



Barclays Africa Group Limited

FY14 results presentation

3 March 2015



Strategic update

Maria Ramos





Financial review

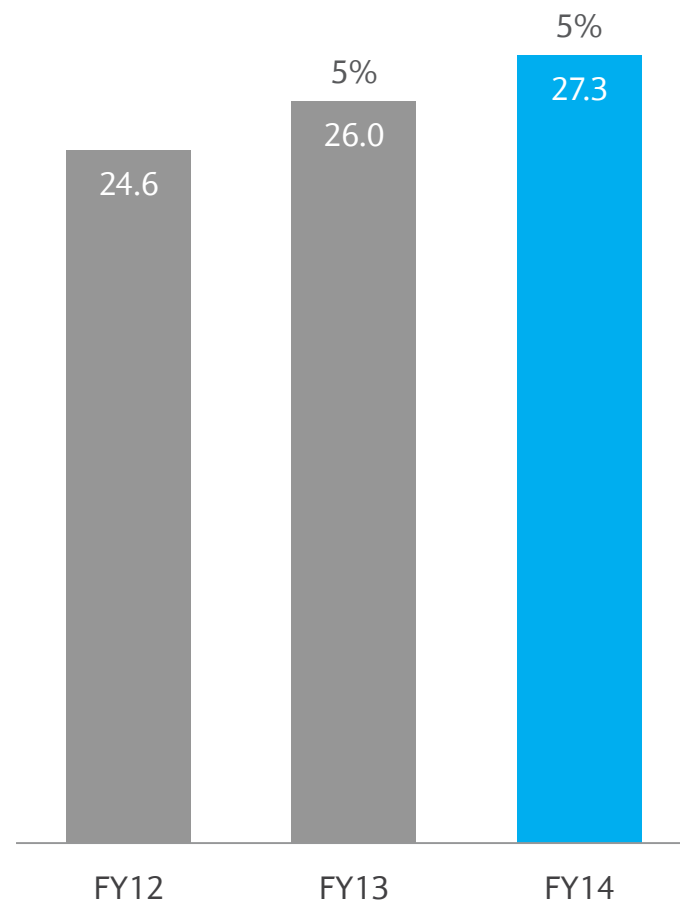
David Hodnett



Pre-provision profit drove earnings growth

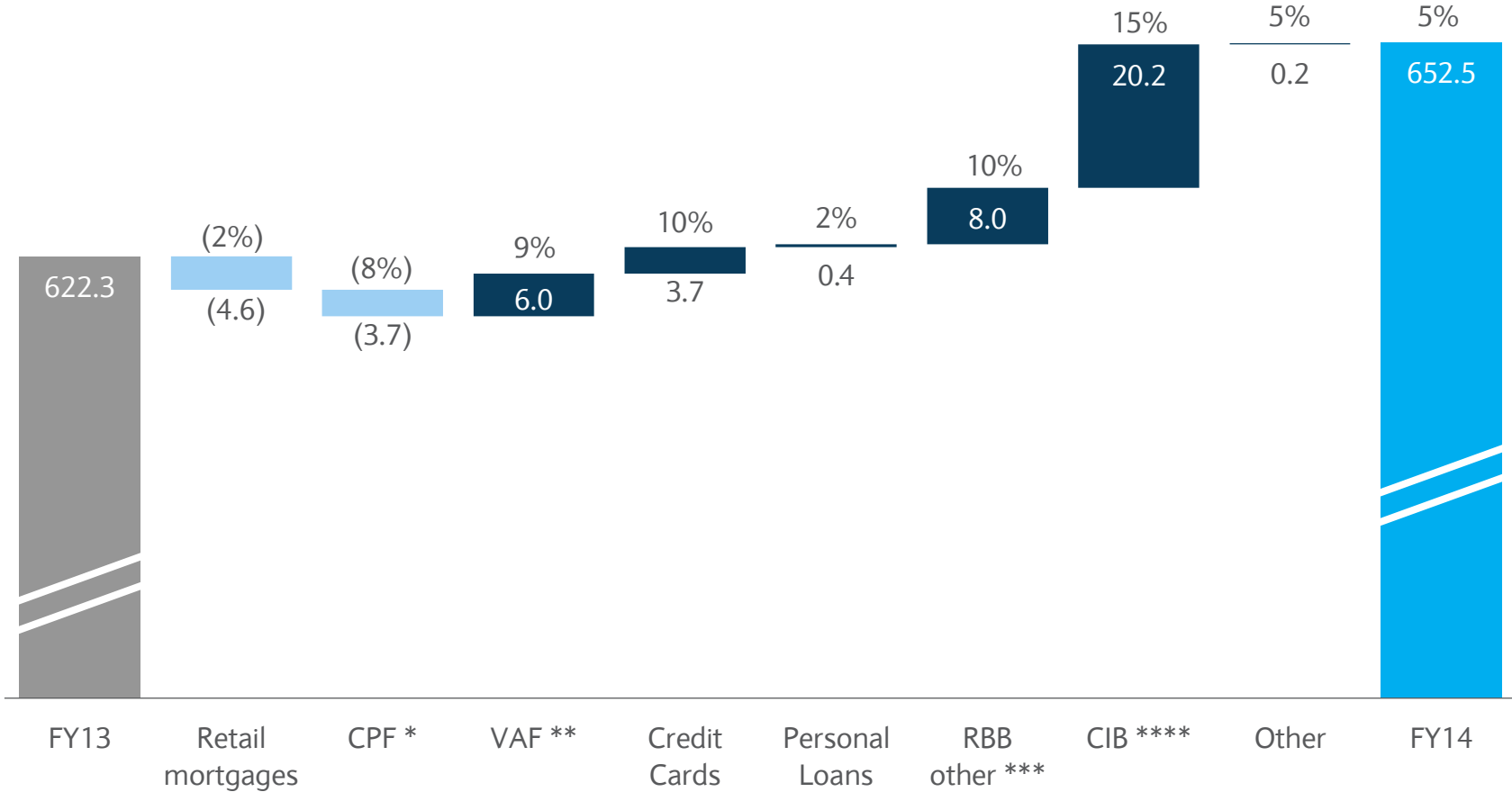
	FY14 Rm	FY13 Rm	Change %
Net interest income	35 601	32 351	10
Non-interest income	27 524	27 055	2
Total revenue	63 125	59 406	6
Credit losses	(6 290)	(6 987)	(10)
Operating expenses	(35 848)	(33 420)	7
Other	(1 412)	(1 033)	37
Taxation	(5 573)	(5 222)	7
Associates and JVs	142	130	9
Non-controlling interest	928	893	4
Headline earnings	13 032	11 843	10

Pre-provision profit (Rbn)



Solid loan growth outside of property

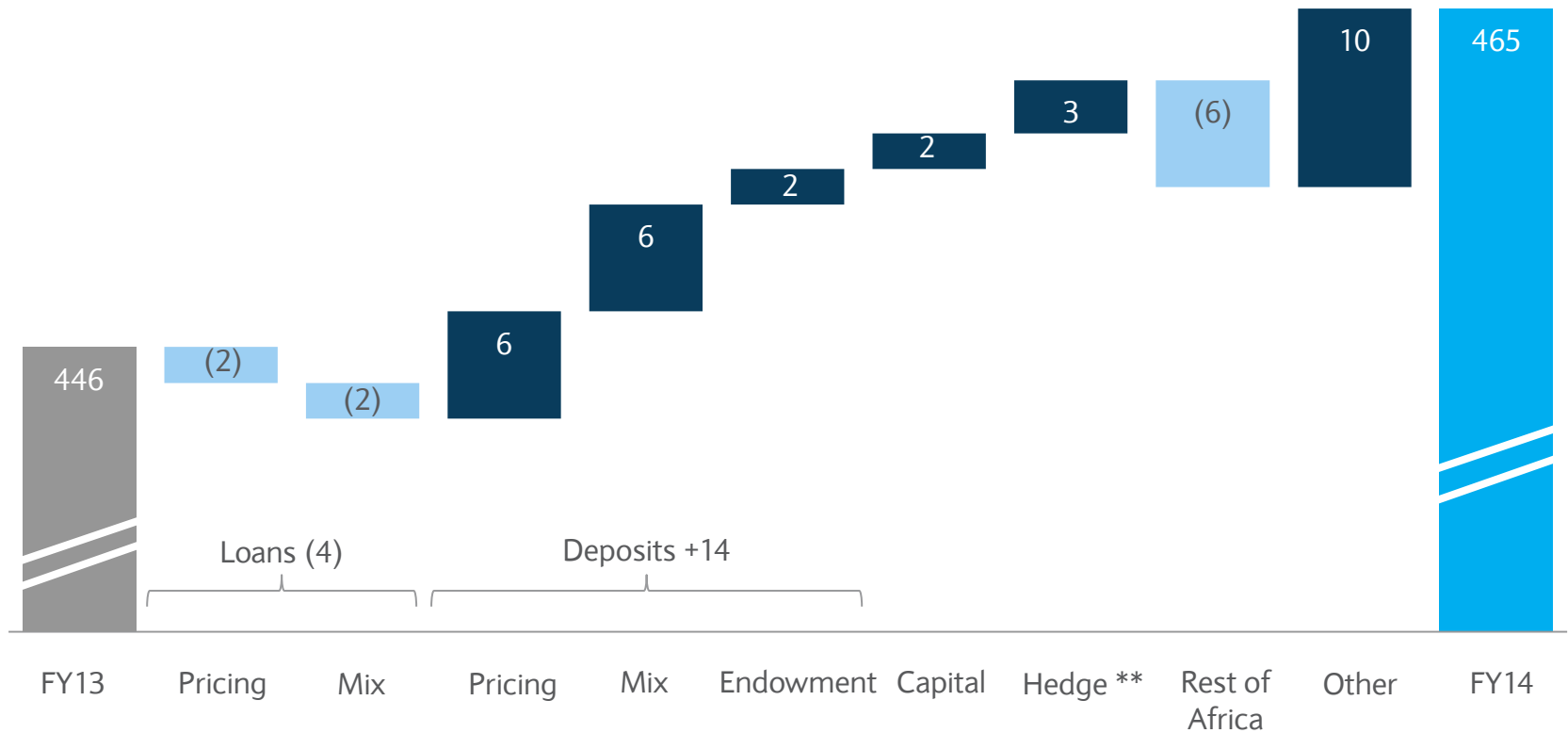
Change in gross customer loans (Rbn)



