

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
(Absa Bank)

BARCLAYS AFRICA GROUP LIMITED – BASEL III PILLAR 3 DISCLOSURE AS AT 30 SEPTEMBER 2016

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 Limited**

Barclays Africa Group Limited remains capitalised above the minimum regulatory capital requirements, with Tier 1 and Total Capital Adequacy ratios being within our board approved target capital ranges and Common Equity Tier 1 above the board approved target capital ranges. As at 30 September 2016, Barclays Africa Group Limited's Common Equity Tier 1 ratio was 11.7%, Tier 1 ratio was 12.3% and Total Capital Adequacy ratio was 14.4%.

The table below represents the capital position for Barclays Africa Group Limited at 30 September 2016 and the comparatives at 30 June 2016.

	30 Sep 2016 ⁽¹⁾		30 Jun 2016 ⁽¹⁾	
	Rm	%	Rm	%
Regulatory Capital Position (excluding unappropriated profit)				
Common Equity Tier 1 capital	78 553	11.1%	79 249	11.3%
Share capital and premium	6 084		6 106	
Reserves	75 207		75 621	
Non-controlling interest - ordinary shares	2 163		2 219	
Deductions	(4 901)		(4 697)	
Additional Tier 1 capital	3 657	0.5%	3 713	0.6%
Tier 1 capital	82 210	11.6%	82 962	11.9%
Tier 2 capital	15 123	2.2%	13 645	1.9%
Total capital	97 333	13.8%	96 607	13.8%
Statutory Capital Position (including unappropriated profit)				
Common Equity Tier 1 capital	82 873	11.7%	84 377	12.1%
Tier 1 capital	86 529	12.3%	88 090	12.6%
Total capital	101 652	14.4%	101 735	14.6%
Board Approved Target Ranges⁽²⁾				
Common Equity Tier 1 capital	9.5% - 11.5%		9.5% - 11.5%	
Tier 1 capital	10.5% - 12.5%		10.5% - 12.5%	
Total capital	13.0% - 15.0%		13.0% - 15.0%	

	30 Sep 2016 ⁽¹⁾		30 Jun 2016 ⁽¹⁾	
	RWA Rm	Minimum required capital ⁽³⁾ Rm	RWA Rm	Minimum required capital ⁽³⁾ Rm
Risk Weighted Assets (RWA) and Minimum Required Capital per Risk Type				
Credit risk	500 900	51 969	506 576	52 558
Counterparty credit risk	33 334	3 459	26 773	2 778
Equity investment risk	9 620	998	10 611	1 101
Market risk	31 001	3 216	25 160	2 610
Operational risk	100 310	10 407	100 310	10 407
Non-customer assets	30 577	3 172	29 255	3 035
Total RWA and minimum required capital	705 742	73 221	698 685	72 489

Absa Bank Limited⁽⁴⁾

Absa Bank Limited remains capitalised above the minimum regulatory capital requirements and above our board approved target capital ranges. As at 30 September 2016, Absa Bank Limited's Common Equity Tier 1 ratio was 11.0%, Tier 1 ratio was 11.6% and Total Capital Adequacy ratio was 14.4%.

The table below represents the capital position for Absa Bank Limited at 30 September 2016 and comparatives at 30 June 2016.

	30 Sep 2016 ⁽¹⁾		30 Jun 2016 ⁽¹⁾	
	Rm	%	Rm	%
Regulatory Capital Position (excluding unappropriated profit)				
Common Equity Tier 1 capital	51 429	10.1%	50 908	10.1%
Share capital and premium	23 354		23 268	
Reserves	32 613		31 791	
Deductions	(4 538)		(4 151)	
Additional Tier 1 capital	2 768	0.5%	2 768	0.6%
Tier 1 capital	54 197	10.6%	53 676	10.7%
Tier 2 capital	14 539	2.8%	12 913	2.6%
Total capital	68 736	13.4%	66 589	13.3%
Statutory Capital Position (including unappropriated profit)				
Common Equity Tier 1 capital	56 506	11.0%	54 410	10.8%
Tier 1 capital	59 274	11.6%	57 178	11.4%
Total capital	73 813	14.4%	70 091	14.0%
Board Approved Target Ranges ⁽²⁾				
Common Equity Tier 1 capital	9.0% - 10.5%		9.0% - 10.5%	
Tier 1 capital	10.0% - 11.5%		10.0% - 11.5%	
Total capital	12.5% - 14.0%		12.5% - 14.0%	

	30 Sep 2016 ⁽¹⁾		30 Jun 2016 ⁽¹⁾	
	RWA	Minimum required capital ⁽³⁾	RWA	Minimum required capital ⁽³⁾
	Rm	Rm	Rm	Rm
Risk Weighted Assets (RWA) and Minimum Required Capital per Risk Type				
Credit risk	364 073	37 773	364 121	37 777
Counterparty credit risk	32 726	3 395	26 600	2 760
Equity investment risk	2 624	272	3 146	326
Market risk	24 235	2 514	20 950	2 174
Operational risk	69 859	7 248	69 859	7 248
Non-customer assets	18 173	1 886	17 164	1 781
Total RWA and minimum required capital	511 690	53 088	501 840	52 066

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.

