder can participate via electronic communication.

Proxy and voting procedures

Note that Shareholders who elect to participate via electronic communication, as described above, must, if they wish to vote, also follow the proxy and voting procedures detailed below:

Shareholders who have not Dematerialised their Shares or who have Dematerialised their Shares with “own-name” registration are entitled to attend or vote at the General Meeting and are entitled in terms of section 58 of the Companies Act read with the MOI to appoint a proxy to attend, speak and vote in their stead. The person so appointed need not be a Shareholder.

Certificated Shareholders or Dematerialised Shareholders with “own-name” registration who are unable to attend the General Meeting but wish to be represented thereat must complete the proxy form on page 49 of the Circular.

In order to be effective, duly completed proxy forms should be lodged with or posted to the Transfer Secretaries, Computershare Investor Services Proprietary Limited at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to reach them by no later than the Relevant Time.

Shareholders who have Dematerialised their Shares, other than with "own-name" registration, should contact their CSDP or their Broker:

- to furnish the CSDP or Broker with their voting instructions; or
- in the event that they wish to attend the General Meeting in person or by electronic participation, to obtain the necessary letter of representation to do so.

By order of the Board

Nadine Drutman
Absa Group Secretary
Johannesburg

14 December 2012

IMPORTANT NOTES ABOUT THE GENERAL MEETING

- Date:** Monday, 25 February 2013 at 10:00.
- Venue:** PW Scales Auditorium, Absa Towers, 160 Main Street, Johannesburg.
- Time:** The General Meeting will start promptly at 10:00. Shareholders wishing to attend are advised to be in the auditorium no later than 09:45. Reception staff at the Absa Towers complex will direct Shareholders to the General Meeting venue. Refreshments will be served after the meeting.
- Admission:** Shareholders, representatives of Shareholders and proxies attending the General Meeting are requested to register at the registration desk in the auditorium reception area at the venue. Proof of identity may be required for registration purposes.
- Security:** Secure parking is provided at the venue by prior arrangement. Attendees are requested not to bring cameras, laptop computers or tape recorders. Cellular telephones should be switched off for the duration of the proceedings.

Other important notes

1. General

Shareholders wishing to attend the General Meeting have to ensure beforehand with the Transfer Secretaries that their Shares are in fact registered in their name. Should this not be the case and the Absa Group Shares are registered in any other name or in the name of a nominee company, it is incumbent on Shareholders attending the General Meeting to make the necessary arrangements with that party in whose name the Shares are registered to be able to attend and vote in their personal capacity. The proxy form contains detailed instructions in this regard.

2. Certificated Shareholders and Dematerialised Shareholders with "own-name" registration

If you are the registered holder of certificated Absa Group Shares or hold Dematerialised Shares in your own-name and you are unable to attend the General Meeting but wish to be represented at the General Meeting, you must complete and return the attached form of proxy in accordance with the instructions contained therein so as to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than the Relevant Time.

3. Dematerialised Shareholders

If you are the holder of Dematerialised Shares, other than with "own-name" registration, you must provide your CSDP or Broker with your voting instructions for the General Meeting in terms of the custody agreement entered into with your CSDP or Broker. If, however, you wish to attend the General Meeting in person or by electronic participation, or to be represented thereat, then you must request your CSDP or Broker to provide you with the necessary letter of representation to do so.

4. Proxies

Shareholders must ensure that their proxy forms reach the Transfer Secretaries as indicated in note 2 above by no later than the Relevant Time.

5. Enquiries

Any Shareholder having difficulties or queries with regard to the General Meeting or the above may contact the Absa Group Secretary, Nadine Drutman, on +27 11 350 5347.

6. Results of the General Meeting

The results of the General Meeting will be posted on SENS as soon as practicably possible after the General Meeting.



Absa Group Limited

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(Registration number 1986/003934/06)
ISIN: ZAE000067237 Share code: ASA
("Absa Group" or the "Company")

FORM OF PROXY

NUMBER OF SHARES

Record date: 14 December 2012

All terms defined in the Circular to which this form of proxy is attached shall bear the same meanings herein.

TO BE COMPLETED ONLY BY CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WITH "OWN-NAME" REGISTRATION.

