

BARCLAYS AFRICA GROUP LIMITED

(Incorporated with limited liability in South Africa under registration number 1986/003934/06)

Bond Issuer Code: BAGL

("Barclays Africa Group" or "BAGL")

ABSA BANK LIMITED

(Incorporated with limited liability in South Africa under registration number 1986/004794/06)

Bond Issuer Code: BIABS

("Absa Bank")

BARCLAYS AFRICA GROUP LIMITED AND ABSA BANK LIMITED: CREDIT RATING ACTION BY STANDARD & POOR'S RATINGS SERVICES

Notice is hereby given in terms of the Debt Listings Requirements of the JSE Limited that Standard and Poor's (S&P) has on 5 April 2017 downgraded the ratings of seven South African financial institutions following similar action on the South African Sovereign, which was downgraded on 3 April 2017.

S&P do not rate financial institutions above the foreign currency rating of the sovereign, and accordingly lowered the national scale ratings on Absa Bank and Barclays Africa Group as part of this ratings action. BAGL's national scale rating was lowered to 'zaBB+/zaB' from 'zaA/zaA-2', while Absa Bank's national scale rating was lowered to 'zaA' from 'zaAA-'.

S&P pointed out that South African banks remain resilient despite South Africa's economic obstacles. "The sector's average return on assets improved to 1.3% in 2016 from 1.1% the previous year, while total capital adequacy increased to 15.7% from 14.2%".

Furthermore, S&P stated that "Outside a sovereign action, we see positive or negative rating actions on these four banks as a remote possibility in the next 12 months, unless there is significant deterioration of the economy, due for example to weaker investor confidence."

BAGL has a balance sheet in excess of R1 trillion which is diversified by business and geography. BAGL remains well capitalised in light of its strategy, risk appetite, risk profile, business activities and the macroeconomic environment in which it operates. BAGL's Common Equity Tier 1 (CET1) capital position as at 31 December 2016 remained strong at 12.1% - above the board target range of 9.5% to 11.5% and well above the regulatory minimum of 6.9%.

A sovereign ratings downgrade has been anticipated for some time, and steps have been taken by BAGL in order to ensure that it is prepared for such an event.

BAGL has increased its capital base from R88bn at the end of 2013 to R105bn by the end of 2016. Equally, BAGL increased its liquidity sources from R154bn at the end of 2013 to R239bn at the end of 2016.

Stress testing is also regularly conducted to ensure that our capital and liquidity positions remain robust subsequent to a stress event such as a sovereign ratings downgrade.

Further details are available on S&P's website or press release "Ratings On Seven South African Financial Institutions Lowered Following Similar Action On Sovereign".

Johannesburg

6 April 2017

Debt sponsor to Barclays Africa Group and Absa Bank Limited:

Corporate and Investment Bank, a division of Absa Bank Limited



Member of



Authorised Financial Services and Credit Provider.