Note: * Commercial property finance, includes mortgages; ** instalment credit agreements; *** includes Rest of Africa **** excludes mortgages

Deposits drive wider margin

Change in net interest margin* (basis points)

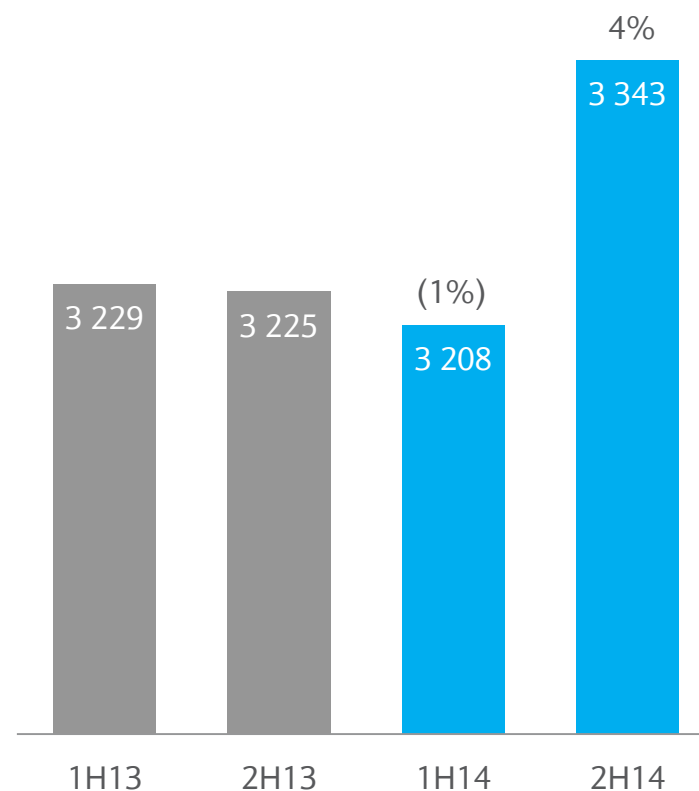


Note: * Percent of average interest bearing assets; ** interest rate risk management

Non-interest income growth remains moderate

	FY14 Rm	Change %	Mix %
Business units	27 543	2	100
RBB	16 642	4	60
CIB	6 272	(4)	23
WIMI	4 629	2	17
Equities (CPF and PE)	193	(67)	1
Head Office and other	(212)	(65)	(1)
Total	27 524	2	100

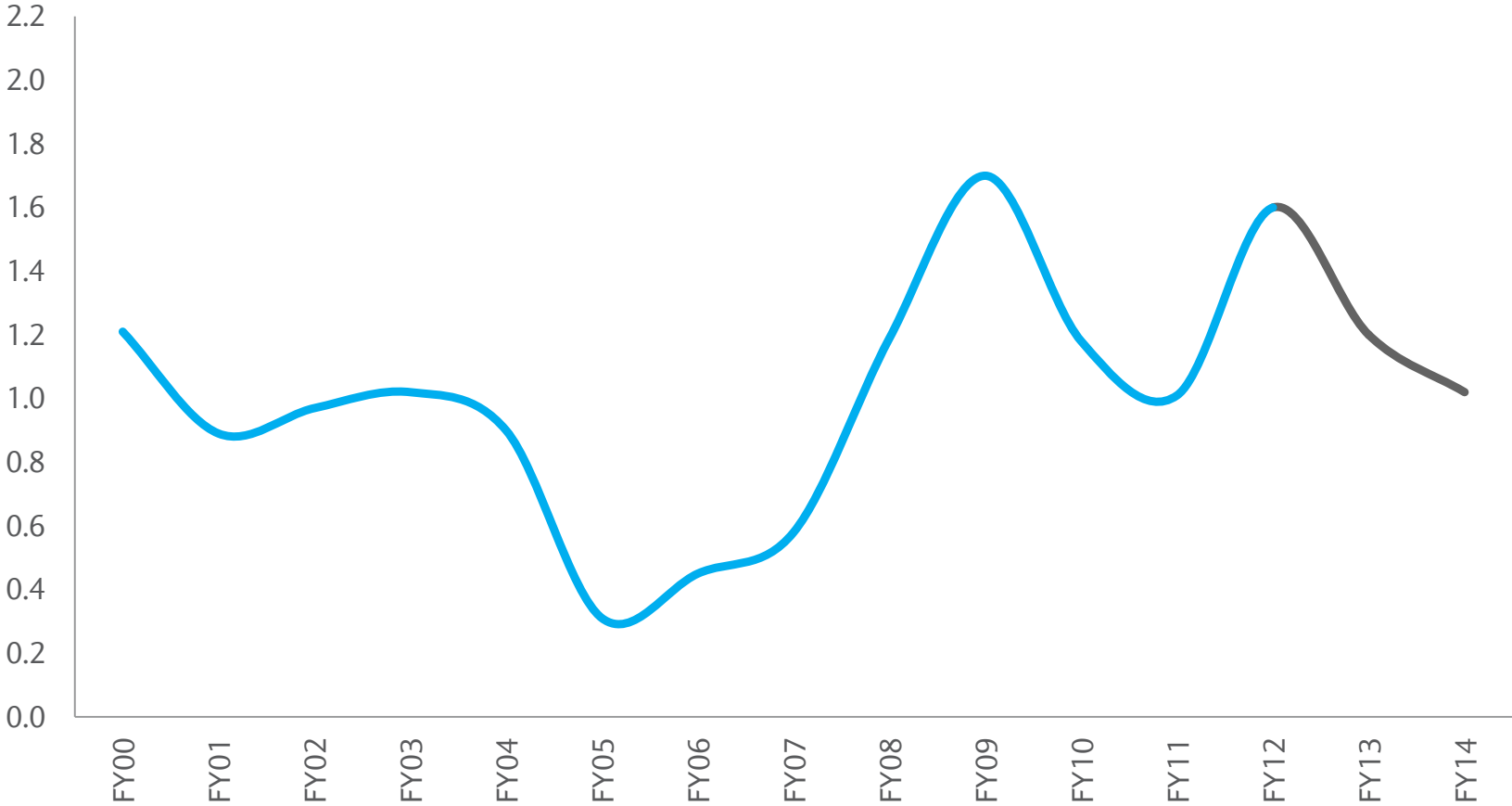
Transactional and Deposits non-interest income (Rm) *



Note: * Retail Banking SA

Credit quality improves further

Group credit loss ratio (%)



