

Joint Statement

Minister of Finance and Governor of the Reserve Bank

Barclays PLC has announced its intention to reduce its 62.3 per cent shareholding in Barclays Africa Group Limited (BAGL) over the coming two to three years. The shareholding will be reduced to a level which will permit the deconsolidation of BAGL for accounting and regulatory purposes, i.e. less than 20 per cent. This is subject to relevant shareholder and regulatory approvals in each jurisdiction. Barclays PLC will remain a major shareholder in BAGL.

Barclays PLC noted that the key driver of the decision was global regulatory pressures. The return on equity at group level is significantly reduced because of the additional capital and other regulatory requirements a large global bank such as Barclays needs to meet, e.g. the globally systemically important bank (G-SIB) buffer, the minimum requirement for own funds and eligible liabilities (MREL) and total loss absorbing capital (TLAC) requirements and the UK Bank Levy.

Barclays PLC, in particular the CEO, has been in regular contact with both the National Treasury and the South Africa Reserve Bank (SARB) and we would like to thank Barclays PLC for the constructive and open dialogue, and to the commitment to implementing the new strategy in such a way that minimises the impact on the economies in which BAGL operates.

SARB will work with Barclays PLC and BAGL to ensure that any potential risks from the transaction are mitigated and appropriate measures will be taken to manage capital flows arising from the transaction.

The Minister and Governor support the G-20's commitment at the G-20 summit in Shanghai last week to address any material unintended consequences for emerging market and developing countries of the global financial regulatory reform agenda.

South Africa supports the overall direction of financial reforms, and will work with G-20 countries to ensure that unintended consequences are reduced.

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