## Lower credit charge drove growth

<table>
<thead>
<tr>
<th></th>
<th>FY16 Rm</th>
<th>FY17 Rm</th>
<th>Change %</th>
<th>Adjustment</th>
<th>FY17 normalised Rm</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>42 003</td>
<td>42 644</td>
<td>2</td>
<td>(325)</td>
<td>42 319</td>
<td>1</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>30 391</td>
<td>30 661</td>
<td>0</td>
<td>(80)</td>
<td>30 581</td>
<td>1</td>
</tr>
<tr>
<td>Total income</td>
<td>72 394</td>
<td>73 305</td>
<td>1</td>
<td>(405)</td>
<td>72 900</td>
<td>1</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>8 751</td>
<td>7 022</td>
<td>(20)</td>
<td>-</td>
<td>7 022</td>
<td>(20)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>39 956</td>
<td>43 304</td>
<td>8</td>
<td>(1 901)</td>
<td>41 403</td>
<td>4</td>
</tr>
<tr>
<td>Other*</td>
<td>(2 005)</td>
<td>(2 270)</td>
<td>5</td>
<td>(394)</td>
<td>(1 706)</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>5 835</td>
<td>5 857</td>
<td>0</td>
<td>408</td>
<td>6 265</td>
<td>7</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>1 139</td>
<td>1 199</td>
<td>5</td>
<td>-</td>
<td>1 199</td>
<td>5</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>14 980</td>
<td>14 313</td>
<td>(4)</td>
<td>1 245</td>
<td>15 558</td>
<td>4</td>
</tr>
</tbody>
</table>

Note: * includes other impairments, indirect tax and associates’ share of post tax results
## Salient features (normalised)

<table>
<thead>
<tr>
<th></th>
<th>FY16 %</th>
<th>FY17 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted headline EPS growth</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Dividend per share growth</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Growth in net asset value per share</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Return on equity</td>
<td>16.6</td>
<td>16.4</td>
</tr>
<tr>
<td>Return on assets</td>
<td>1.34</td>
<td>1.38</td>
</tr>
<tr>
<td>Net interest margin</td>
<td>4.95</td>
<td>4.95</td>
</tr>
<tr>
<td>Cost to income ratio</td>
<td>55.2</td>
<td>56.8</td>
</tr>
<tr>
<td>Credit loss ratio</td>
<td>1.08</td>
<td>0.87</td>
</tr>
</tbody>
</table>
Stable net interest margin

Change in net interest margin* (basis points)

- FY16 Pricing Mix
- FY17 Pricing Mix Endowment Capital Hedge ** Rest of Africa Other FY17

Note: * average interest bearing assets; ** interest rate risk management
Modest loan growth, particularly in Retail

Net customer loans (Rbn)

- Retail: 2%
- Business: 7%
- CIB: 8%
- RBB: (4%) 4%
- South Africa

Retail SA net customer loans (Rbn)

- Home Loans: 0%
- Vehicle & Asset Finance: 8%
- Card: 6%
- Personal Loans: 16%
- Rest of Africa

Barclays
Large annuity component in non-interest income

Non-interest income by type (Rbn)

- Fees and commission: 5% (FY17), 5% (FY16)
- Trading: (10%) (FY17), (10%) (FY16)
- Other: (6%) (FY17), (6%) (FY16)

Non-interest income by division (Rbn)

- SA Banking: 4% (FY17), 4% (FY16)
- Rest of Africa Banking: (7%) (FY17), (7%) (FY16)
- WIMI: 6% (FY17), 6% (FY16)
Costs remain well contained as continue to invest

<table>
<thead>
<tr>
<th></th>
<th>FY17 Rm</th>
<th>Change %</th>
<th>Mix %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>23,138</td>
<td>5</td>
<td>56</td>
</tr>
<tr>
<td>Property-related</td>
<td>3,337</td>
<td>-1</td>
<td>8</td>
</tr>
<tr>
<td>Technology</td>
<td>3,143</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,984</td>
<td>19</td>
<td>5</td>
</tr>
<tr>
<td>Professional fees</td>
<td>1,975</td>
<td>(4)</td>
<td>5</td>
</tr>
<tr>
<td>Marketing</td>
<td>1,709</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Communication</td>
<td>1,400</td>
<td>(7)</td>
<td>3</td>
</tr>
<tr>
<td>Cash transportation</td>
<td>1,089</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>Amortisation</td>
<td>650</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Other *</td>
<td>2,978</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>41,403</td>
<td>4</td>
<td>100</td>
</tr>
</tbody>
</table>