Note: Excludes Unifer FY00-FY02; grey is Barclays Africa Group

Credit loss ratio and NPL cover improved

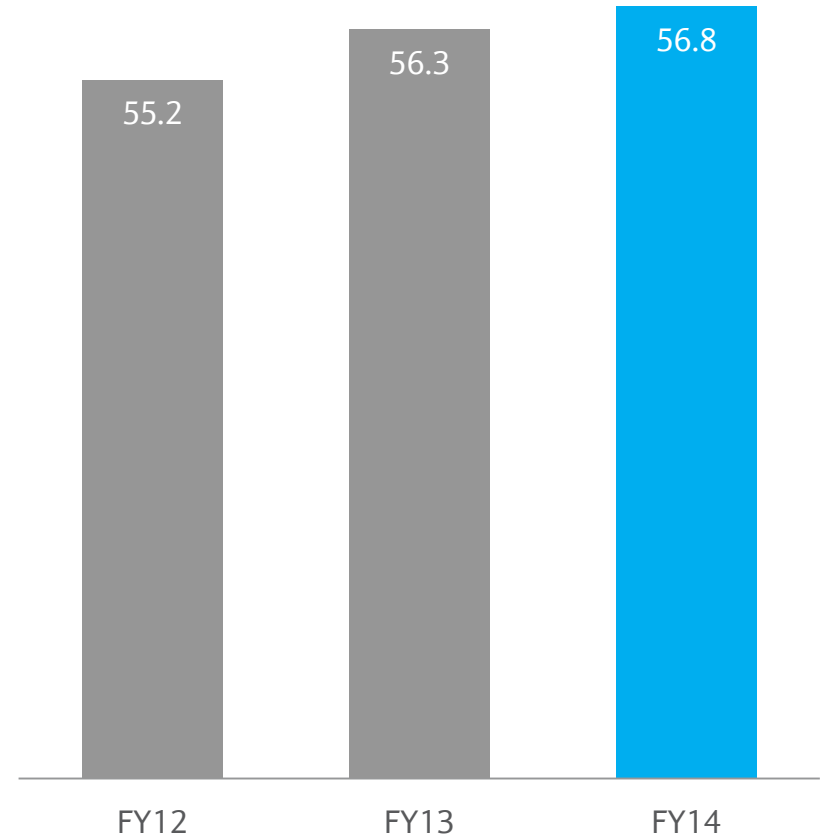
	FY14	FY13	FY14	FY13
	Credit loss ratio (bps)		NPL cover (%)	
Retail and Business Banking	132	150	44.4	41.4
Retail Banking South Africa	135	149	43.1	39.1
Cards *	619	563	71.5	71.4
Vehicle and Asset Finance	102	90	46.1	50.0
Mortgages **	38	76	25.3	27.8
Personal Loans	650	623	65.1	62.9
Business Banking South Africa	87	134	35.9	39.2
RBB Rest of Africa	175	186	61.5	57.4
Corporate and Investment Bank	16	19	23.1	52.1
WIMI	25	73	37.6	47.2
Group	102	120	43.0	41.8

Note: * Includes Woolworths Financial Services and the Edcon portfolio; ** Home loans credit loss ratio

Low cost growth without compromising investment

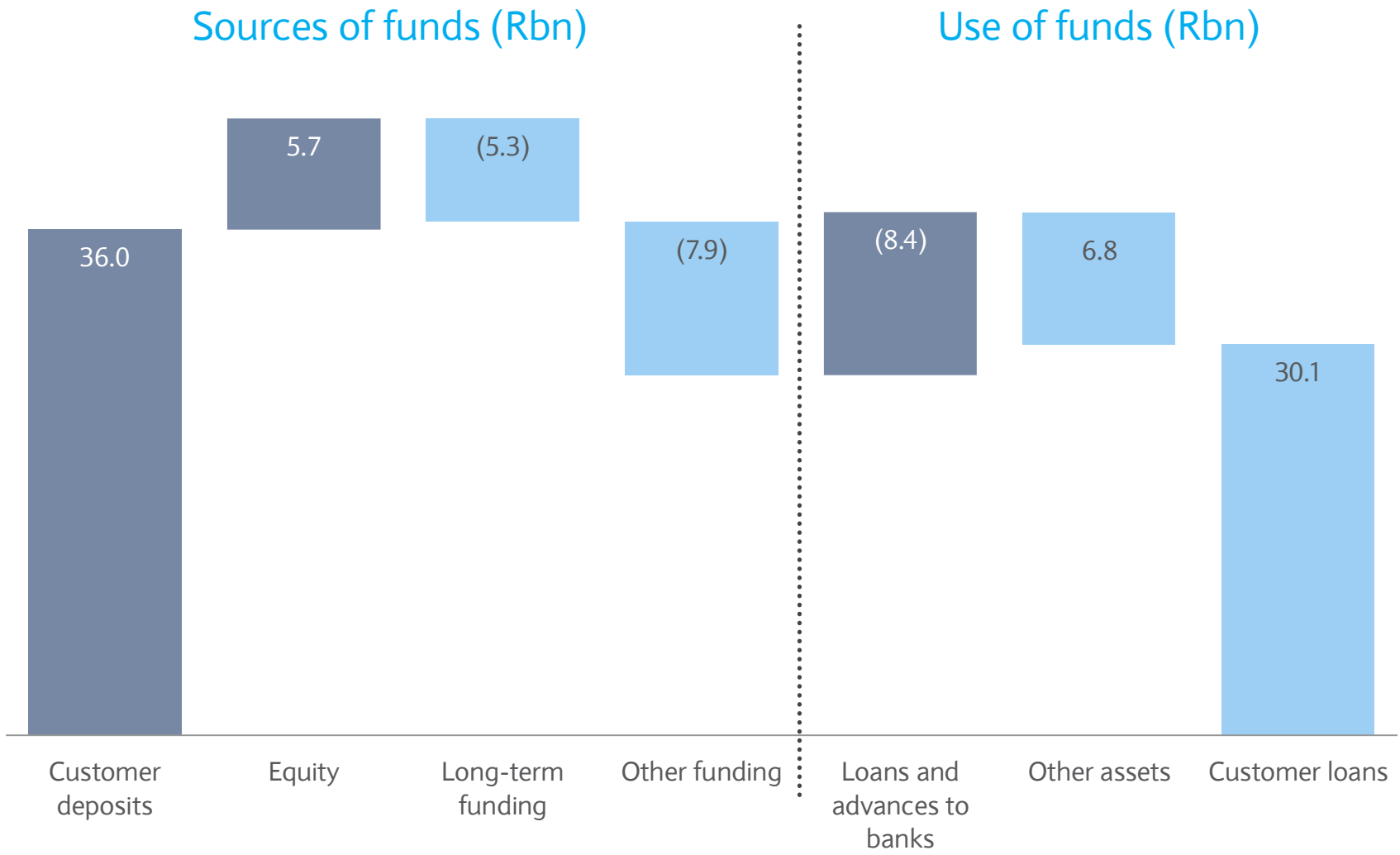
	FY14 Rm	Change %	Mix %
Staff costs	19 334	10	54
Property-related costs	5 257	4	15
Information technology	2 156	4	6
Communication	1 432	3	4
Marketing costs	1 616	19	5
Professional fees*	1 877	2	5
Cash transportation	827	16	2
Amortisation	503	7	1
Other	2 846	(3)	8
Total	35 848	7	

Cost to income ratio (%)



