

BARCLAYS AFRICA GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1986/003934/06)

ISIN: ZAE000174124

JSE share code: BGA

(Barclays Africa Group)

ABSA BANK LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1986/004794/06)

ISIN: ZAE000079810

JSE share code: ABSP, ABMN

(Absa Bank)

BARCLAYS AFRICA GROUP LIMITED – BASEL III PILLAR 3 DISCLOSURE AS AT 30 SEPTEMBER 2015

The quarterly Pillar 3 disclosure is made in accordance with the requirements of the Banks Act, No. 94 of 1990 (the Banks Act).

1) Capital Adequacy**Barclays Africa Group**

Barclays Africa Group remains capitalised above the regulatory minimum requirements, with Common Equity Tier 1, Tier 1 and Total Capital Adequacy ratios being within our board approved target capital ranges. As at 30 September 2015, Barclays Africa Group's Common Equity Tier 1 ratio was 11.3%, Tier 1 ratio was 11.9% and Total Capital Adequacy ratio was 13.9%.

The table below represents the capital position for Barclays Africa Group at 30 September 2015 and the comparatives at 30 June 2015.

	30-Sep-2015 ⁽¹⁾		30-Jun-2015 ⁽¹⁾	
	Rm	%	Rm	%
Regulatory Capital Position (excluding unappropriated profit):				
Common Equity Tier 1	70 937	10.4%	69 698	10.8%
Share capital and premium	6 124		6 224	
Reserves	68 683		67 086	
Non-controlling interest - ordinary shares	2 237		2 386	
Deductions	(6 107)		(5 998)	
Additional Tier 1 capital	4 191	0.6%	4 265	0.6%
Tier 1 capital	75 128	11.0%	73 963	11.4%
Tier 2 capital	13 223	1.9%	11 226	1.8%
Total capital	88 351	12.9%	85 189	13.2%

Statutory Capital Position (including unappropriated profit):				
Common Equity Tier 1 ⁽²⁾	77 024	11.3%	75 492	11.7%
Tier 1 capital	81 215	11.9%	79 757	12.3%
Total capital	94 438	13.9%	90 983	14.1%

Board Approved Target Ranges⁽³⁾:				
Common Equity Tier 1		9.5% - 11.5%		9.5% - 11.5%
Tier 1 capital		10.5% - 12.5%		10.5% - 12.5%
Total capital		12.5% - 14.5%		12.5% - 14.5%

	30-Sep-2015 ⁽¹⁾			
	RWA	Minimum Required Capital		
		Per risk type	Pillar 1	Pillar 2a
		8%	2%	10%
	Rm	Rm	Rm	Rm
Credit risk	504 121	40 330	10 082	50 412
Counterparty credit risk	19 721	1 578	394	1 972
Equity investment risk	10 664	853	213	1 066
Market risk	27 387	2 191	548	2 739
Operational risk	95 883	7 670	1 918	9 588
Non-customer assets	23 118	1 850	462	2 312
Total RWA and Minimum Required Capital	680 894	54 472	13 617	68 089

	30-Jun-2015 ⁽¹⁾			
	RWA	Minimum Required Capital		
		Per risk type	Pillar 1	Pillar 2a
		8%	2%	10%
	Rm	Rm	Rm	Rm
RWA and Minimum Required Capital per Risk Type⁽⁴⁾:				
Credit risk	478 529	38 282	9 571	47 853
Counterparty credit risk	15 878	1 270	318	1 588
Equity investment risk	10 303	824	206	1 030
Market risk	23 395	1 872	468	2 340
Operational risk	95 883	7 671	1 917	9 588
Non-customer assets	23 484	1 879	469	2 348
Total RWA and Minimum Required Capital	647 472	51 798	12 949	64 747

Absa Bank

Absa Bank remains capitalised above the regulatory minimum requirements, with Common Equity Tier 1, Tier 1 and Total Capital Adequacy ratios being within our board approved target capital ranges. As at 30 September 2015, Absa Bank's Common Equity Tier 1 ratio was 9.5%, Tier 1 ratio was 10.2% and Total Capital Adequacy ratio was 12.8%.

The table below represents the capital position for Absa Bank at 30 September 2015 and comparatives at 30 June 2015.

Regulatory Capital Position (excluding unappropriated profit):	30-Sep-2015 ⁽¹⁾		30-Jun-2015 ⁽¹⁾	
	Rm	%	Rm	%
Common Equity Tier 1	46 391	9.4%	41 643	8.8%
Share capital and premium	21 759		16 768	
Reserves	29 149		29 151	
Deductions	(4 517)		(4 276)	
Additional Tier 1 capital	3 251	0.7%	3 251	0.7%
Tier 1 capital	49 642	10.1%	44 894	9.5%
Tier 2 capital	12 694	2.6%	10 738	2.3%
Total capital	62 336	12.7%	55 632	11.8%

Statutory Capital Position (including unappropriated profit):				
Common Equity Tier 1 ⁽²⁾	46 877	9.5%	47 278	10.0%
Tier 1 capital	50 128	10.2%	50 529	10.7%
Total capital	62 822	12.8%	61 267	13.0%

Board Approved Target Ranges ⁽³⁾ :		
Common Equity Tier 1	9.0% - 10.5%	9.0% - 10.5%
Tier 1 capital	10.0% - 11.5%	10.0% - 11.5%
Total capital	12.0% - 13.5%	12.0% - 13.5%