Cost to income ratio (%)

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
</table>
| Note: * includes administration fees, equipment costs, fraud, travel and entertainment, other costs etc
Negative JAWS reduced pre-provision profits

Group operating JAWS * (%)

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,4</td>
<td>1,6</td>
<td>(2.9)</td>
<td></td>
</tr>
</tbody>
</table>

Pre-provision profit (Rbn)

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>8%</td>
<td>32,4</td>
<td>31,5</td>
<td>(3%)</td>
</tr>
</tbody>
</table>

Note: * revenue growth minus operating expenses growth
Credit impairments improved noticeably

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY16</th>
<th>FY17</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Credit loss ratio (bps)</strong></td>
<td><strong>NPL cover (%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA Banking</td>
<td>80</td>
<td>103</td>
<td>41</td>
</tr>
<tr>
<td>RBB SA</td>
<td>110</td>
<td>133</td>
<td>41</td>
</tr>
<tr>
<td>Retail Banking</td>
<td>120</td>
<td>139</td>
<td>42</td>
</tr>
<tr>
<td>Cards</td>
<td>453</td>
<td>541</td>
<td>71</td>
</tr>
<tr>
<td>VAF</td>
<td>87</td>
<td>114</td>
<td>47</td>
</tr>
<tr>
<td>Mortgages *</td>
<td>30</td>
<td>40</td>
<td>20</td>
</tr>
<tr>
<td>Personal Loans</td>
<td>609</td>
<td>568</td>
<td>66</td>
</tr>
<tr>
<td>Business Banking</td>
<td>43</td>
<td>98</td>
<td>33</td>
</tr>
<tr>
<td>CIB SA</td>
<td>24</td>
<td>44</td>
<td>41</td>
</tr>
<tr>
<td>ROA Banking</td>
<td>134</td>
<td>162</td>
<td>56</td>
</tr>
<tr>
<td>WIMI</td>
<td>158</td>
<td>13</td>
<td>67</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>87</strong></td>
<td><strong>108</strong></td>
<td><strong>43</strong></td>
</tr>
</tbody>
</table>

**Non-performing loans (%)**

<table>
<thead>
<tr>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,5</td>
<td>3,9</td>
<td>3,7</td>
</tr>
</tbody>
</table>

Note: * Home Loans credit loss ratio
Capital levels remain strong

Barclays Africa Group Common Equity Tier 1 ratio (%)

<table>
<thead>
<tr>
<th>FY16</th>
<th>RWA movement</th>
<th>Profit</th>
<th>Dividend</th>
<th>Other</th>
<th>FY17 normalised</th>
<th>Barclays Plc contribution</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.1</td>
<td>(0.5)</td>
<td>2.2</td>
<td>(1.4)</td>
<td>(0.3)</td>
<td>12.1</td>
<td>1.4</td>
<td>13.5</td>
</tr>
</tbody>
</table>

Board range 10.0% - 11.5%
Strong returns across a well-diversified portfolio …

**Divisional RoE (%)**

<table>
<thead>
<tr>
<th>Division</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA Banking</td>
<td>20.9</td>
<td>20.8</td>
</tr>
<tr>
<td>ROA Banking</td>
<td></td>
<td>15.1</td>
</tr>
<tr>
<td>WIMI</td>
<td>21.7</td>
<td>20.1</td>
</tr>
</tbody>
</table>

**Headline earnings mix FY17 (%)**

- Retail Banking SA: 18
- CIB SA: 7
- CIB Rest of Africa: 4
- Business Banking SA: 14
- RBB Rest of Africa: 7
- WIMI: 40

Note: * return on regulatory capital; ** may not sum to 100 due to rounding
… evident in overall earnings growth

Group normalised headline earnings growth (Rm)

- FY16: 14,980
- SA Banking: 522 (4%)
- Rest of Africa Banking: 198 (7%)
- WIMI: 102 (-8%)
- Head office & other: 40 (6%)
- FY17: 15,558 (4%)
CIB drove SA Banking earnings growth

South Africa Banking headline earnings (Rm)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Banking</td>
<td>6 524</td>
<td>6 546</td>
</tr>
<tr>
<td>Business Banking</td>
<td>2 298</td>
<td>2 328</td>
</tr>
<tr>
<td>Corporate</td>
<td>1 063</td>
<td>1 143</td>
</tr>
<tr>
<td>Investment Banking</td>
<td>1 793</td>
<td>2 183</td>
</tr>
</tbody>
</table>