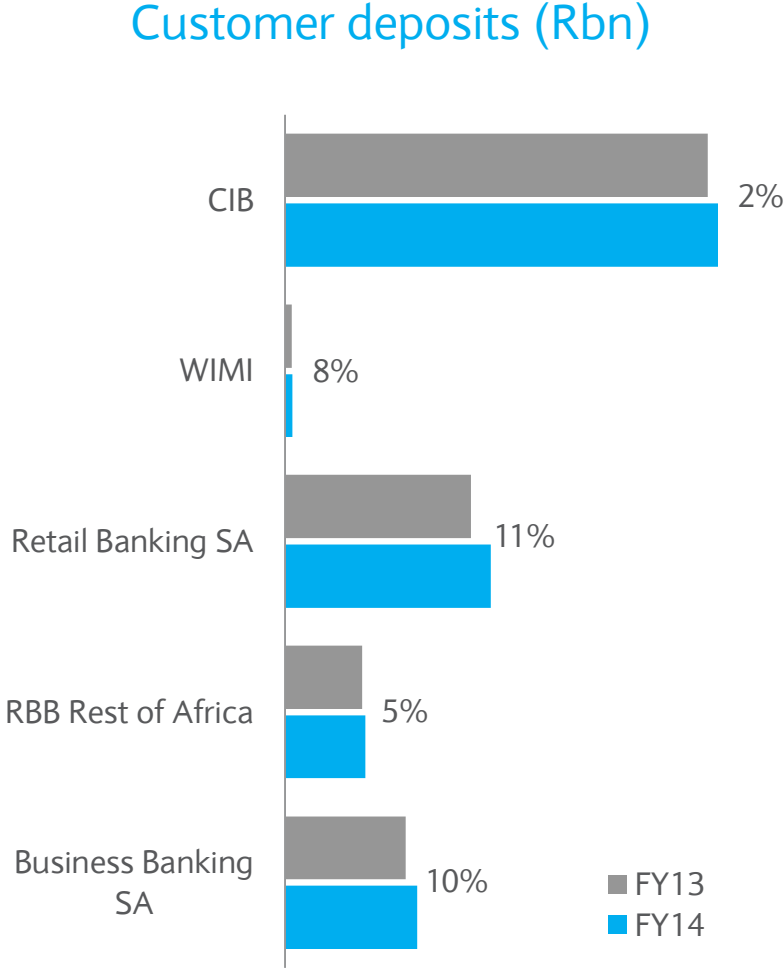
Note: * Includes auditor's remuneration

Deposit growth funded lending to customers



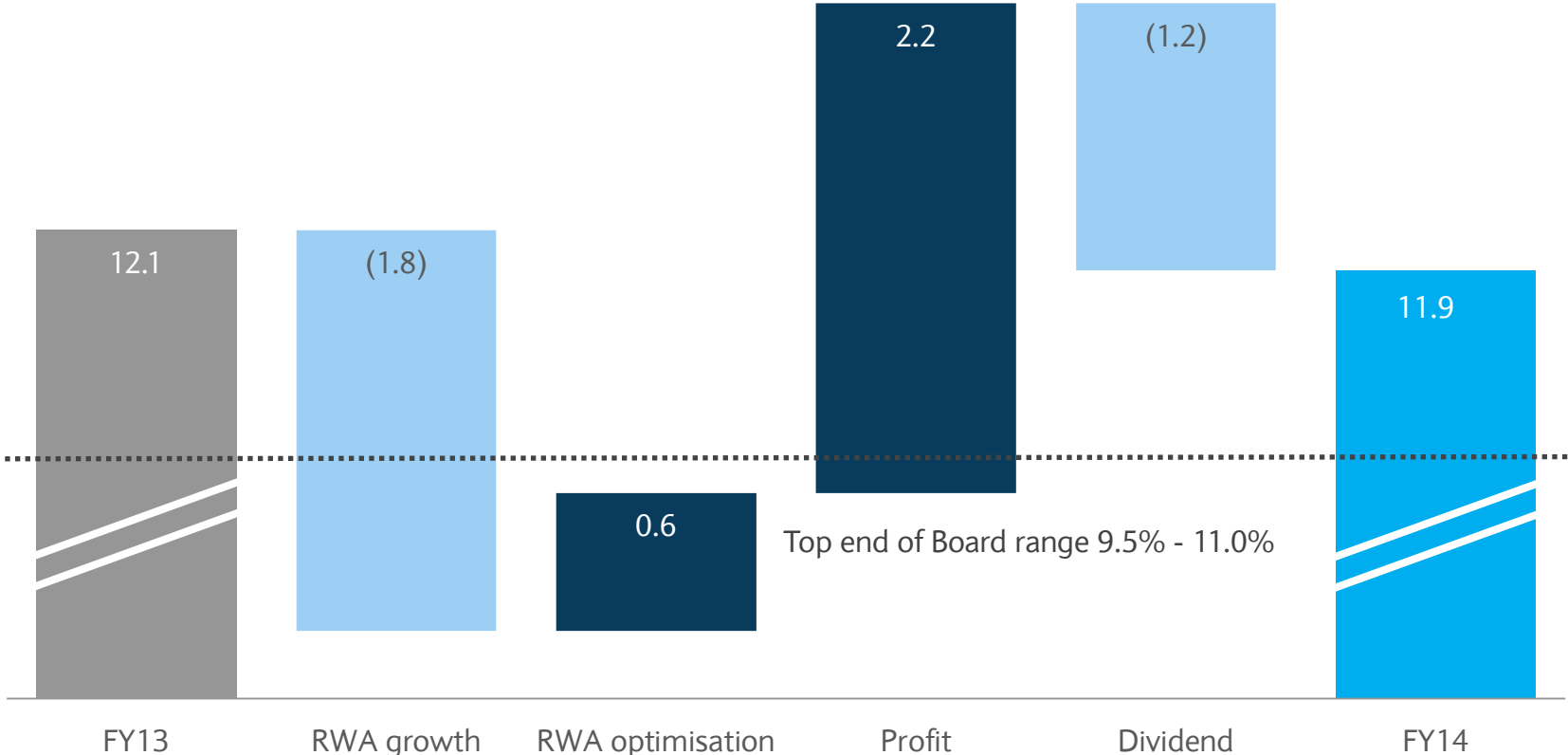
Solid growth in most deposit franchises

- Customer deposits 80% of total funding
- Corporate the largest component
- Substantial rise in SA retail investment products
- Slower growth in RBB Rest of Africa
- Business Banking SA customers shift to short-term products

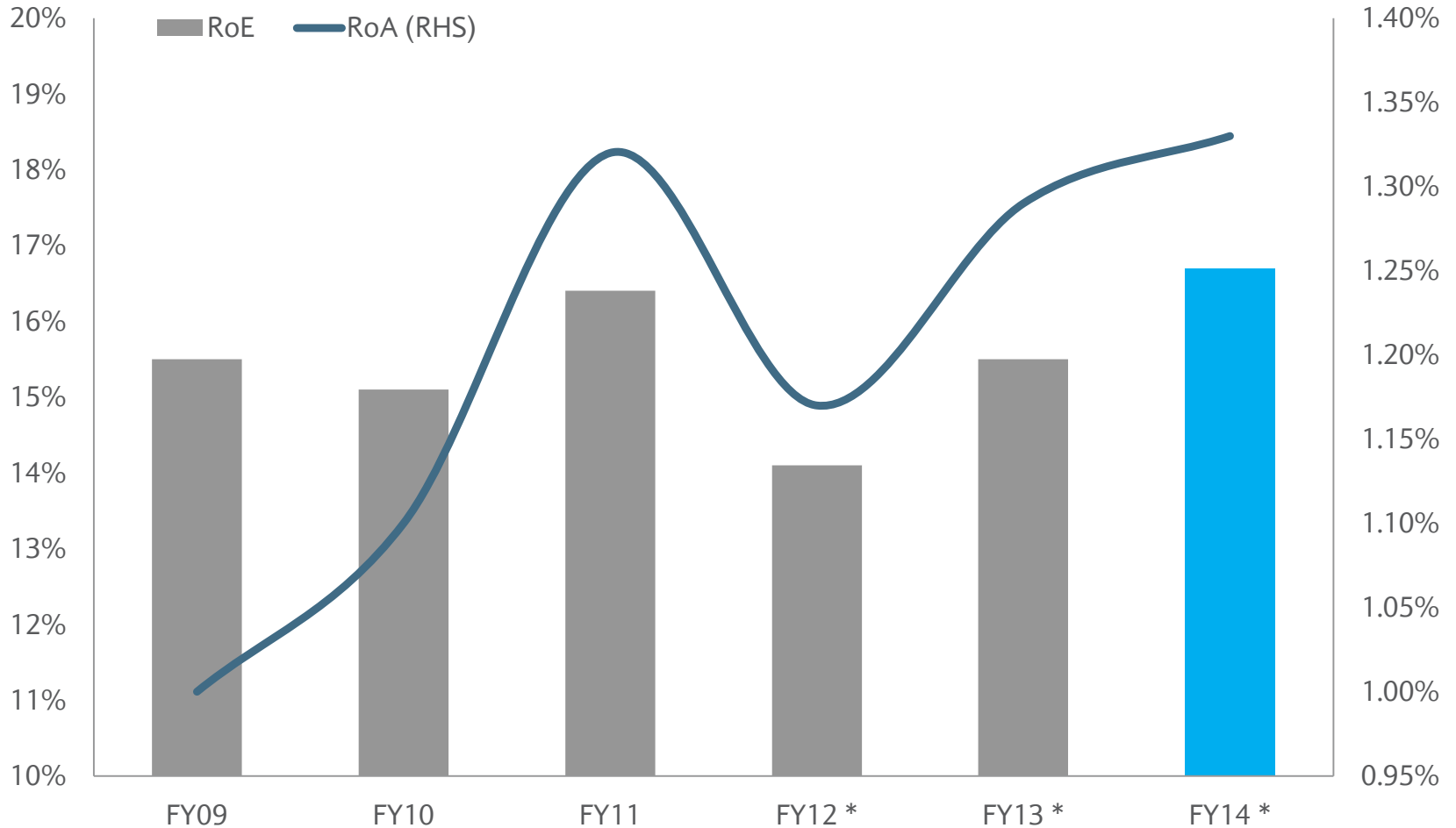


Capital levels remain strong

Barclays Africa Group Common Equity Tier 1 ratio (%)



