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 FIRST QUARTER 2017 RESULTS ANNOUNCEMENT

Shareholders are advised that Barclays PLC ("PLC") released its first quarter 2017 results today.

Their announcement included abridged pound sterling results for an Africa Banking segment, disclosed as discontinued operations, which reflects Barclays PLC's stake in Barclays Africa Group. The reporting of Africa Banking within the PLC accounts is impacted by various cost and other overlays, consolidation and other adjustments, including increased minority interests following PLC's reduced shareholding in the second quarter of 2016. Of particular note, in Africa Banking's operating expenses in the first quarter of this year, PLC included an £884m impairment of its holding in the Group, allocated to goodwill, largely due to the decline in Barclays Africa Group's share price from 31 December 2016 to 31 March 2017.

Many of our second half 2016 trends were again evident in the first quarter. Revenue growth slowed, reflecting ongoing economic weakness. The rand was stronger for the first quarter, resulting in a 4% drag on our year-on-year revenue growth. As guided, our net interest margin declined year on year, due to the impact of reduced National Credit Act lending caps in South Africa, regulatory changes in Kenya and a higher proportion of Corporate and Investment Bank (CIB) lending. Overall balance sheet growth remains moderate, with CIB still growing faster than Retail and Business Banking (RBB) lending. Within non-interest revenue in South Africa, retail net fee and commission income growth remained low, while CIB's growth was strong. Costs remain well managed, although pre-provision profit declined slightly. Credit impairments decreased noticeably year on year, particularly in rest of Africa banking and CIB in South Africa. Consequently, our return on equity improved somewhat year on year. CIB in South Africa and rest of Africa banking continued to drive group earnings growth, while RBB in South Africa and Wealth, Investment Management and Insurance declined.

Our guidance for 2017 is unchanged. We continue to expect low to mid-single digit loan growth, with CIB growing faster than RBB and South Africa lagging the rest of Africa's growth in constant currency. Our net interest margin is expected to decline slightly. Slower revenue growth is likely to produce negative Jaws in the near term, despite continued cost containment. We expect regulatory pressures and the strong rand to dampen growth in the first half. Our credit loss ratio should improve, in part due to the large single name provision in the base. Our Common Equity Tier 1 ratio is likely to remain above board targets and our return on equity should be broadly similar to 2016's.

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

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