

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" or the "Group")

REFERENCE TO BARCLAYS PLC QUARTER 1 2016 RESULTS ANNOUNCEMENT

Barclays Africa Group shareholders are advised that Barclays PLC released its first quarter 2016 results yesterday, a public holiday in South Africa.

Barclays PLC disclosed pound sterling results for an African Banking segment, which includes Barclays Africa Group and various cost overlays, consolidation and other adjustments. Barclays PLC provided a view of the performance for the three months ended 31 March 2016, which maintained a number of operating trends that Barclays Africa Group showed in 2015.

Our revenue momentum continued to improve and growth in the rest of Africa remained well above South Africa. Net interest income growth reflected a wider margin and high single digit loan growth, while the weaker rand remained a noticeable feature during the quarter. Our net interest margin increased due to higher interest rates in several markets, including South Africa. Corporate and Investment Bank (CIB) loan growth continued to exceed Retail and Business Banking (RBB). Revenue growth remains solid in target areas, including Retail Banking South Africa, Markets in the rest of Africa, Corporate, Card acquiring and Wealth, Investment Management and Insurance, particularly outside South Africa.

Pre-provision profit growth remained robust, as our revenue growth exceeded the growth in operating expenses, which continue to be well managed. This further improved our cost to income ratio.

Although our non-performing loans were flat year to date, our credit loss ratio increased noticeably, due to higher portfolio provisions and increased impairments in the rest of Africa, CIB and Business Banking South Africa. Consequently, our first quarter return on equity was marginally below a high base in the first quarter 2015.

Despite further reducing our economic growth expectations for South Africa and our other markets, we reiterate our 2016 guidance. We continue to expect low single digit loan growth, with rest of Africa growing faster than South Africa. Our net interest margin should decline slightly, as a higher proportion of CIB lending, a reduced contribution from our structural hedging programme and the introduction of lower National Credit Act caps in May, should offset the endowment benefit of higher interest rates. Our credit loss ratio is expected to increase, as arrears are rising and we believe NPLs have bottomed. However, continued focus on growing revenue and managing costs should improve our cost to income ratio further, and our return on equity is likely to be similar to 2015's.

The financial information on which this trading update is based has not been reviewed or reported on by the Group's auditors.

Barclays PLC's results announcement also contained the following statement regarding its proposed sell down of its shareholding in Barclays Africa Group Limited:

"On Africa, we continue to explore opportunities to reduce our shareholding to a level that achieves regulatory deconsolidation, including capital market and strategic options, and we are pleased with the level of indicative interest in what is a high quality business. Barclays Africa is an important partner, and we are working closely with local management, including on the planning for the operational separation of the two businesses, in a way that will preserve value for shareholders in both Groups."

Johannesburg
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Independent lead sponsor to Barclays Africa Group:
J.P. Morgan Equities South Africa Proprietary Limited

Joint sponsor to Barclays Africa Group:
Corporate and Investment Banking, a division of Absa Bank Limited