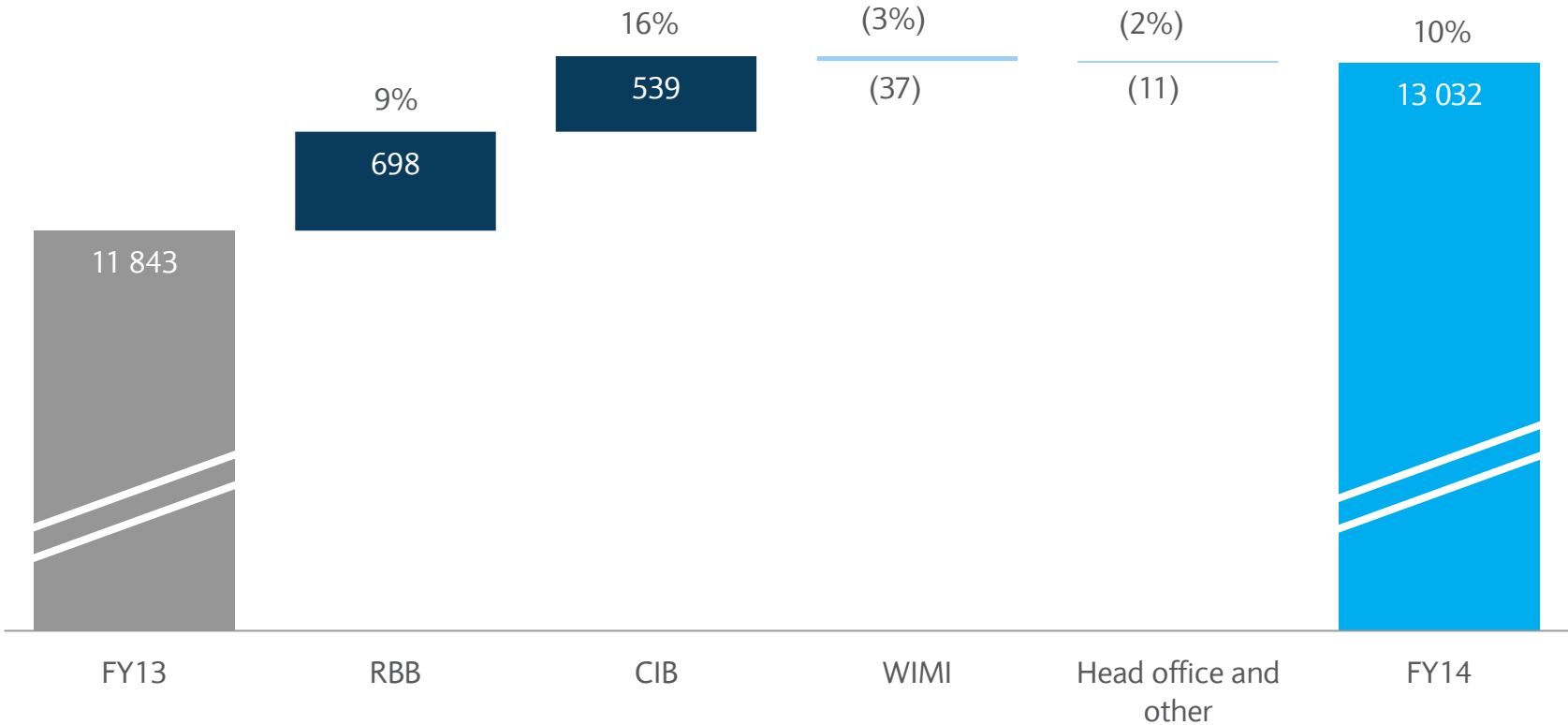
Highest returns in 6 years



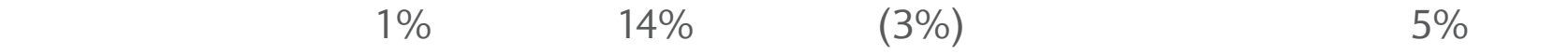
Note: * Barclays Africa Group

Well diversified earnings

Headline earnings growth (Rm)



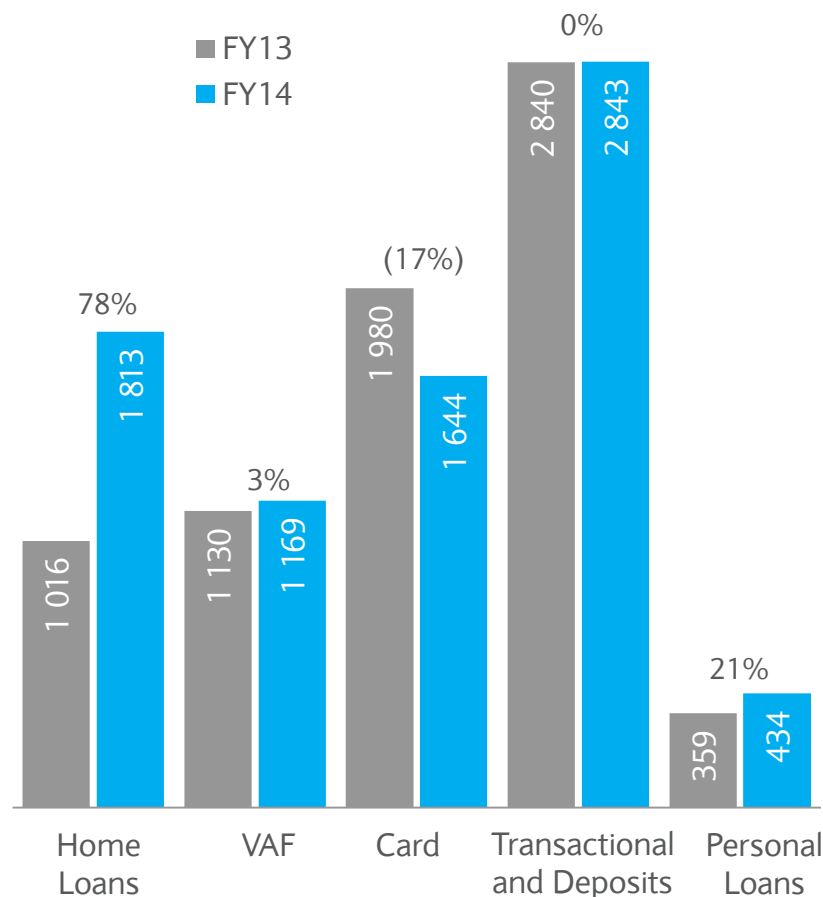
FY14 pre-provision profit growth



Retail Banking SA turnaround continues...

- Home Loans drove earnings growth
- Positive underlying revenue momentum
- Continued investment in marketing and distribution
- Improved credit quality and cover
- Solid loan growth in target areas and strong deposit growth
- Edcon profitable in 2H

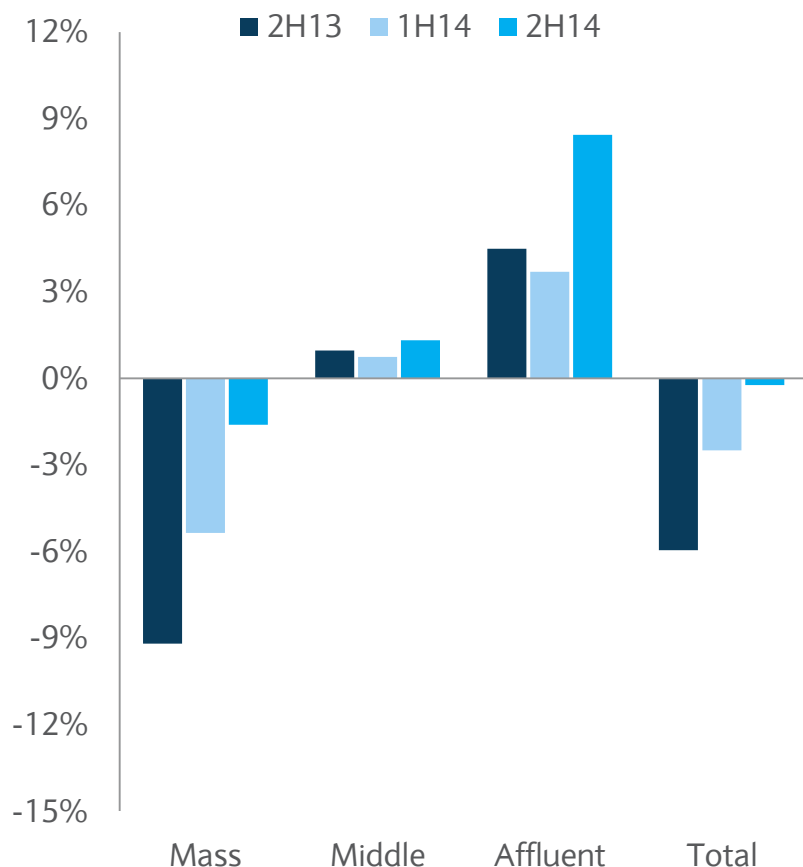
Headline earnings* (Rm)



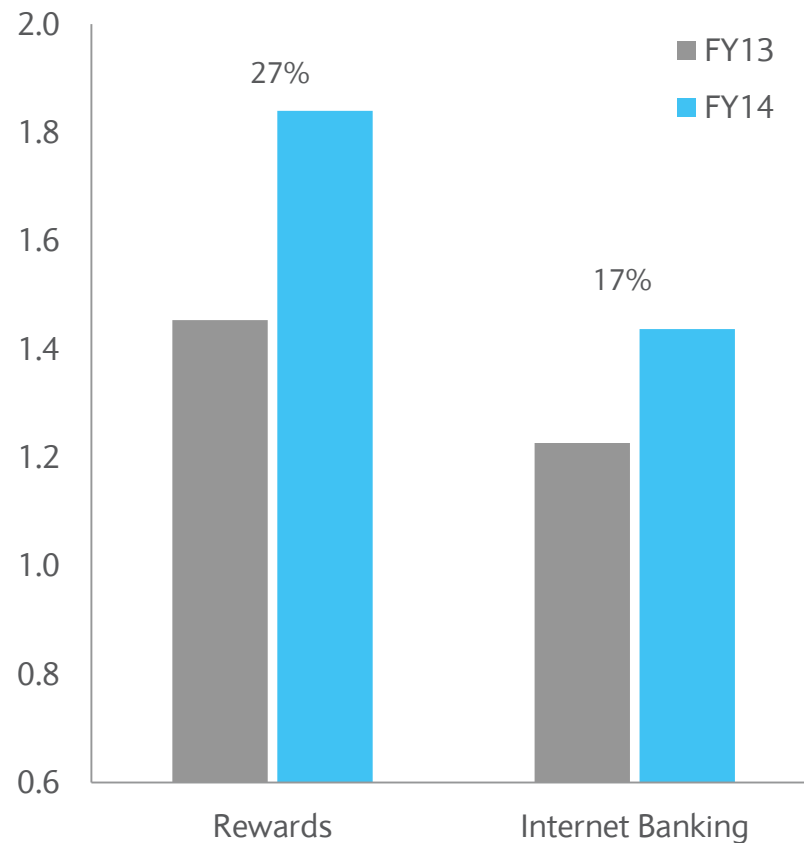
Note: * Excludes Other, which is largely central costs

