

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 3 2016 RESULTS ANNOUNCEMENT

Shareholders are advised that Barclays PLC released its third quarter 2016 results today.

Their announcement included abridged pound sterling results for the Africa Banking segment disclosed under Discontinued Operations, which reflects Barclays PLC's stake in Barclays Africa Group. While Africa Banking is impacted by various cost overlays, consolidation and other adjustments, including increased minority interests following Barclays PLC's reduced shareholding, it still provides some indication of Barclays Africa Group's performance for the period ended 30 September 2016.

Our revenue growth slowed slightly in the third quarter, reflecting low economic growth and regulatory changes. While our net interest margin widened year on year, it declined slightly from the first half largely due to the impact of National Credit Act lending caps in South Africa. Loan growth slowed slightly from the first half, given flat retail lending in South Africa, while Corporate and Investment Bank (CIB) loan growth remains strong. Deposit growth in South Africa was modest despite solid retail growth, as CIB deposits declined. Within non-interest revenue, trading growth remains strong, although the fourth quarter of 2015 presents a relatively high base. Our revenue growth in the rest of Africa continues to exceed South Africa's, despite Wealth, Investment Management and Insurance experiencing a drag from its operations outside South Africa.

Our pre-provision profit growth remained robust, as revenue growth exceeded the growth in operating expenses, despite costs incurred in planning for the separation of the Group from Barclays PLC. Overall costs continue to be well managed. Our credit loss ratio improved noticeably from the first half, reflecting the usual seasonality in our retail books in South Africa and a substantial decline in CIB's charge.

In the first nine months of the year our return on equity declined slightly, as a result of higher credit impairments. We continue to expect low to mid-single digit loan growth. Our net interest margin should increase, although the recent implementation of interest rate caps and floors in Kenya will impact our margin in the fourth quarter. Revenue momentum in Retail and Business Banking South Africa is slowing in the second half. However, our revenue growth should exceed the growth in our operating costs. Our credit loss ratio is expected to exceed our through-the-cycle level slightly, given CIB's substantial first half charge. Consequently, the Group's return on equity is likely to be lower than last year's 17.0%.

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

“On 5 May 2016, Barclays executed the first tranche of the sell down of the Group’s interest in BAGL with the sale of 12.2% of BAGL’s issued share capital. Following completion of this first tranche, Barclays’ holding represents 50.1% of BAGL’s issued share capital. Barclays continues to explore opportunities to reduce its shareholding to a level that would permit regulatory deconsolidation. Barclays also continues to work closely with BAGL management on arrangements for operational separation of the two businesses, including the terms of transitional services arrangements and related separation payments.”

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

Johannesburg
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Enquiries:
Alan Hartdegen
Head: Investor Relations
Alan.Hartdegen@barclaysafrica.com
Tel: +27 (0)11 350 2598

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

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