The table below represents the leverage ratios for Barclays Africa Group Limited at 30 September 2016 and the comparatives at 30 June 2016.

Barclays Africa Group Limited

	30 Sep 2016 ⁽¹⁾	30 Jun 2016 ⁽¹⁾
Tier 1 Capital (excluding unappropriated profit) (Rm)	82 210	82 962
Tier 1 Capital (including unappropriated profit) (Rm)	86 529	88 090
Total Exposures (Rm)	1 255 335	1 336 240
Leverage Ratio (excluding unappropriated profit)	6.5%	6.2%
Leverage Ratio (including unappropriated profit)	6.9%	6.6%
Minimum Required Leverage Ratio	4.0%	4.0%
Board Target Leverage Ratio	≥4.5%	≥4.5%

The table below represents the leverage ratios for Absa Bank Limited at 30 September 2016 and the comparatives at 30 June 2016.

Absa Bank Limited⁽⁴⁾

	30 Sep 2016 ⁽¹⁾	30 Jun 2016 ⁽¹⁾
Tier 1 Capital (excluding unappropriated profit) (Rm)	54 197	53 676
Tier 1 Capital (including unappropriated profit) (Rm)	59 274	57 178
Total Exposures (Rm)	1 083 526	1 148 984
Leverage Ratio (excluding unappropriated profit)	5.0%	4.7%
Leverage Ratio (including unappropriated profit)	5.5%	5.0%
Minimum Required Leverage Ratio	4.0%	4.0%
Board Target Leverage Ratio	≥4.5%	≥4.5%

3) Liquidity Coverage Ratio

The objective of the liquidity coverage ratio (LCR) is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient high quality liquid assets (HQLA) to survive a significant stress scenario lasting 30 calendar days. The LCR requirement, from 1 January 2015, was 60% and will increase by 10% per year to 100% on 1 January 2019. The requirement for 2016 is 70%.

The LCR is calculated as the value of HQLA divided by total net cash outflows. HQLA represents the value of assets that can be easily and immediately converted into cash. Net cash outflows are calculated according to regulations.

Absa Bank Limited successfully applied for a committed liquidity facility from the South African Reserve Bank under guidance note 8 of 2014 and 5 of 2015, which is included in HQLA for LCR purposes from January 2016.

Barclays Africa Group Limited

Barclays Africa Group Limited holds HQLA in excess of the regulatory minimum requirement. The table below represents the average LCR for Barclays Africa Group Limited⁽⁵⁾ at 30 September 2016 and the comparatives at 30 June 2016⁽⁶⁾:

	30 Sep 2016 ⁽¹⁾	30 Jun 2016 ⁽¹⁾
High Quality Liquid Assets (Rm)	130 326	129 086
Net Cash Outflows (Rm)	150 251	154 656
Liquidity Coverage Ratio	86.7%	83.5%
Required Liquidity Coverage Ratio	70.0%	70.0%

Absa Bank Solo⁽⁷⁾

Absa Bank Solo holds HQLA in excess of the regulatory minimum requirement. The table below represents the average LCR for Absa Bank Solo at 30 September 2016 and the comparatives at 30 June 2016⁽⁶⁾:

	30 Sep 2016 ⁽¹⁾	30 Jun 2016 ⁽¹⁾
High Quality Liquid Assets (Rm)	121 589	118 301
Net Cash Outflows (Rm)	135 614	140 871
Liquidity Coverage Ratio	89.7%	84.0%
Required Liquidity Coverage Ratio	70.0%	70.0%

Notes:

1. The 30 September 2016 figures and 30 June 2016 comparatives are unaudited.
2. Board approved target ranges include unappropriated profit.
3. The 2016 minimum regulatory capital requirements of 10.375% include the RSA minimum of 8%, Pillar 2a of 1.75% and capital conservation buffer of 0.625% but exclude the bank-specific individual capital requirement (Pillar 2b add-on) and the domestic systemically important banks (D-SIB) add-on.
4. Absa Bank Limited includes subsidiary undertakings, special purpose entities, joint ventures, associates and offshore holdings.
5. The LCR of Barclays Africa Group Limited represents an aggregation of the relevant individual net cash outflows and HQLA portfolios of only the banking and/or deposit taking entities. HQLA holdings in excess of the minimum requirement have been excluded from the aggregated HQLA number for all non-South African banking entities.
6. The values disclosed represent the simple average of the relevant 3 month-end data points.
7. Absa Bank Solo includes the South African banking operations.

Johannesburg
28 November 2016

Enquiries:

Alan Hartdegen
(+2711) 350-2598
E-mail: Alan.Hartdegen@barclaysafrica.com

Lead Independent Sponsor:

J.P. Morgan Equities South Africa Proprietary Limited

Joint Sponsor:

Corporate and Investment Bank – a division of Absa Bank Limited