...with customer trends turning

HoH change in customer numbers* (%)



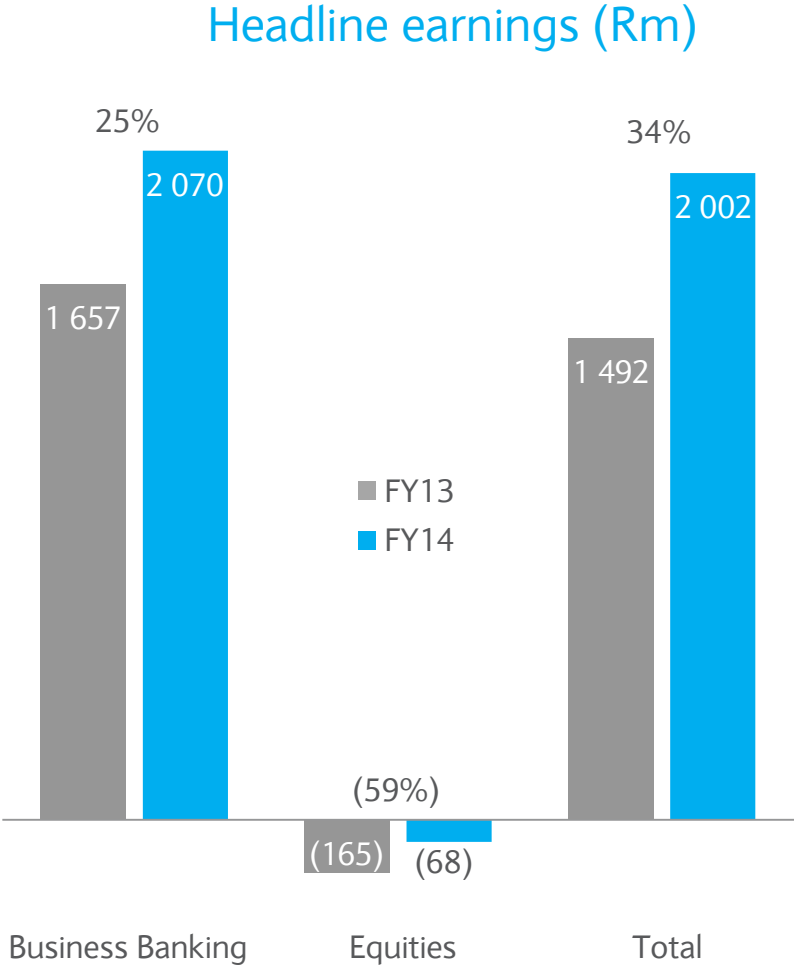
Customers (m)



Note: * Excludes cards in issue (Woolworths Financial Services and Edcon)

Strong Business Banking improvement ...

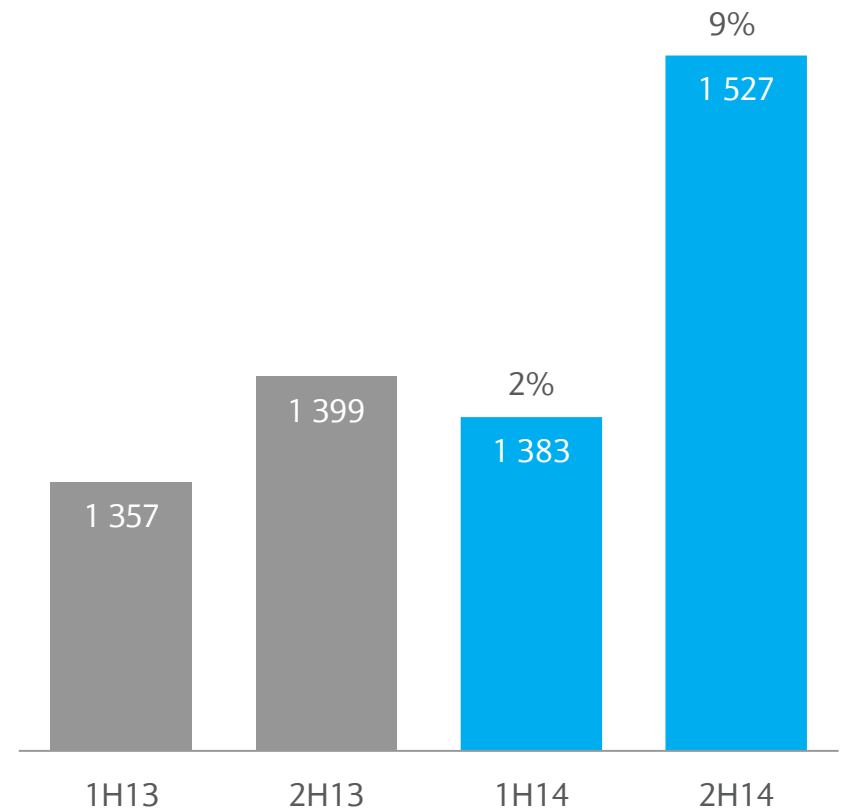
- Significant 2H earnings growth
- Large fall in credit charge
- Internal cost efficiency funds growth initiatives
- Reduced equity portfolio materially
- Solid deposit growth
- Attractive returns



... as momentum grows in transactional franchise

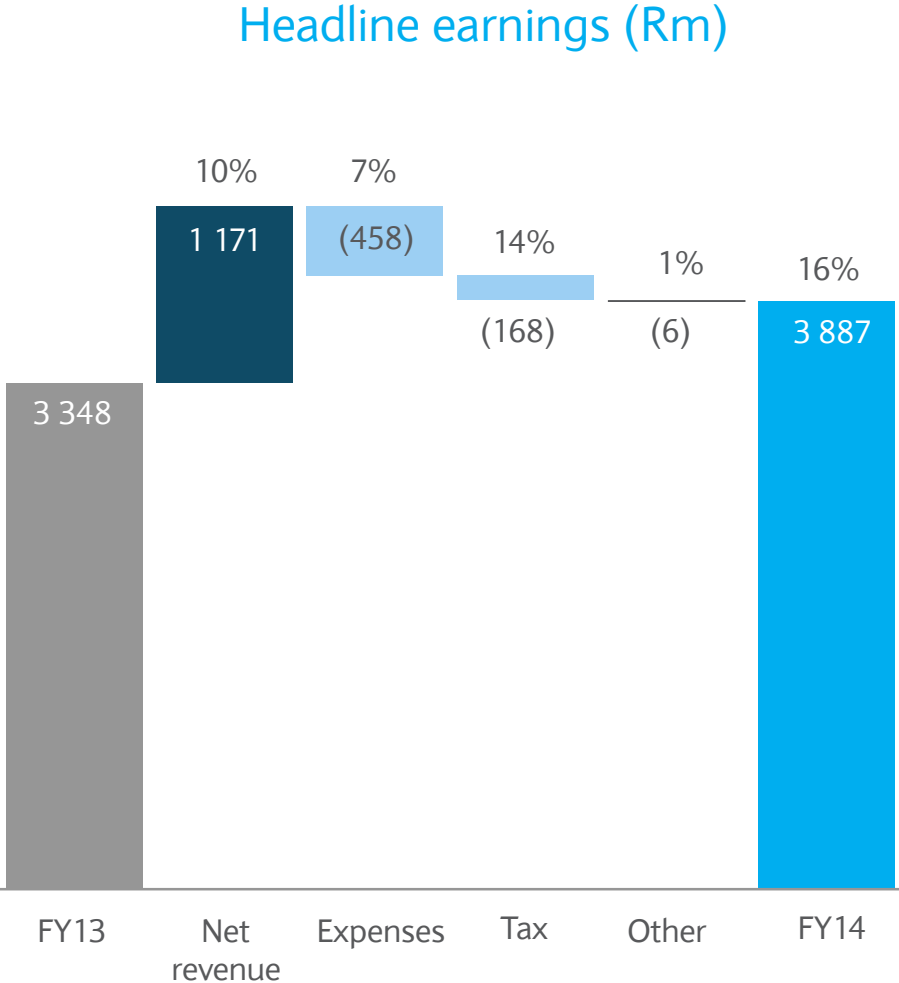
- Transactions migrating to cheaper channels
- Launched new platforms
- Hired relationship managers
- Commercial cheque accounts and customer groups flat

Transactional revenue from banking activities (Rm)



Strong performance from CIB ...