I/We

(name(s) in block letters)

of

(address in block letters)

being a Shareholder of the Company, entitled to vote and holding Shares do hereby appoint,

1. _____ or failing him/her,

2. _____ or failing him/her,

the chairperson of the General Meeting as my/our proxy to attend and speak and vote for me/us and on my/our behalf at the meeting of Shareholders of the Company to be held in the PW Scealess Auditorium, Absa Towers, 160 Main Street, Johannesburg at 10:00 on Monday, 25 February 2013 (or any postponement or adjournment thereof), as follows:

	In favour of	Against	Abstain
<p>1. Ordinary resolution number 1 "Approval of the Proposed Transaction, being the proposed acquisition by the Company of all of the issued share capital of Barclays Africa Limited, which owns or will own the Barclays Africa Portfolio and BARO, from Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited), in consideration for the issue of 129 540 636 Absa Group Shares pursuant to the sale and purchase agreement concluded between Barclays Bank Plc, Barclays Africa Group Holdings Limited and the Company on 6 December 2012, on terms and conditions more fully set out in section 4 of the Circular."</p>			
<p>2. Special resolution number 1 "Subject to and conditional upon the First Closing Conditions being fulfilled and Ordinary Resolution number 1 being approved by the Shareholders, approval for, in terms of section 16 of the Companies Act, the name of the Company to be changed from "Absa Group Limited" to "Barclays Africa Group Limited", with effect from the date set out in the amended registration certificate issued by CIPC as contemplated in section 16(9)(a) of the Companies Act, 71 of 2008."</p>			
<p>3. Special resolution number 2 "Subject to and conditional upon the First Closing Conditions being fulfilled and Ordinary Resolution number 1 being approved by the Shareholders, authority to be granted that the authorised but unissued Shares (other than those specifically identified and authorised for issue in terms of any other authority by Shareholders) are hereby placed under the control of the Directors, subject to any applicable legislation and the Listings Requirements, and the Directors are hereby authorised to allot and issue 129 540 636 Absa Group Shares to Barclays (or its wholly-owned subsidiary Barclays Africa Group Holdings Limited and the Horizon Trust) as consideration payable by the Company to Barclays for the Barclays Africa Limited Shares pursuant to the Proposed Transaction."</p>			
<p>4. Ordinary resolution number 2 "Granting of authority to, the Company Secretary and failing the Company Secretary, any one Director, on behalf of the Company, to do or cause all such things to be done, to sign all such documentation as may be necessary to give effect to and implement all the Resolutions to be considered at the General Meeting at which this Resolution will be proposed and considered."</p>			

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. However, if you wish to cast your votes in respect of a lesser number of Shares than you own, insert the number of Shares held in respect of which you desire to vote.

If no indication is given as to how the proxy should vote, the proxy will be entitled to vote or abstain as he/she deems fit unless the proxy indicates otherwise.

A Shareholder of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company. Meeting participants will be required to provide satisfactory identification before being allowed to participate in the General Meeting.

Signed at	on	2012/2013
Full name(s)		
(in block letters)		
Signature(s)		
Assisted by (guardian)	Date	

If signing in a representative capacity, see note 4 below.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out immediately below:

- An Shareholder entitled to attend and vote at the General Meeting may appoint any individual as a proxy to attend, participate in and vote at the General Meeting in the place of the Shareholder. A proxy need not be a Shareholder of the Company.
- A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the General Meeting.
- A proxy may delegate the proxy's authority to act on behalf of a Shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
- The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a Shareholder.
- The appointment of a proxy is revocable by the Shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
- If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's MOI to be delivered by the Company to the Shareholder, must be delivered by the Company to (a) the Shareholder, or (b) the proxy or proxies, if the Shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.
- Attention is also drawn to the notes to the form of proxy.