Risk Weighted Assets (RWA) and Minimum Required Capital per Risk Type: ⁽⁴⁾	30-Sep-2015 ⁽¹⁾			
	RWA	Minimum Required Capital		
	Per risk type	Pillar 1	Pillar 2a	Total
	Rm	8%	2%	10%
	Rm	Rm	Rm	Rm
Credit risk	360 204	28 816	7 204	36 020
Counterparty credit risk	19 275	1 542	386	1 928
Equity investment risk	6 475	518	130	648
Market risk	22 692	1 816	453	2 269
Operational risk	68 904	5 512	1 378	6 890
Non-customer assets	14 489	1 159	290	1 449
Total RWA and Minimum Required Capital	492 039	39 363	9 841	49 204

RWA and Minimum Required Capital per Risk Type ⁽⁴⁾ :	30-Jun-2015 ⁽¹⁾			
	RWA	Minimum required Capital		
	Per risk type	Pillar 1	Pillar 2a	Total
	Rm	8%	2%	10%
	Rm	Rm	Rm	Rm
Credit risk	347 632	27 811	6 953	34 764
Counterparty credit risk	15 543	1 243	311	1 554
Equity investment risk	6 593	527	132	659
Market risk	19 476	1 558	390	1 948
Operational risk	68 904	5 513	1 377	6 890
Non-customer assets	14 450	1 156	289	1 445
Total RWA and Minimum Required Capital	472 598	37 808	9 452	47 260

2) Leverage ratio

The leverage ratio framework is complementary to the risk-based capital framework and is a non-risk based contingency measure to restrict the build-up of excessive leverage in the banking sector.

Barclays Africa Group

	30-Sep-2015 ⁽¹⁾	30-Jun-2015 ⁽¹⁾
Tier 1 Capital (excluding unappropriated profit) (Rm)	75 128	73 963
Tier 1 Capital (including unappropriated profit) (Rm)	81 215	79 757
Total Exposures (Rm)	1 299 199	1 206 720
Leverage Ratio (excluding unappropriated profit)	5.8%	6.1%
Leverage Ratio (including unappropriated profit)	6.3%	6.6%
Minimum Required Leverage Ratio	4.0%	4.0%

Absa Bank

	30-Sep-2015 ⁽¹⁾	30-Jun-2015 ⁽¹⁾
Tier 1 Capital (excluding unappropriated profit) (Rm)	49 642	44 894
Tier 1 Capital (including unappropriated profit) (Rm)	50 128	50 529
Total Exposures (Rm)	1 076 017	1 031 963
Leverage Ratio (excluding unappropriated profit)	4.6%	4.4%
Leverage Ratio (including unappropriated profit)	4.7%	4.9%
Minimum Required Leverage Ratio	4.0%	4.0%

3) Liquidity Coverage Ratio

The objective of the liquidity coverage ratio is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient high quality liquid assets to survive a significant stress scenario lasting 30 calendar days. The liquidity coverage ratio requirement, from 1 January 2015, is 60% and will increase by 10% per year to 100% on 1 January 2019.

The liquidity coverage ratio is calculated as high quality liquid assets divided by total net cash outflows. High quality liquid assets are assets that can be easily and immediately converted into cash. Net cash outflows are calculated according to the scenario parameters outlined by regulations.

Barclays Africa Group

Barclays Africa Group held high quality liquid assets in excess of the regulatory minimum requirement. The table below represents the average liquidity coverage ratio for Barclays Africa Group⁽⁶⁾ at 30 September 2015 and the comparatives at 30 June 2015⁽⁵⁾:

	30-Sep-2015 ⁽¹⁾	30-Jun-2015 ⁽¹⁾
High Quality Liquid Assets (Rm)	115 338	115 431
Net Cash Outflows (Rm)	152 602	146 226
Liquidity Coverage Ratio	75.6%	78.9%
Required Liquidity Coverage Ratio	60.0%	60.0%

Absa Bank

Absa Bank held high quality liquid assets in excess of the regulatory minimum requirement. The table below represents the average liquidity coverage ratio for Absa Bank at 30 September 2015 and the comparatives at 30 June 2015⁽⁵⁾.

	30-Sep-2015 ⁽¹⁾	30-Jun-2015 ⁽¹⁾
High Quality Liquid Assets (Rm)	98 348	97 476
Net Cash Outflows (Rm)	137 660	128 849
Liquidity Coverage Ratio	71.4%	75.7%
Required Liquidity Coverage Ratio	60.0%	60.0%

Notes:

1. The 30 September 2015 figures and 30 June 2015 comparatives have not been audited.
2. Common Equity Tier 1 as at 30 September 2015 is post the 2015 interim dividend declared in July 2015.
3. Board approved target ranges include unappropriated profit.
4. The regulatory minimum Common Equity Tier 1 requirement as at 30 September 2015 was 6.5% (30 June 2015: 6.5%).
5. The values disclosed represent the simple average of the relevant 3 month-end data points.
6. Only banking and/or deposit taking entities are included and the group data represents an aggregation of the relevant individual net cash outflows and High Quality Liquid Asset portfolios.

Johannesburg
30 November 2015

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