RBB up 1%

CIB up 16%
Retail Banking SA remains a priority …

- Asset strategies aim to improve low loan growth
- Progress on customer experience and product suite
- Continued cost management funded increased digital and marketing spend
- Credit quality improved across most books
- Returns remain healthy

Note: * excludes Other, which is largely central costs and lost R639m
… and momentum improved in the second half

Retail SA YoY loan production (%)

<table>
<thead>
<tr>
<th>Category</th>
<th>1H17</th>
<th>2H17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Loans</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>Vehicle and Asset Finance</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Personal Loans</td>
<td>2</td>
<td>5</td>
</tr>
</tbody>
</table>

Retail Banking SA YoY growth (%)

<table>
<thead>
<tr>
<th>Category</th>
<th>1H17</th>
<th>2H17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-provision profit</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>10</td>
<td>12</td>
</tr>
</tbody>
</table>
Further investment in Business Banking SA

- Improved second half momentum
- Robust underlying non-interest revenue growth
- Reduced non-core equity portfolio materially
- Continued investment in electronic channels and frontline staff
- Significantly lower credit costs
- Large deposit franchise that generates attractive returns

### Headline earnings (Rm)

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>Revenue</th>
<th>Credit costs</th>
<th>Expenses</th>
<th>Other*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2 298</td>
<td>307</td>
<td>(579)</td>
<td>7</td>
</tr>
<tr>
<td>FY17</td>
<td>2 328</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: * includes other operating expenses, taxation, non-controlling interest and non-headline items
CIB SA posts strong earnings growth again

- Revenue continues to benefit from diversification
- Scope to gain share in lending and transactional revenue
- Substantial drop in credit charge
- Costs remain well contained to produce positive JAWS
- Opportunity remains to further improve returns
- Barclays PLC separation on track

Note: * includes other operating expenses, taxation, non-controlling interest and non-headline items
One-offs dampened WIMI’s performance

- Large one-off items reduced earnings
  - Unwinding Life deferred tax asset raised in 2016
  - Single client impairment in Wealth
  - Far higher catastrophe claims
- Healthy underlying South African short-term underwriting margin
- Improving second half momentum
- Rest of Africa returns to profitability
- Continued sale of non-core operations

### WIMI underlying FY17 earnings growth (%)

<table>
<thead>
<tr>
<th>FY17 actual</th>
<th>Life DTA</th>
<th>Wealth charge</th>
<th>CAT claims</th>
<th>FY17 underlying</th>
</tr>
</thead>
<tbody>
<tr>
<td>(8)</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>
Stronger Rand a drag on rest of Africa growth …

Rand to ROA currencies (weighted)

- Weaker ZAR
- Stronger ZAR

Rand impact on Rest of Africa Banking (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue FY17</th>
<th>Revenue FY16</th>
<th>Headline earnings FY17</th>
<th>Headline earnings FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2015: 5% (FY16), 9% (FY17)
2016: 11% (FY16), 17% (FY17)
… but ROA continues to enhance earnings growth

Headline earnings growth (%)

<table>
<thead>
<tr>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Return on regulatory capital (%)

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

South Africa | Rest of Africa

SA Banking | ROA Banking
Outlook for 2018

• Loan and deposit growth to improve
• Net interest margin is expected to decline slightly
• Costs will remain well controlled to improve our operating JAWS from 2017
• Credit loss ratio largely unchanged
• RoE is likely to improve slightly
• Dividend cover will remain the same
Separation update
Jason Quinn
Significant planning completed, execution underway

<table>
<thead>
<tr>
<th>PLC shareholding (%)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>62.3</td>
<td>23.4</td>
<td>21.9</td>
<td>Today</td>
<td>14.9</td>
</tr>
</tbody>
</table>

- **Day 1 6 June 2017**: Services delivered by Barclays PLC to BAGL
- **Minister of Finance approval 25 May 2017**
- **Divestiture announced 1 March 2016**
- **Planning and negotiations**
- **Re-mobilisation for execution phase**
- **Planning**
- **Strategy review**
- **Execution**

PLC shareholding (%): 50.1
Robust governance structure in place

Barclays PLC → Joint governance structure → Barclays Africa Group Limited

- Board level oversight
- Separation and service delivery management

Independent assurance
- External advisory panel
- Functional governance

Joint transition forum
Joint delivery review meeting
Various joint forums to review progress, service delivery, financial impact and risks

