

BARCLAYS AFRICA GROUP LIMITED

Incorporated in the Republic of South Africa

Registration number: 1986/003934/06

ISIN: ZAE000174124

JSE share code: BGA

("Barclays Africa")

ABSA BANK LIMITED

Incorporated in the Republic of South Africa

Registration number: 1986/004794/06

ISIN: ZAE000079810

JSE share code: ABSP

("Absa Bank")

PLACING BY BARCLAYS PLC OF APPROXIMATELY 286 MILLION (33.7%) ORDINARY SHARES IN BARCLAYS AFRICA AND SECTION 122 NOTICE

Barclays Africa shareholders are referred to the announcement released by Barclays PLC in relation to the results of the placing of approximately 286 million ordinary shares in Barclays Africa. The Barclays PLC RNS announcement is set out below:

"PLACING OF 286 MILLION ORDINARY SHARES IN BARCLAYS AFRICA GROUP LIMITED ("BAGL")

Further to the announcement released on 31 May 2017, due to strong investor demand, Barclays has decided to increase the size of the placing (the "Placing"). Accordingly, pursuant to the Placing, Barclays has agreed to sell 285,691,979 ordinary shares (note 2) in the capital of BAGL (the "Placing Shares") (representing 33.7% of BAGL's issued share capital) at a price of ZAR 132.0 per share, raising aggregate gross sale proceeds of approximately ZAR 37,711 million (£2,224 million - note 1). The Placing is expected to result in a pro forma increase of approximately 27 basis points to the Group's 31 March 2017 CET1 ratio, from 12.5%.

Following completion of the Placing, the Barclays group (the "Group") will hold 139 million ordinary shares in BAGL (16.4% of BAGL's issued share capital), of which 12.7 million ordinary shares will be contributed to a black economic empowerment scheme in due course, leaving a residual holding of approximately 15%. The Placing results in accounting deconsolidation of BAGL from the Group. It is estimated that, when full regulatory deconsolidation of BAGL from the Group is achieved, this will result in 73bps accretion to the Group's CET1 ratio, including the increase resulting from the Placing.

Separation contributions equal to £0.8 billion, including the contribution to a black economic empowerment scheme, will be made following execution of the separation agreements and completion of the Placing. As a result of the Placing and related separation arrangements, the Group's tangible net asset value would have increased by £0.2 billion pro-forma as at 31 March 2017.

Completion of the Placing and the associated accounting deconsolidation would result in an estimated loss of £1.2 billion, calculated pro forma on the 31 March 2017 financial statements (largely due to a loss of

approximately £1.2 billion as a result of the recycling of currency translation reserve to the income statement, owing to the weakening of the Rand since initial consolidation of BAGL in 2005; the recycling of currency translation reserve will have no effect on the Group's net asset value or CET1 ratio). The actual loss will be recognised in the income statement in Barclays Q2 2017 financial statements, presented within discontinued operations.

Barclays Bank PLC, acting through its investment bank ("Barclays Investment Bank") is acting as lead global coordinator (the "Lead Global Co-ordinator"). Citigroup Global Markets Limited, Deutsche Bank AG, London branch, and UBS Limited are acting as co-global coordinators (the "Co-Global Co-ordinators") and J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) and Morgan Stanley & Co. International plc are acting as joint bookrunners (together with the Lead Global Co-ordinator and the Co-Global Co-ordinators, the "Joint Bookrunners"). BNP Paribas and Société Générale Corporate & Investment Banking are acting as co-bookrunners (the "Co-Bookrunners" and, together with the Joint Bookrunners, the "Banks").

All of the remaining ordinary shares in BAGL held by Barclays PLC or its subsidiaries (excluding the 1.5% which Barclays has agreed to contribute towards the establishment of a black economic empowerment scheme and any shares held by BAGL and its subsidiaries) not sold in the Placing are now subject to a lock-up restriction, which applies until 90 days after settlement. During this period, the lock-up restriction may be waived with the consent of the Co-Global Co-ordinators (such consent not to be unreasonably withheld or delayed).

The proceeds of the Placing are payable in cash on usual South African settlement terms, and settlement of the Placing is expected to occur on a T+3 basis on 6 June 2017, subject to the satisfaction or waiver of certain customary conditions. As previously announced, the Public Investment Corporation SOC Limited ("PIC") has agreed to be an anchor investor in the Placing, however it requires certain regulatory approvals before it can take up its allocation of the Placing Shares. Delivery in respect of the Placing Shares to be taken up by PIC is expected to occur at a later date following receipt of the necessary regulatory approvals.

The net proceeds of the Placing will be used for general corporate purposes of the Group.

1 Exchange rate ZAR:GBP 16.953 as of 31 May 2017 (source: Bloomberg)

2 The 286 million Placing Shares figure includes the shares to be taken up by the Public Investment Corporation SOC Limited, subject to required regulatory approvals"

SECTION 122 NOTICE

Pursuant to the above and in accordance with section 122 (3)(b) of the Companies Act, No. 71 of 2008 (the Companies Act) and section 3.83(b) of the Listings Requirements of the JSE Limited, Barclays Africa shareholders are advised that Barclays Africa has received formal notification from Barclays PLC that its total interest in Barclays Africa has been reduced from 50.1% to 23.4%, with a further 7% to be taken up by the PIC at a later date, following receipt of the necessary regulatory approvals.

As required in terms of Section 122 of the Companies Act, the required notice will be filed with the Takeover Regulation Panel.

Johannesburg
1 June 2017

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Independent lead sponsor to Barclays Africa:

J.P. Morgan Equities South Africa Proprietary Limited

Joint sponsor to Barclays Africa:

Corporate and Investment Bank, a division of Absa Bank