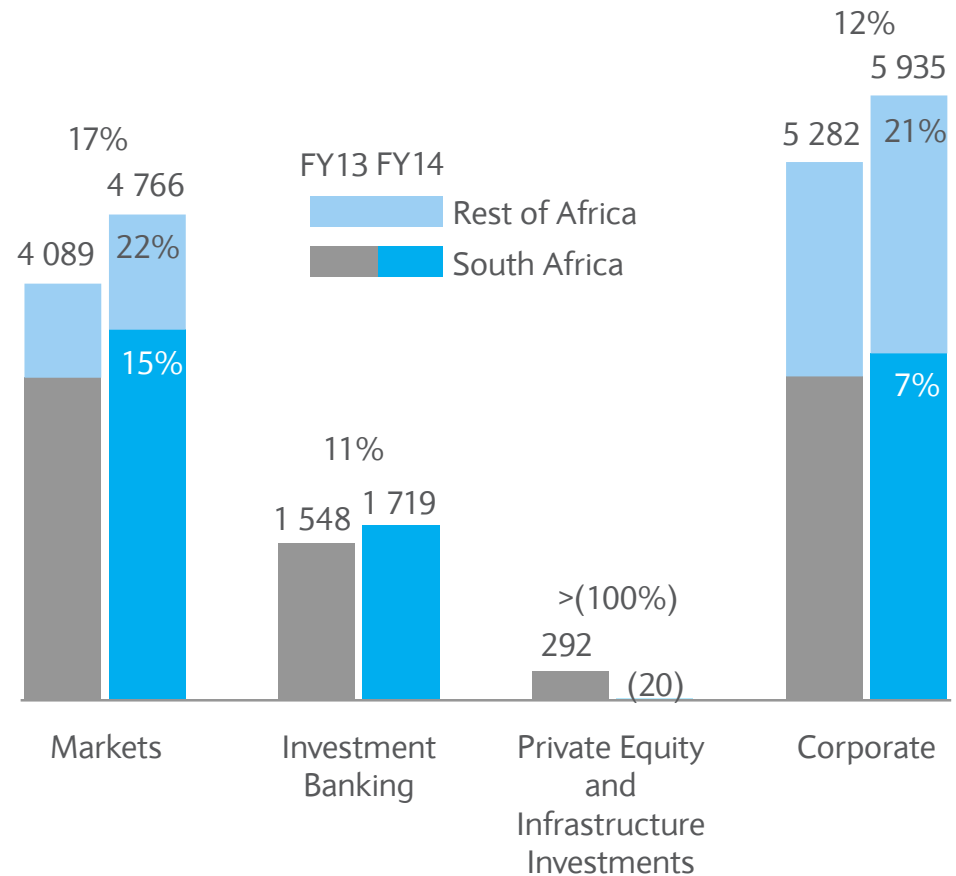
- Balance sheet growth drove revenue
- Costs contained while investing for growth
- Rest of Africa fully integrated
- Solid returns, benefit from reduced Private Equity book



... benefiting from client-centered approach

- Momentum across all core businesses
- Strong Rest of Africa growth
- Refocused client-centric strategy
- System delivery on track across continent

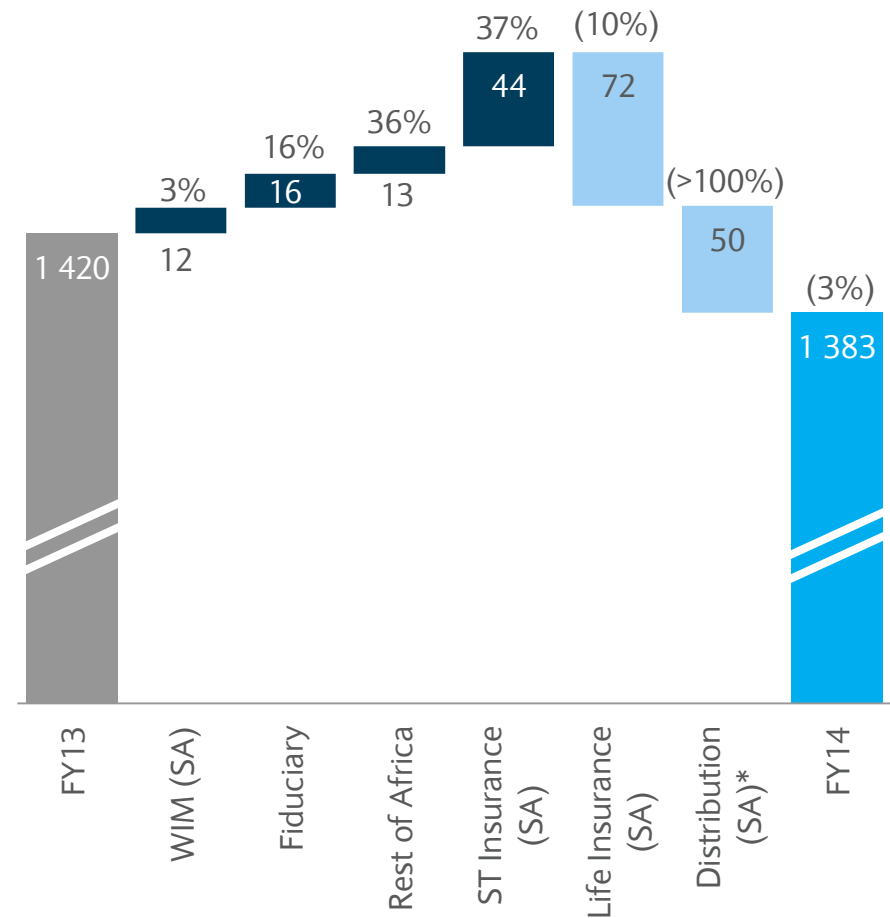
Net revenue by business (Rm)



Bancassurance investing for sustainable growth...

- Implemented pro-active structural changes:
 - Customer initiatives in Life
 - Investing in sales capacity
 - Completed WIM integration
 - Improved RBB collaboration
- Attractive RoE
- Short-term margins improved
- African expansion delivers growth

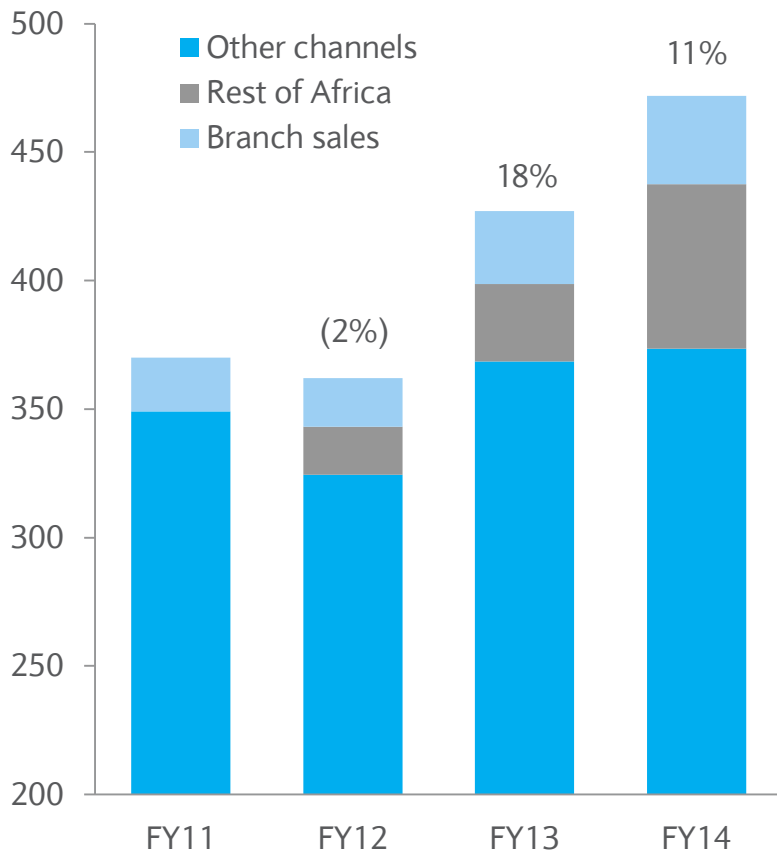
Change in headline earnings (Rm)



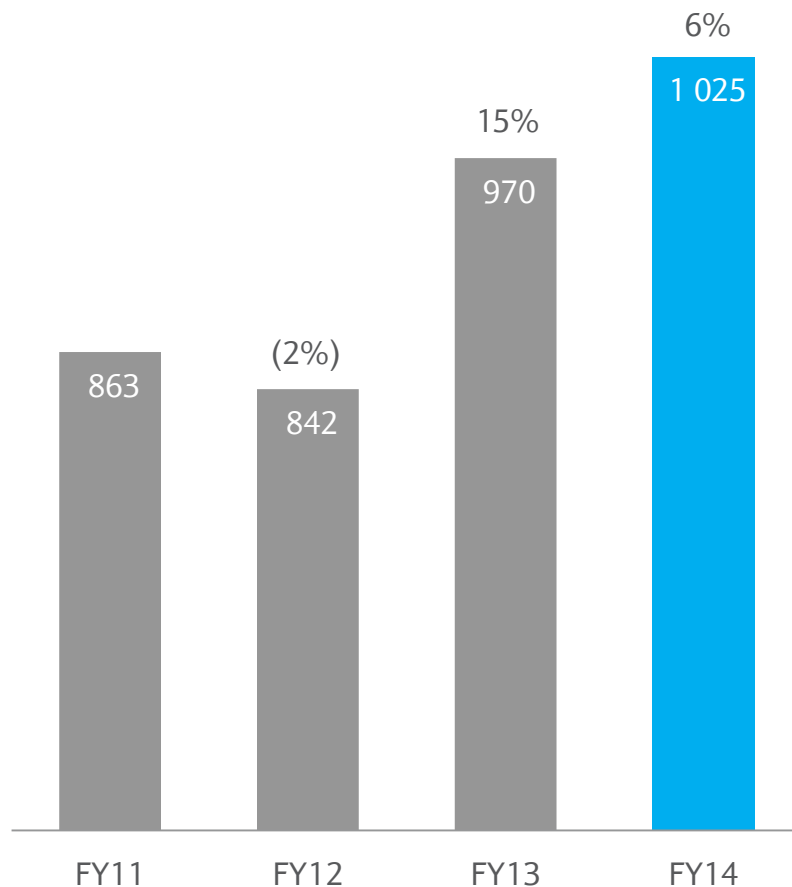
Note: * Distribution and Other

... growing new business and sales

Embedded value of new business (Rm)