Workstream level management and governance

- Board Separation Oversight Committee
- Group Change Committee
- Change Programme ExCo
## Dedicated team managing separation

### Programme structure

<table>
<thead>
<tr>
<th>Executive Committee oversight</th>
<th>Chief Separation Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>RBB SA</td>
<td>CIB</td>
</tr>
<tr>
<td>Planning and design</td>
<td></td>
</tr>
<tr>
<td>Risk</td>
<td></td>
</tr>
<tr>
<td>PMO and regulatory engagement</td>
<td></td>
</tr>
<tr>
<td>People and change management</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td></td>
</tr>
<tr>
<td>Financial management</td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td></td>
</tr>
<tr>
<td>Service management</td>
<td></td>
</tr>
<tr>
<td>Brand</td>
<td></td>
</tr>
</tbody>
</table>

### Programme resources

**Resources**

- **± 360** spend >70% of time on separation
- **±200** Technology specialists
- **±80** CIB
  - Core team co-located since July 2017
Clear risk management framework

Services secured via Transitional Services Agreement (TSA)

Resource strategy
- **Internal capacity** enhanced through external resources
- **Knowledge** enhanced with external subject matter experts
- **Draw on** Barclays PLC pool of resources

Implementation approach
- ‘Lift and drop’
  - Buy
  - Build

Transition states
- Articulated, tracked and managed via Design Office
- Manages inter-dependencies between projects and required capabilities

Migration management
- Drive execution of complex integrated, cross portfolio solutions
- Prioritise projects and develop deployment plan
- Mitigate macro risks via management information

Internal quality assessments and independent quality assurance
Continuous dialogue with regulators

Engagements:
- Keep regulators informed of progress
- Context and requests pertaining to various regulatory approvals
- Manage expectations/requirements for obtaining regulatory deconsolidation

- Africa Supervisory College (ASC): Programme update (July and October 2016)
- SARB: request for approval of sell down
- Rest of Africa regulators: Separation information packs for each BAGL subsidiary
- Non-banking Regulators: information on request for approval for sell-down
- ASC: Programme update
- SARB: Presented separation plan
- ASC: Programme update
- SARB: Programme update • PRA: Programme update
- Rest of Africa regulators: Separation information packs for each BAGL subsidiary
- SARB: Execution progress update • PRA: Execution progress update
- US Federal Reserve update
- SARB: Programme update • PRA: Programme update
- ASC: Programme update
Project delivery matched to PLC service runoff

2090 touchpoints

Brand

Strategy

MSS termination profile

7 material service schedules terminated in line with TSA

Service Delivery from PLC

20 projects completed in line with plan

Transaction Monitoring Relocation

Pan-Africa Payments Service

RoA SAP Rollout (Finance & Sourcing)

Network Segregation

HR re-platform

Technical support services

Rest of Africa

Corporate channels

Rest of Africa core banking

Build out of standalone functions

20 projects completed in line with plan:
- 1H17
- 2H17
- 1H18
- 2H18
- 1H19
- 2H19
- 1H20
- 2H20
- 1H21

20 projects completed in line with plan:
- 1H17
- 2H17
- 1H18
- 2H18
- 1H19
- 2H19
- 1H20
- 2H20
- 1H21

Cumulative Project Delivery

Build out of standalone functions
Separation contribution

Separation contribution (Rbn)

Capital contribution: 8,3
Separation expenses: 1
MSA termination payment: 3,3
Total: 12,6

Investment to date (%)

- Spent: 17
- GBP: 18
- USD: 24
- T-bills: 27
- Liquid assets: 14

Capital contribution
Separation expenses
MSA termination payment
Total

Spent
GBP
USD
T-bills
Liquid assets
Major spend on technology and brand

Spend to date

Project execution
- HR re-platform
- Technology infrastructure
- Barclays.net impairment
- Remove ‘Member of Barclays’ in SA and brand development

Separation support
- Transaction advisory, planning and quality assurance
- Remuneration and retention of resources critical to successful separation

Total expected spend (%)
- ROA 46%
- SA 54%
- 31
- 46
- 21
- 0

Legend:
- Functions
- CIB
- RBB
- WIMI
- Rest of Africa
Separation journey is on track

- Barclays PLC shareholding reduced to 14.9%
- Three key elements – operational separation, brand and strategy
- Robust governance in place
- Maintaining dialogue with regulators
- Project programme well structured
- Sufficient financial and people resources
- Aware of the major risks
- Execution is well underway
Disclaimer

Forward-looking statements

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