Notes to the form of proxy

1. If two or more proxies attend the General Meeting, then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted shall be regarded as the validly appointed proxy.
2. The chairperson of the General Meeting may reject or accept a form of proxy which is completed and/or received other than in accordance with these notes.
3. Any alteration to this proxy form, other than a deletion of alternatives, must be initialled by the signatories.
4. Documentary evidence establishing the authority of a person signing the proxy form in a representative or other legal capacity must be attached to this form, unless previously recorded by the Company or the Transfer Secretaries or waived by the chairperson of the General Meeting.
5. A minor must be assisted by his/her parent or legal guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
6. In order to be effective, proxy forms must be delivered to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001 or be posted to PO Box 61051, Marshalltown, 2107, so as to reach this address by not later than the Relevant Time.
7. The delivery of a duly completed proxy form shall not preclude any Shareholder or his/her duly authorised representative from attending the General Meeting and speaking and voting thereat instead of his/her proxy.
8. Where there are joint holders of Shares:
 - 8.1 any one holder may sign the form of proxy; and
 - 8.2 the vote of the senior Shareholder (for that purpose seniority will be determined by the order in which the names of the Shareholders appear in the Company's Register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Shareholders.
9. Shareholders holding Dematerialised Shares other than with "own-name" registration who wish to attend the General Meeting, in person, via electronic participation or to be represented thereat must contact their CSDP or Broker, who will furnish them with the necessary letter of representation to attend the General Meeting. Alternatively, such Shareholders must instruct their CSDP or Broker as to how they wish to vote in this regard. This has to be done in terms of the agreement entered into between such Shareholders and their CSDP or Broker.



Absa Group Limited

(Incorporated in the Republic of South Africa, to be renamed Barclays Africa Group Limited)
(Registration number 1986/003934/06)
ISIN: ZAE000067237 Share code: ASA
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FORM OF SURRENDER (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

All terms defined in the Circular to which this form of surrender is attached shall bear the same meanings herein.

Please read the following notes and instructions. Non-compliance with these instructions may result in the rejection of this form of surrender ("**form**"). If you are in any doubt as to how to complete this form, please consult your Broker, banker, attorney, accountant or other professional advisor.

Note:

A separate form is required for each Shareholder.

To: Absa Group Limited
c/o The Transfer Secretaries
Computershare Investor Services Proprietary Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61763, Marshalltown, 2107)

PART A – TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS

I/We irrevocably and in *rem suam* authorise you to produce the signature of such documents that may be necessary to complete the replacement of the shares in the new name of Barclays Africa Group Limited.

I/We hereby instruct you to forward the replacement share certificate/s to me/us by registered post in South Africa, at my/our own risk, to the address overleaf and confirm that, where no address is specified, the share certificate(s) will be forwarded to my/our address recorded in the share register of the Company.

My/Our signature(s) on this form constitutes my/our execution of this instruction.

In terms of the provisions set out in paragraph 9 of the Circular to which this form is attached and of which it forms part, I/we surrender and enclose the undermentioned share certificates:

Documents of title surrendered

Certificate number(s)	Number of shares covered by each certificate	
Total		
Title	Stamp and address of agent lodging this form (if any)	
Surname		
First name(s)		
Postal address to which new share certificate should be sent (if different from the address recorded in the register)		
Signature of shareholder		
Assisted by (if applicable)		
(State full name and capacity)		
Date		2013
Telephone (Home) ()		
Telephone (Work) ()		
(Cell)		

PART B – TO BE COMPLETED BY EMIGRANTS FROM AND NON-RESIDENTS OF THE COMMON MONETARY AREA

Nominated authorised dealer in the case of a Shareholder who is an emigrant from or a non-resident of the common monetary area (see note 2 below):

Name of authorised dealer**Account number****Address****Postal code****Notes:**

- No receipts will be issued for share certificates lodged, unless specifically requested. In compliance with the Listings Requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this form.
- Persons whose registered addresses in the share register are outside the common monetary area, or whose Shares are restrictively endorsed, should nominate an authorised dealer in Part B of this form.
- Any alteration to this form must be signed in full and not initialled.
- If this form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this form for noting (unless it has already been noted by the Company or its Transfer Secretaries).
- Where the Shareholder is a company or a close corporation, unless it has already been registered with the Company or its Transfer Secretaries, a certified copy of the directors' or shareholders' resolution authorising the signing of this form must be submitted if so requested by the Company.
- Note 4 does not apply in the event of this form bearing a recognised JSE broker's stamp.
- Where there are joint holders of any Shares in the Company, only that holder whose name stands first in the register in respect of such Shares need sign this form.