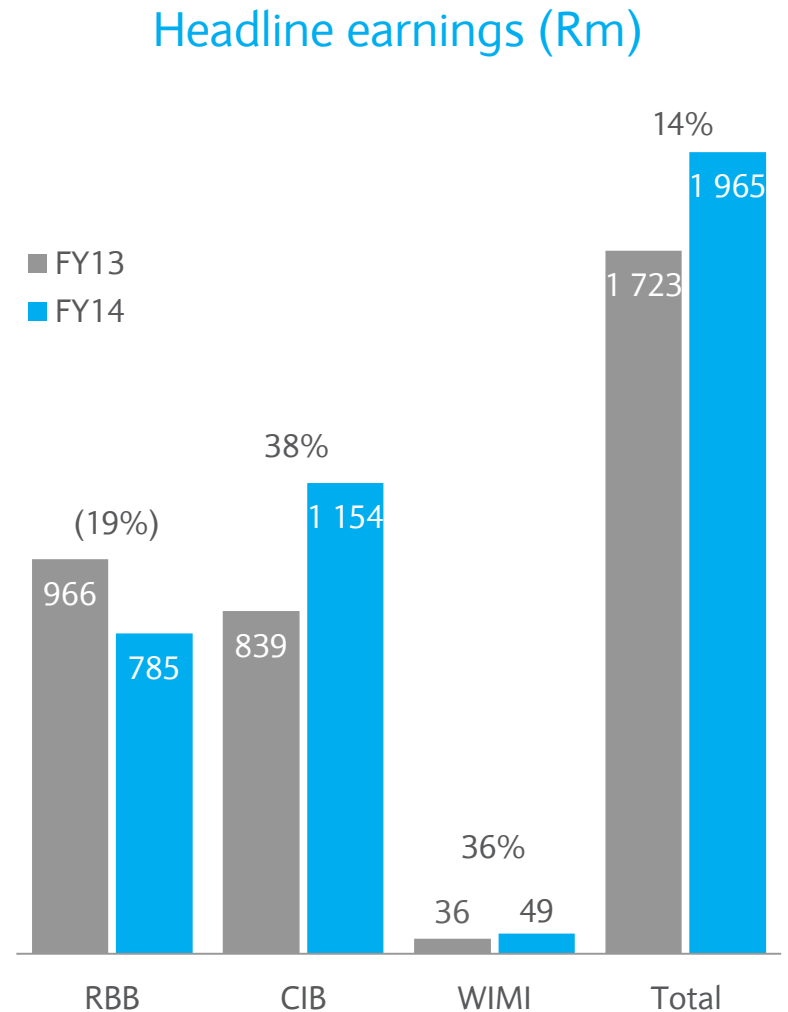


SA sales volume (number, k)



Rest of Africa enhances Group growth

- Transformational acquisition
- Focus on revenue growth
- CIB and WIMI performing well
- Need to change RBB momentum
- Clear path to increase RoE



Our commitments

Top 3 by revenue in our 5 biggest markets
- South Africa, Kenya, Ghana, Botswana and Zambia

RoE 18% to 20%

Cost to income ratio in the low 50s

Rest of Africa 20% to 25% of total revenue

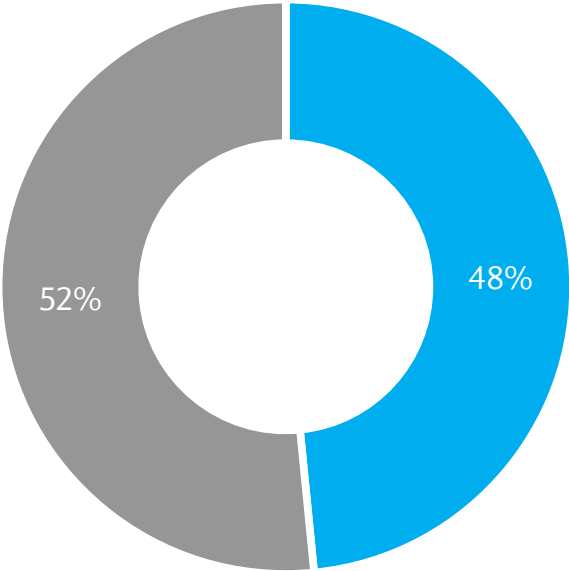


Appendix



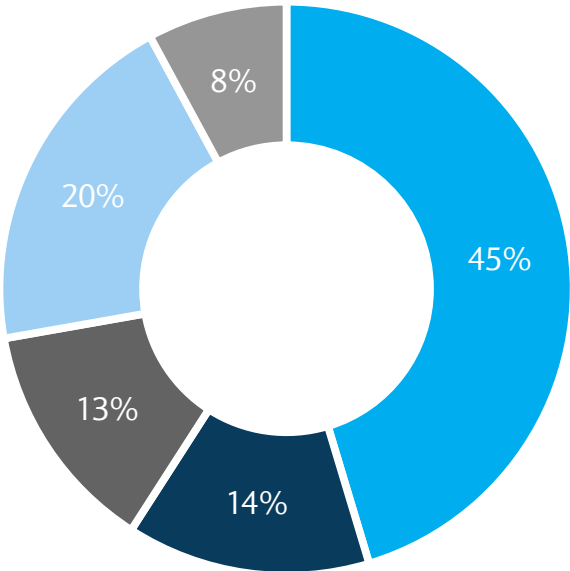
Well diversified revenue...

Net revenue by type (FY14)



- Non-interest income
- Net-interest income after impairments

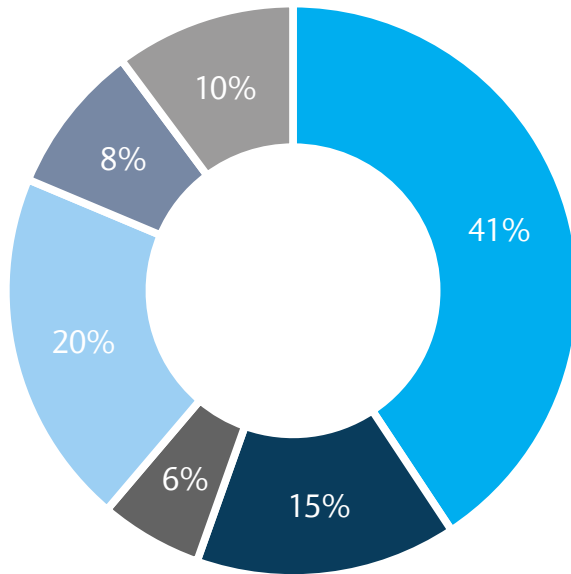
Revenue by segment (FY14)



- Retail Banking SA
- Business Banking SA
- RBB Rest of Africa
- WIMI
- CIB

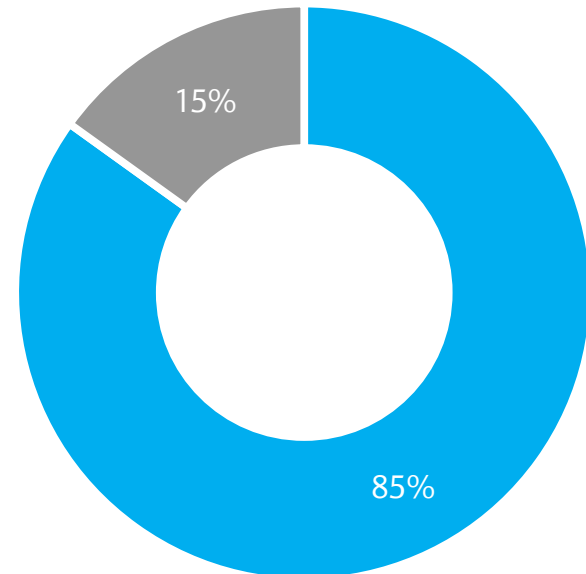
... and earnings

Headline earnings by segment * (FY14)



- Retail Banking SA
- Business Banking SA
- RBB Rest of Africa
- CIB SA
- CIB Rest of Africa
- WIMI

Headline earnings by geography (FY14)



- South Africa
- Rest of Africa

Note: * Excludes head office, inter-segment eliminations and other

Disclaimer

Forward-looking statements

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